

BOARD OF COUNTY COMMISSIONERS

DATE: April 23, 2013
AGENDA ITEM NO. 6

Consent Agenda ☒

Regular Agenda ☐

Public Hearing ☐

County Administrator's Signature:

Subject:

Confirmation of Change Order No. 1 - New Transfer Pumping Station & Chemical Treatment Facility Upgrade - Keller Water Treatment Facility
Project No.: 000772A/2061
Contract No.: 123-0013-CP(DF)

Department:

Department of Environment and Infrastructure (DEI) /
Purchasing

Staff Member Responsible:

Jorge Quintas / Joe Lauro

Recommended Action:

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD) CONFIRM CHANGE ORDER NO. 1 PERTAINING TO THE CONTRACT FOR A NEW TRANSFER PUMPING STATION AND CHEMICAL TREATMENT FACILITY UPGRADE – KELLER WATER TREATMENT FACILITY WITH BRASFIELD AND GORRIE, LLC, LAKE MARY, FLORIDA.

Summary Explanation/Background:

On January 15, 2013, the Board approved a contract to construct a new transfer pumping station and chemical treatment facility upgrade at the Keller Water Treatment Facility. This project is related to a joint project agreement with Tampa Bay Water, and completion is crucial to the successful operation of DEI Utilities Division. The project will replace the existing Keller Facility which is at the end of life and requires extensive repairs and/or replacement of components to operate at optimum efficiency.

After Board approval, DEI staff reviewed the project, the amount of equipment and materials to be purchased and realized that the project is an excellent candidate to implement and execute owner direct purchasing resulting in tax savings (per Attachment A). In addition, DEI staff reviewed the project in its entirety and realized additional savings through value engineering (per Attachment B). The total contract revision for both owner direct purchasing and value engineering combined is (\$5,836,859.80) which provides for a tax savings of (\$315,543.80) and value engineering savings of (\$270,586.00) for combined total savings of (\$586,129.80).

Since this change order is a net decrease to the amount the Board originally approved and in order to not significantly protract the project start due to administrative process, the County Administrator approved Change Order No. 1 on March 27, 2013. As this change order technically exceeds the County Administrator's delegated approval authority, the Board is requested to confirm the approval of Change Order No. 1 and enter the confirmation into the minutes of this meeting.

The proposed contract revision and cost savings are detailed in Attachments A and B and below as follows:

1. Revised Total Due to Owner Direct Purchasing	\$(5,250,730.00)
2. Tax Savings	(315,543.80)
3. Cost Savings - Value Engineering	(270,586.00)
Total Contract Revision	\$(5,836,859.80)

Item 1 above enables the County to utilize Florida Statute Section 212.08(6) under Rule 12A-1.038(4) for claiming and documenting tax exemption status through owner direct purchasing. The amount reflected in Item 1 is the total amount the County will purchase directly which is deducted from the original contract award amount. See items detailed in Attachment A.

Item 2 above is the actual amount of tax dollars saved from the County purchasing materials directly.

Item 3 above is a result of changes that add value to the project by using examination of the specific material function, detailed in Attachment B. Project integrity is kept intact while savings to the County are realized.

The contractor agrees to conform to associated revisions to the Agreement per this change order and all existing contract specifications.

There is no time extension associated with this change order.

Fiscal Impact/Cost/Revenue Summary:

Original Contract Amount:	\$11,765,000.00
Contract Revision Change Order No. 1:	(5,836,859.80)
Revised Total Contract Amount:	\$ 5,928,140.20

Exhibits/Attachments:

Contract Review
County Administrator Approval Memo dated March 27, 2013
Exhibit A to Agreement
Change Order No. 1 including Attachments A & B



**PURCHASING DEPARTMENT
CONTRACT REVIEW TRANSMITTAL**

CATS
NO.:

41903

PROJECT: Change Order No. 1 – New Transfer Pump Station & Chemical Treatment Facility
Upgrade – Keller Water Treatment Facility (PID No. 000772A/2061)
BID NUMBER: 123-0013-CP(DF) **REQ. NUMBER:**

TYPE: ☒ Purchase Contract ☐ Other: ☐ Construction-Less than \$100,000 ☐ One Time

In accordance with the policy guide for Contract Administration, the attached documents are submitted for review and comment.

Upon completion of review, complete Contract Review Transmittal and forward to next Review Authority listed. Please indicate suggested changes by revising, in RED, the appropriate section of the document reflecting the exact wording of the change.

RISK MANAGEMENT: PRODUCT ONLY ☒

Estimated Expenditure: (\$5,889,062.90)

REVIEW SEQUENCE	REVIEW AUTHORITY	REVIEW DATE	REVIEW SIGNATURE	COMMENTS (Attach Separate page if necessary)	COMMENTS INCORPORATED
1.	Purchasing Dept. J. Lauro, Director C. Mancuso, Ass't. Director D. Fechter, PA	3/13/13	<i>Jn</i>	See memo	
2.	Dept. Environment & Infrastructure Jorge Quintas, Director John French, PM	3/13/13	<i>[Signature]</i>	see memo edit	<i>DF</i>

Using Dept please provide below information:

☐ Yes, funding for this requisition is using grant Funding. ☐ No, funding for this requisition is not using grant Funding.
If grant funding is being used you must provide Purchasing with the exact clauses that need to be on attached document.

3.	Risk Management Director Attn: Virginia E. Holscher (Check applicable box at right)	3/13/13	<i>Virginia Holscher</i>	discussed issues with John French - is in original	HIGH RISK NOT HIGH RISK
4.	BCC Finance Attn: Cassandra Williams	3/14/13	<i>CBW</i>		
5.	Legal Joe MORRISSEY Attn: XXXXXXXXXX	3/15	<i>Jm.</i>		
6.	Legal Attn: Michelle Wallace	3/14/13	<i>MW Jm</i>	Exhibit Attached	<i>DF</i>
7.	Asst. County Administrator Attn: M. Woodard	3/18/13	<i>[Signature]</i>	→ David Scott to approve the cost/benefit analysis. → Owner Direct Purchases should be	<i>DF</i> see attached

RETURN ALL DOCUMENTS TO PURCHASING

Make all inquiries to: D. Fechter, PA at Extension 3154
In order to meet the following schedule, please return your requirements to Purchasing by: 3/18/13

TENTATIVE DATES

Bid Mail Out: N/A
Bid Opening: N/A
Purchasing Director Approval: 3/20/13

41983
415841



Joseph Lauro, CPPO/CPPB
Director

To: Robert S. LaSala, County Administrator
From: Joseph Lauro, Director of Purchasing *Joe Lauro*
Subject: Construction Change Order No. 1 – New Transfer Pumping Station & Chemical Treatment Facility Upgrade – Keller Water Treatment Facility (PID No. 000772A/2061)
Contract No. 123-0013-CP(DF)
Date: March 25, 2013

RECOMMENDATION: I RECOMMEND THE COUNTY ADMINISTRATOR APPROVE CHANGE ORDER NO. 1 TO THE CONTRACT FOR NEW TRANSFER PUMPING STATION & CHEMICAL TREATMENT FACILITY UPGRADE – KELLER WATER TREATMENT FACILITY (PID NO. 000772A/2061), WITH BRASFIELD & GORRIE, LLC, LAKE MARY, FLORIDA.

IT IS FURTHER RECOMMENDED THAT THE COUNTY ADMINISTRATOR SIGN CHANGE ORDER NO. 1.

FISCAL IMPACT/COST REVENUE SUMMARY:

Original Contract Amount:	\$11,765,000.00
Decrease due to Change Order No. 1:	(\$5,836,859.80)
Revised Total Contract Amount:	\$5,928,140.20

Funds for this project are provided by the Department of Environment and Infrastructure Utilities Sewer Enterprise Fund.

DISCUSSION:

This project is related to a joint project agreement with Tampa Bay Water and completion is crucial to the successful operation of the utility and the provision of water to Pinellas County. More specifically, this project will construct a 45 million gallon per day high service pumping station with four (4) – 700 horsepower vertical turbine pumps and associated electrical switchgear, motor control centers and drives. In addition, the project provides for a 2,500 kilowatt generator with a 12,000 gallon external fuel tank, new chemical storage tanks and feed equipment and all ancillary piping and appurtenances as required and specified for a complete and functional pump station and water treatment system. This project will replace the existing Keller facility which is at end of life and requires extensive repairs and/or replacement of components to continue to operate at optimum efficiency.

The value of material described above is approximately \$5,800,000.00. This project is an excellent candidate to implement and execute Owner Direct Purchase Orders, which will result in tax savings to Pinellas County, and is therefore proposed through this change order. Additionally, value engineering has been performed and credits from the Contractor have been agreed to by both parties. The proposed cost savings are detailed as followed:

1. Cost Savings - Owner Direct Purchase Material, detailed Attachment A	(\$5,556,273.80)
2. Cost Savings Value Engineering, detailed Attachment B	<u>(\$270,586.00)</u>
Total Revision	(\$5,836,859.80)

Item 1 above enables Pinellas County to utilize Florida Statute Section 212.08(6) under Rule 12A-1.038(4) for claiming and documenting tax exemption status through Owner Direct Purchasing. In order to take advantage of the exempt status and not impact the project schedule, it is necessary to execute this change order prior to issuance of standard purchase orders for items detailed in Exhibit A.

Item 2 above is a result of changes that add value to the project by using examination of the specific material function, detailed in Attachment B. Project integrity is kept intact while savings to the County is realized.

Change Order No. 1 decreases the original approved expenditure by (\$5,836,859.80). The decrease in the expenditure is due to the savings realized through Value Engineering adjustments and Owner Direct Purchase Orders, which eliminates sales tax charges.

The contractor agrees to conform to associated revisions to the Agreement (see attached Change Order No. 1) per this change order and all existing contract specifications.

There is no time extension associated with this change order.

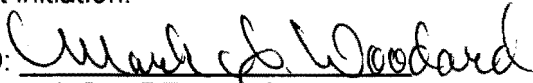
Previous actions regarding this contract in reverse chronological order are:

- January 15, 2013 Award of Bid by the Board of County Commissioners

Execution of this change order is not within the authority of the County Administrator, as delegated by the Board of County Commissioners, pursuant to Pinellas County Code, Section 2-62(a)(3).

Therefore, once approved by the County Administrator, this item will also appear on a future Board of County Commissioners meeting to be entered into the minutes and to reflect approval of the County Administrator. This request for Administrator approval is presented on behalf of DEI so as not to delay the project start. The administrative process to approve this change order will take several weeks and further delay project initiation.

APPROVED:


 ROBERT S. LASALA
 County Administrator

Date of Approval: 3/27/13

Attachments:

Contract Review Transmittal Sheet
 Exhibit A to Agreement
 Change Order No. 1 including Attachments A & B

Exhibit A

You are authorized to perform the following item(s) of work and to adjust the Contract Sum accordingly:

1. The County has reserved the right to purchase certain portions of the equipment listed in Attachment "A" for the project directly in an effort to save applicable sales tax in compliance with Florida Law.
2. The County shall be responsible for the purchase of certain materials for the above project and will have the responsibility for the following:
 - a. The County will issue purchase orders directly to the vendors supplying the equipment being directly purchased by the County for this project. Each Purchase Order will be accompanied by the County's Certificate of Exemption and a Certificate of Entitlement.
 - b. The County will require that all vendor invoices be issued directly to Pinellas County.
 - c. The County will issue payment directly to each direct purchase vendor from County funds.
 - d. The County will take title to the equipment at time of delivery from the vendor.
 - e. The County will issue a separate Certificate of Entitlement for each purchase order.
3. The Contractor shall assist the County with receipt of materials furnished by the County in accordance with these Special Provisions including, but not limited to, verifying correct quantities, verifying documents of orders in a timely manner, providing and obtaining all warranties and guarantees required by the Contract Documents, assist with inspection of the goods at the time of delivery and notify the County immediately of any deficiencies noted. It is understood that the owner assumes the risk of damage or loss during the time that the building materials are physically stored at the job site prior to their installation or incorporation into the project. The Contractor shall coordinate with the County regarding the delivery schedules, sequence of delivery, loading orientation, and other arrangements normally required by the Contractor for the particular material furnished.
4. As County Furnished Materials are delivered to the job site and accepted by the County, the County shall notify the Contractor who will assist the County to visually inspect all shipments from the suppliers. The County will approve the vendor's invoice for material delivered upon adequate inspection and recommendation of the Contractor. The County shall assure that each delivery of County Furnished Materials is accompanied by documentation adequate to identify the Purchase Order against which the purchase is made and Contract Documents including but not limited to Contract, Plans, Specifications, and approved Shop Drawings. This documentation may consist of a delivery ticket, bill of lading and an invoice from the supplier conforming to the Purchase Order together with such additional information as the County may deem necessary. .

5. The Contractor shall insure that County Furnished Materials conform to the Specifications and determine prior to acceptance of goods at time of delivery if such materials are patently defective, and whether such materials are identical to the materials ordered and match the description on the bill of lading. If the Contractor discovers defective or non-conformities in County Furnished Materials upon visual inspection, the Contractor shall not utilize such non-conforming or defective materials in the Contractor's Work and instead shall properly notify the County of the defective or nonconforming condition so that repair or replacement of those materials can occur without undue delay or interruption to the Project. If the Contractor fails to perform such inspection and otherwise incorporates into the Contractor's Work such defective or nonconforming County-Furnished Materials, the condition of which it either knew or should have known by performance of an inspection. Contractor shall be responsible for any damages to the County, resulting from Contractor's incorporation of such materials into the Project, including liquidating or delay damages.
6. The Contractor shall maintain records of all County Furnished Materials it incorporates into Contractor's Work from the stock of County Furnished Materials in the County's possession. The Contractor shall account monthly to the County for any County Furnished Materials delivered into the Contractor's possession, indicating portions of all such materials which have been incorporated in the Contractor's Work.
7. The Contractor shall be responsible for assisting the County in obtaining and managing all warranties and guarantees for all materials and products as required by the Contract Documents. All repair, maintenance, or damage-repair calls shall be forwarded to the Contractor for resolution with the appropriate supplier, vendor, or subcontractor.
8. Notwithstanding the transfer of County Furnished Materials by the County to the Contractor's possession, the County shall retain legal and equitable title to any and all County-Furnished Materials.
9. Pinellas County adheres to FS 212.08(6) and Rule 12A-1.094, F.A.C. as affirmed via the completed Certificate of Entitlement.
10. As invoices are received by the County, the Contractor shall be required to review invoices submitted by all suppliers for County Furnished Materials delivered to the Project during that delivery for use by the Contractor and either concur or object to the County issuance of payment to the suppliers, based upon Contractor's records of materials delivered to the County and any defects in such materials. Additionally Contractor's concurrence shall confirm Contract Compliance as indicated in items four (4.) and five (5.) above.
11. In order to arrange for the prompt payment by the County to the supplier, the Contractor shall provide to the County a listing indicating the acceptance of the goods or materials

are in compliance with the Contract Documents upon receipt of said goods, or materials by the County. The payment will be released by the County, delivered and remitted directly to the supplier. The Contractor agrees to assist the County to obtain partial or final release or waivers as appropriate at the end of the Project.

12. The Contractor shall remain responsible for scheduling, coordinating, delivery, unloading, storage, installation, operation, and warranties of all Owner Direct Purchase Items, as if the Contractor had purchased the items itself for incorporation into the work. In that regard, County shall assign to Contractor all contract and warranty rights County may have against such supplier, so as to permit Contractor to assert warranty or other contract claims for defective or nonconforming materials or equipment directly against the supplier.
13. The Contract between Contractor and County is hereby amended to clarify that County Furnished Material shall be included in the Cost of the Work as a deduction for the purpose of determining the Contract Sum due Contractor.



Joseph Lauro, CPPO/CPPB
Director

CONSTRUCTION CHANGE ORDER NO. 1

PROJECT: New Transfer Pumping Station & Chemical Treatment Facility Upgrade -
Keller Water Treatment Facility (PID No. 000772A/2061)

PROJECT NO: 123-0013-CP(DF)

AGREEMENT DATE: February 5, 2013

COMMENCEMENT DATE: March 18, 2013

OWNER: Pinellas County

CONTRACTOR: Brasfield & Gorrie, LLC

REASON FOR CHANGE

The purpose of Change Order One is twofold.

- | | |
|--|-----------------------|
| 1. Owner Direct Purchase Material, detailed Attachment A | (\$5,566,273.80) |
| 2. Value Engineering, detailed Attachment B | <u>(\$270,586.00)</u> |
| Total Revision | (\$5,836,859.80) |

Item 1 above enables Pinellas County to utilize Florida Statute Section 212.08(6) under Rule 12A-1.038(4) for claiming and documenting tax exemption status through Owner Direct Purchasing. In order to take advantage of the exempt status and not impact the project schedule, it is necessary to execute this change order prior to issuance of standard purchase orders for items detailed in Attachment A.

Item 2 above is a result of changes that add value to the project by using examination of the specific material function, detailed in Attachment B. Project integrity is kept intact while savings to the County is realized.

The contractor agrees to conform to revisions in the Agreement, including Exhibit A, per this change order and all existing contract specifications.

There is no time extension associated with this change order.

CHANGE IN AGREEMENT PRICE:

Original Agreement Amount:	\$11,765,000.00
Decrease due to Change Order No. 1:	(\$5,836,859.80)
Revised Agreement Amount:	\$5,928,140.20

PLEASE ADDRESS REPLY TO:
400 South Ft. Harrison, Sixth Floor
Clearwater, Florida 33756
Phone: (727) 464-3311
FAX: (727) 464-3925
Website: www.pinellascounty.org/purchase



Your acceptance of this Change order shall constitute a modification to our Agreement and will be performed subject to all of the same terms and conditions as contained in our Agreement indicated above, as fully as if the same were repeated in this acceptance. This adjustment to the agreement shall constitute a full and final settlement of any and all claims arising out of or related to the change set forth herein, including claims for impact and delay costs.

ATTEST:

PINELLAS COUNTY, FLORIDA
by and through its County
Administrator

By:

Della Kelly

By:

Mark J. Woodard
Robert S. LaSala
County Administrator

Date:

3/27/13

By:

Michelle Wallace
APPROVED AS TO FORM
Office of County Attorney

ATTEST:

CONTRACTOR:

By:

Kate Long
Senior Marketing ~~Coordination~~
Type/Print Name and Title

By:

Thomas Marcum
THOMAS MARCUM VP/DIVISION MGR
Type/Print Name and Title

(SEAL)

ATTACHMENT A OWNER DIRECT PURCHASE						Total Deduct
ITEM	DESCRIPTION	PURCHASE AMOUNT	Tax @ 6%	Sutax 1%	Tax Savings	Purchase and Taxes
001	American Cast Iron Pipe Company Ductile Iron Pipe	\$800,000.00	\$48,000.00	\$50.00	\$48,050.00	\$848,050.00
002	Ferguson Enterprises, Inc. Valves	\$331,454.00	\$19,887.24	\$50.00	\$19,937.24	\$351,391.24
003	Augusta Fiberglass, Chemical Storage Tanks	\$116,464.00	\$6,987.84	\$50.00	\$7,037.84	\$123,501.84
004	Southern Precast, Inc. , Manholes and Handholes	\$46,760.00	\$2,805.60	\$50.00	\$2,855.60	\$49,615.60
005	Rexel Electrical and Datacom Supplies, Transformers and Panelboards	\$58,000.00	\$3,480.00	\$50.00	\$3,530.00	\$61,530.00
006	Icon Technologies, VFDs	\$995,000.00	\$59,700.00	\$50.00	\$59,750.00	\$1,054,750.00
007	Peerless Pump Compnay, Vertical Turbine Pumps	\$580,000.00	\$34,800.00	\$50.00	\$34,850.00	\$614,850.00
008	Tom Evans Environmental, Carbon Steel Pump Cans	\$188,000.00	\$11,280.00	\$50.00	\$11,330.00	\$199,330.00
009	Ringpower, Emergency Generator and Switchgear	\$1,966,136.00	\$117,968.16	\$50.00	\$118,018.16	\$2,084,154.16
010	Lutz-JESCO American Corporation	\$168,916.00	\$10,134.96	\$50.00	\$10,184.96	\$179,100.96
	Totals Owner Direct Purchase	\$5,250,730.00	\$315,043.80	\$500.00	\$315,543.80	\$5,566,273.80

<u>ATTACHMENT B VALUE ENGINEERING</u>		
ITEM	DESCRIPTION	SAVINGS AMOUNT
001	Pump Can Material from SS to Carbon with Coating	\$66,859.00
002	Pump Can Thickness to Two Inches	\$3,327.00
003	Descope Flouride Demolition Work	\$2,000.00
004	Chemical Piping from Poly to Schedule 80	\$5,000.00
005	Chemical Skid Fittings from SS to schedule 80	\$8,400.00
006	Remove Bulk storage and Replace with 12,000 Gallon Belly Tank	\$60,000.00
007	Provide Peerless Pump Package	\$125,000.00
Total Value Engineering		\$270,586.00

ITEM	DESCRIPTION	SAVINGS AMOUNT
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002	Pump Can Thickness to Two Inches	\$3,327.00
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