



Legislation Text

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MOTION TO APPROVE A CHANGE ORDER TO THE CONTRACT WITH RTS WATER SOLUTIONS, LLC. FOR IFB # PSUT-21-03 "WATER METER INSTALLATION PROJECT" FOR THE PRICE INCREASE OF RESIDENTIAL WATER METER BACK FLOW PREVENTION CHECK VALVES AND METER BOXES IN THE AMOUNT NOT TO EXCEED \$26,902.95.

PROCUREMENT PROCESS TAKEN:

- *Chapter 35 of the City's Code of Ordinances is titled "PROCUREMENT PROCEDURES, PUBLIC FUNDS."*
- *Section 35.15 defines CHANGE ORDER. Changes, due to unanticipated conditions or developments, made to an executory contract, which do not substantially alter the character of the work contracted for, and which do not vary so substantially from the original specifications as to constitute a new undertaking. The changes must reasonably and conscientiously be viewed as being in fulfillment of the original scope of the contract rather than as departing therefrom. Further, the changes, when viewed against the background of the work described in the contract and the language used in the specifications, must clearly be directed either to the achievement of a more satisfactory result or the elimination of work not necessary to the satisfactory completion of the contract.*
- *Section 35.21 of the City's Code of Ordinances is titled "AWARD OF CONTRACT."*
- *Section 35.21(A) of the City's Code of Ordinances is titled "City Commission approval."*
- *Section 35.21(A)(1) states, "An initial purchase of, or contract for, commodities or services, in excess of \$25,000, shall require the approval of the City Commission, regardless of whether the competitive bidding or competitive proposal procedures were followed."*
- *Section 35.28 of the City's Code of Ordinances is titled "CHANGE ORDERS."*
- *Section 35.28(B) states that "Notwithstanding the provisions of (A) above, the City Manager is not authorized to approve a change order without authorization of the City Commission where the initial purchase required the City Commission's approval and where the sum of all change orders issued under the contract exceeds 5% of the original contract amount or \$25,000."*

SUMMARY EXPLANATION AND BACKGROUND:

1. On April 7, 2021, the City Commission authorized the advertisement of IFB # PSUT-21-03 "Water

Meter Installation Project" which was later advertised on April 15, 2021.

2. The purpose of this solicitation was to seek proposals from qualified firms to provide services for the replacement of aging residential water meters, 20-years old or older, throughout the City.

3. On December 1, 2021, the City entered into a contract with RTS Water Solutions, LLC to provide water meter installation services for its "Water Meter Installation Project" in the amount of \$4,105,730.99 which includes their final bid amount of \$3,034,447.64 plus an owners contingency in the amount of \$257,928.05 plus an owner allowance in the amount of \$813,355.30.

4. As part of their bid, RTS Water Solutions, LLC was required to provide certain appurtenances necessary for water meter installation including, but not limited to, meter boxes, pipe, backflow prevention check valves, and the like.

5. On April 20, 2022, the City was informed that the backflow prevention check valves and the meter boxes have increased in price. Documentation has been provided by RTS Water Solutions, LLC supporting this claim (the documentation is attached). The total amount of the price increase is \$284,831.00.

6. The Utilities Department has reviewed the documentation provided and concludes that the price adjustment is legitimate and, as such, is an appropriate use of the owners contingency.

7. The difference between the price adjustment of \$284,831.00 and the owners contingency is \$26,902.95, which exceeds the City Manager's cumulative change order authorization limit of \$25,000.00. The Utilities Department, therefore, recommends that the City Commission approve a Change Order to the contract with RTS Water Solutions, LLC in the amount of \$26,902.95.

8. The Utilities Department notes that this price adjustment will exhaust the owners contingency in the contract, and any future changes encountered in the performance of this contract, that exceed 5% of the original contract amount or \$25,000.00, will require Commission approval.

FINANCIAL IMPACT DETAIL:

a) **Initial Cost:** \$26,902.95

b) **Amount budgeted for this item in Account No:** \$26,902.95 available in Account No. 471-533-6032-664400-0000-000-0000 (Other Equipment)

c) **Source of funding for difference, if not fully budgeted:** Not Applicable.

d) **5 year projection of the operational cost of the project:** Not Applicable

e) **Detail of additional staff requirements:** Not Applicable

FEASIBILITY REVIEW:

A feasibility review is required for the award, renewal and/or expiration of all function sourcing contracts. This analysis is to determine the financial effectiveness of function sourcing services.

a) Was a Feasibility Review/Cost Analysis of Out-Sourcing vs. In-House Labor Conducted for this service? Not Applicable.

b) If Yes, what is the total cost or total savings of utilizing Out-Sourcing vs. In-House Labor for this service? Not Applicable.