### PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

### AGENDA ITEM SUMMARY

Meeting Date: August 16, 2016		[X] Consent	[]	Regular	,
		[] Workshop	[]	<b>Public Hearing</b>	
Department:	•				
Submitted By:	Engineering	g and Public Works			
Submitted For:	Construction	on Coordination Divi	sion		

### I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: Change Order No. 1 to adjust the unit prices to more closely reflect actual construction, resulting in a decrease of the contract sum by \$1,240,447.48 and a payment of \$151,716 to Shoreline Foundation, Inc. (Contractor) for construction of County Road 880 Twenty Mile Bend Slope Protection, R2015-0463 (Project).

**SUMMARY:** Approval of Change Order No. 1 will compensate the Contractor \$151,716 for costs associated with the renegotiation of contract pay item No. 6, channel excavation, and pay item No. 15, sand and 57 stone (50-50 mix), and adjust the final contract amount from \$4,064,012.40 to \$2,823,564.92 due to quantity underruns in accordance with the contract documents and federal regulations. Change Order No. 1 is being brought to the Board of County Commissioners because it exceeds the individual Change Order threshold referenced in PPM-CWF-050.

District 6 (MRE)

Background and Justification: The Project was awarded a federal grant (R2014-1019 and R2015-0465) from the Federal Highway Administration which is administered by the Florida Department of Transportation (FDOT). Because the grant is funded with federal money, the Project was required to follow all federal requirements which were incorporated in the contract documents (R2015-0463). During construction of the Project it was determined that significant quantity underruns of pay items 6 and 15 were occurring. Per the Code of Federal Regulations (23 CFR 635.120 and 23 CR 635.124) when a major item of work is decreased below 75 percent of the original contract quantity, an adjustment will be made to the contract. This code is reflected in the Technical Special Provisions of the Contract documents on page TSP-17. It is noted that due to the federal funding requirements, in the event of a conflict between the Federal Requirements listed in the contract documents and other provision of the contract documents, the Federal Requirements will govern and prevail. The amount shown in Change Order No. 1 is the result of a negotiated unit price adjustment between Palm Beach County and the Contractor with FDOT oversight. Upon completion of the Project, final quantities of the pay items were determined and the price adjustment calculated. Because the quantity change was a decrease, the final contract value is less than the initial bid amount by \$1,240,447.48 due to this change order.

### **Attachments:**

	•
1. Location Ma	411
I. Doomion Ivi	·ν

2. Change Order No. 1, Attachments A, B & C

Recommended By: _	s. T. Wild	8/8/16
	Department Director	Date
		81.

Approved By:

Assistant County Administrator

9/9/16

### II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2016	2017	2018	2019	2020
Capital Expenditures	(\$1,240,448)	0			
<b>Operating Costs</b>	0-	-0-			
External Revenues	0	-0-	0-		
Program Income (County)	0-	-0-	-0-		
In-Kind Match (County)	-0-	-0-			0-
NET FISCAL IMPACT	(\$1,240,448)	-0-	_0_	0-	
# ADDITIONAL FTE					
POSITIONS (Cumulative)					

Is Item Included in Current Budget? Yes X No

### Budget Account No:

Fund 3500 Dept 361 Unit 1448

Object 6551

### Recommended Sources of Funds/Summary of Fiscal Impact:

Transportation Improvement Fund CR880 Embankment Repairs Near 20 Mile Bend

Change Order #1

(1,240,447.48)

### III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

Low	Pins	7/21/14	
1/21	OFMB	7/20	

B. Approved as to Form and Legal Sufficiency:

Assistant County Attorney

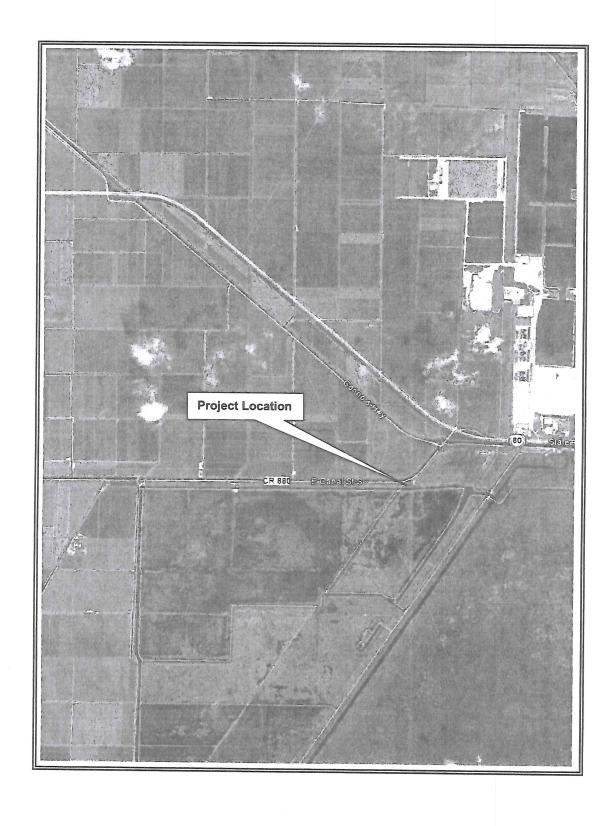
C. Other Department Review:

**Department Director** 

This summary is not to be used as a basis for payment.

2

# PROJECT LOCATION COUNTY ROAD 880 20 MILE BEND SLOPE PROTECTION PALM BEACH COUNTY PROJECT #2013619



CHANGE ORD  Owner Initiated Differing Site ( Zoning/Code/C	d WILL		Quartity Und Request By A	nderruns Another Agency/Outside Party:			
X Errors/Omissio	<del>-</del>		A. Reimbi	ursable B. Non-R		leimbursable	
(name) Protect	Twenty Mile Bend Slop ion Shoreline Foundation. Inc		COUI CON' RESC DIST	TRACT D. DLUTION RICT NO:	JECT NO: ATE: NO:	1 (One) 2013619 04/21/15 R2015-0463 6 -1-58/68-01	
You are directed to ma	ke the following changes	in this Contract:					
Pay Item No. 6, Chann \$26.46/cy. Also increase	ntity underruns, increase the legislation, as negotiates the contract unit price -50) Mix, as negotiated, fi	ed, from \$18.50/cy for Pay Item No. 1	/ to 5,				
	nel Excavation – 12,590 ( Mix – 3,759.75 Tons @ :				<b>~</b> ~~ • •	\$ 333,182.00 <u>205,599.00</u>	
Less amount previously Amount due Contracto	y paid on Pay Items 6 and r this change order	15			TOTAL	\$ 538,781.00 ( 387.065.00 \$ 151,716.00	
Remaining Contract Ba Amount Due This Cha Decrease in Contract S						\$1,392,163.48 (151,716.00 \$1,240,447.48	
Attachment "A" – Eng Attachment "B" – Basi Attachment "C" – Enti	s of Estimate.						
Net change by previous The Contract Sum prio The Contract Sum will The new Contract Sum The Contract Time will	um was	ge Order	· · · · · · · · · · · · · · · · · · ·		• • • • • • •	. \$ -0- . \$ 4,064,012.40 . \$(1,240,447.48 . \$ 2,823,564.92	
ALL CLAIMS FOR, O STATED MODIFICA RESULTING FROM, CLAIM THAT THE	IS CHANGE ORDER ACOSTS AND TIME ASS TION(S), INCLUDING CAUSED BY, OR INC ABOVE-STATED MO E TO THE CONTRAC	OCIATED, DIRI ALL CLAIMS F IDENT TO, SUC ODIFICATION(S	ECTLY OR II OR CUMULA H MODIFIC	NDIRECT ATIVE DE ATION(S'	TLY, WITH LAYS OR LAND INC	I THE ABOVE DISRUPTIONS LUDING ANY	
ENGINEER	DA, PALMBEACH OPS F.D.O.T.	CONTRACTOR		OWNER	•	o. Commissioner	
Address	7700 FORESTHELL SING Address WEST PALM BEACH FL	Address		P. O. Box Address West Pal		L 33416-1229	
BY	BY Jam Jan	BY ACCE	2	BY	·····		
DATE	DATE 07-05-16	DATE	7/1/806	BY			
ATTEST: Sharon R. Clerk & Comptroller	Bock,	~	Appro Suffic		Form and	Legal	
(Deputy Clerk) D	ate		(Coun	ty Attorne	ey)		

### **COUNTY ROAD 880 TWENTY MILE BEND SLOPE PROTECTION** PALM BEACH COUNTY PROJECT #2013619. FDOT FM #433961-1-58/68-01



#### Department of Engineering and Public Works

PO Box 21229 West Palm Beach, FL 33416-1229 (561) 684-4000 FAX: (561) 684-4050

www.pbcgov.com

**Palm Beach County Board of County** Commissioners

Mary Lou Berger, Mayor

Hal R. Valeche, Vice Mayor

Paulette Burdick

Shelley Vana

Steven L. Abrams

Melissa McKinlay

Priscilla A. Taylor

### **County Administrator**

Verdenia C. Baker

"An Equal Opportunity Affirmative Action Employer

### **ENGINEER'S ESTIMATE - CHANGE ORDER #1**

As a result of significant quantity under runs for Pay Item No. 6, Channel Excavation and Pay Item No. 15, Sand & 57 Stone (50-50) Mix, the Contract Unit Prices for those items are being adjusted.

Original Contract Quantity, Unit Price and Scheduled Cost for Pay Item No. 6, Channel Excavation

> 40,558 cubic yards @ \$ 18.50 / cubic yard Scheduled Cost = \$ 750,323.00

Original Contract Quantity, Unit Price and Scheduled Cost for Pay Item No. 15, Sand & 57 Stone (50-50) Mix

> 29,652 tons @ \$ 41.00 / ton Scheduled Cost = \$ 1,215,732.00

Original Scheduled Cost of Pay Item Nos. 6 and 15

\$ 750,323.00 + \$ 1,215,732.00 = \$ 1,966,055.00

Engineer's Cost Estimate for Decrease in the Work for Pay Item Nos. 6 and 15

Labor & Burden \$ 259,761.51 Materials & Supplies \$ 97,283.53 Equipment \$ 132,755.85 Indirect Cost, Expenses & Profit \$ 48,980.09 **TOTAL** (rounded to whole dollar) \$ 538,781

The Engineer's Cost Estimate total amount was pro-rated based on the original scheduled cost percentage of work included in the contract and adjusted unit prices were calculated as follows:

**PAY ITEM** PERCENTAGE ADJUSTED UNIT PRICE

Sand and 57 Stone (50-50) Mix 61.84% \$ 54.68 / ton

**Channel Excavation** 38.16% \$ 26.46 / cubic yard

FINAL QUANTITY PAY AMOUNT

Sand and 57 Stone Mix 3,759.75 tons @ \$ 54.68/ton \$ 205,598.82 Channel Excavation 12,590 cubic yards @ \$ 26.46/cy \$ 333,182.98 \$ 538,781

TOTAL (rounded to whole dollar)

**DECREASE IN CONTRACT SUM** 

Remaining Contract Balance \$1,392,163.48 Amount Due This Change Order \$ 151,716.00 **Decrease in Contract Amount** \$1,240,447.48

OFFICE OF THE COUNTY ENGINEER \_ollii

Stephen O'Neil, Chief Construction Coordinator **Construction Coordination Division** 



printed on recycled paper



## Department of Engineering and Public Works

P.O. Box 21229

West Palm Beach, FL 33416-1229

(561) 684-4000

FAX: (561) 684-4050

www.pbcgov.com

### Palm Beach County Board of County Commissioners

Mary Lou Berger, Mayor
Hal R. Valeche, Vice Mayor
Paulette Burdick
Shelley Vana
Steven L. Abrams
Melissa McKinlay

### **County Administrator**

Priscilla A. Taylor

Verdenia C. Baker

"An Equal Opportunity Affirmative Action Employer"

### **COUNTY ROAD 880 TWENTY MILE BEND SLOPE PROTECTION**

FINANCIAL PROJECT ID FM #433961-1-58/68-01 FEDERAL JOB NUMBER E130 007 E CONTRACT NO. ARK66 PALM BEACH COUNTY PROJECT #2013619

### BASIS FOR ESTIMATE - CHANGE ORDER #1

The Basis For Estimate for this Change Order is derived from a combination of the contractor's certified payrolls, equipment rates, material costs and Palm Beach County's inspection reports to create an analysis for the actual costs for the full amount of work to construct contract Item 6, Channel Excavation and contract Item 15, Sand & 57 Stone (50-50) Mix, which were underrun significantly from the plan quantities. The agreed payment for the two (2) items in question was calculated as provided in Contract Article 5-12.1.2.

The contractor is entitled to 100% of the itemized costs for Labor and Burden, Materials and Supplies, Equipment and Indirect Cost, Expenses and Profit.



printed on recycled paper



## Department of Engineering and Public Works

P.O. Box 21229

West Palm Beach, FL 33416-1229

(561) 684-4000

FAX: (561) 684-4050

www.pbcgov.com

### Palm Beach County Board of County Commissioners

Mary Lou Berger, Mayor

Hal R. Valeche, Vice Mayor

Paulette Burdick

Shelley Vana

Steven L. Abrams

Melissa McKinlay

Priscilla A. Taylor

### **County Administrator**

Verdenia C. Baker

"An Equal Opportunity
Affirmative Action Employer"

### COUNTY ROAD 880 TWENTY MILE BEND SLOPE PROTECTION

## FINANCIAL PROJECT ID FM #433961-1-58/68-01 FEDERAL JOB NUMBER E130 007 E CONTRACT NO. ARK66 PALM BEACH COUNTY PROJECT #2013619

### **ENTITLEMENT ANALYSIS – CHANGE ORDER #1**

This Entitlement Analysis is to ensure comprehensive and supportive recommendations to compensate the Contractor for the costs associated with renegotiations of contract Item 6, Channel Excavation and contract Item 15, Sand and 57 Stone (50-50) Mix due to significant under runs in these items as detailed in Article IX (pages TSP-16 and TSP-17) of the Construction Contract.

On August 18, 2015, Shoreline Foundation, Inc. (SFI) notified Palm Beach County (PBC) of a significant discrepancy between the contract quantities and the actual quantities being realized in the field. An agreement was reached between PBC and SFI to continue work with the understanding that the contract unit rates for Item 6, Channel Excavation and Item 15, Sand and 57 Stone (50-50) Mix would be adjusted when final quantities were determined.

The final quantity for Item 6, Channel Excavation was determined to be 12,590 cubic yards completed and accepted which results in a quantity under run of 69%. The final quantity for Item 15, Sand and 57 Stone (50-50) Mix was determined to be 3,759.75 tons completed and accepted which results in a quantity under run of 87%.

The contractor is entitled to 100% compensation for this additional work. There will be no premium costs associated with this issue.

Therefore we recommend the Contractor receive full payment for the full cost of this work.



printed on recycled paper