



CITY MANAGER'S REPORT

AGENDA ITEM REQUEST

UTILITIES DEPARTMENT

DATE: December 23, 2015

TO: Ed Lavalley, City Manager

FROM: Tim Hochuli, PE, PMP, Utilities Director *TAH 12/23/15*

COUNCIL DATE: January 12, 2016

SUBJECT: Cardinal Contractors, Inc – Change Order No. 1
RO WTP Odor Control System Replacement

Background:

The City awarded a contract to Cardinal Contractors, Inc. on June 23, 2015 for the replacement of the existing odor control system at the water treatment plant. The carbon dioxide feed system also needed to be replaced but the design had not been completed in time to be bid simultaneously. The odor control equipment has a long lead time and could not wait until the carbon dioxide feed system design was complete.

When the carbon dioxide feed system design was complete, it went out for public bidding. A total of 35 plan holders obtained the bid documents through Demand Star. Only one bid was received in the amount of \$334,000 from Florida Design Contractors, Inc.. The engineer's estimate for this project was \$201,300. Cardinal Contractors, Inc. is currently working on the odor control project and was approached by the City to submit a quote since the public bid received was significantly over the engineer's estimate. Their quote to perform this work is \$218,000.

It should be noted that the cost proposal from Cardinal does not include the contingency allowance (\$20,000) and permitting allowance (\$5,000) included in the bid from Florida Design Contractors, Inc. If these allowances are removed from the bid from Florida Design Contractors, Inc, their total price would be \$309,000.00, which is still approximately 42% higher than the cost proposal from Cardinal Contractors.

The Utilities Department recommends that the carbon dioxide feed system improvements construction be added to the existing odor control project via change order. There are significant benefits to having the same Contractor perform this work: there will not be any additional mobilization/demobilization charges; elimination of any potential conflicts between two separate Contractors performing work simultaneously in tight quarters; and; removal of possible delay claims by one Contractor against another for not performing work when the other Contractor was ready to perform their respective work.

Requested Action:

The Utilities Department requests Council's approval of Change Order No. 1 with Cardinal Contractors, Inc. in the amount of \$218,000.00 bringing the new contract amount to \$2,403,665.00.

City Attorney Review:

The City Attorney has reviewed this document and finds it to be acceptable.

Risk Management Review:

The Risk Manager has reviewed this document and finds no risk management objections.

Funds Availability (account number):

Based on council approval, funds are available in account number 421-1203-533.64-00.