

COUNCIL AGENDA STATEMENT



Meeting Date: June 8, 2021
To: Honorable Mayor & Members of the City Council
From: Dan Saus, Utilities Director
Through: George Garrett, City Manager

Agenda Item: **Resolution 2021-39**, Approving Change Order #3 to the contract with Key Honey Contracting LLC in An Amount Not to Exceed \$7,480.00 for the RELOCATION of the emergency repairs to the Service Area 6 vacuum main near 120th Street and US1; Authorizing The City Manager To Execute The Contract And Appropriate Budgeted Funds On Behalf Of The City; And Providing For An Effective Date.

BACKGROUND & JUSTIFICATION:

After the redesign was completed to lower the vacuum system losses on this vacuum main, and after construction had begun, FKEC decided to relocate an existing electrical transformer in the construction area. We had no choice but to stop construction, remove the installed piping, and relocate it to accommodate the FKEC transformer location. I feel this is a fair price for what they had to removes and replace due to these circumstances. Change Order Attached as Exhibit 1.

Staff recommends approval of Change Order #3 to the contract for Key Honey Contracting LLC for the installation of the above described work in an amount not to exceed \$7,480.00.

CONSISTENCY CHECKLIST:

	Yes	No
1. Comprehensive Plan	<u>X</u>	_____
2. Other – 2010 Sewer Mandate	<u>X</u>	_____
3. Not applicable	<u>X</u>	_____

FISCAL NOTE:

Approved By Finance Director:

RECOMMENDATION: Approval of Resolution.

**CITY OF MARATHON, FLORIDA
RESOLUTION 2021-39**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, APPROVING CHANGE ORDER #3 TO THE CONTRACT FOR THE INSTALLATION OF A SERVICE AREA 3 TO SERVICE AREA 4 FORCE MAIN TO KEY HONEY CONTRACTING LLC., IN AN AMOUNT NOT TO EXCEED \$7,480.00; AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT AND EXPEND BUDGETED FUNDS ON BEHALF OF THE CITY; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in accordance the City’s competitive bidding procedures, the Service Area 3 to Service Area 4 Force Main Project was competitively bid on May 15th and bids received until June 18th and,

WHEREAS, the lowest responsive and responsible bid was received by Key Honey Contracting LLC. In an amount not to exceed \$419,415.00 and approved by Council,

WHEREAS, the Staff now recommends the City Council to approve Change Order #3 for the work described in Change Order #3 to the contract with Key Honey Contracting LLC., in an amount not to exceed \$7,480.00, as provided on Exhibit “C”,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THAT:

Section 1. The above recitals are true and correct and are incorporated herein by this reference.

Section 2. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THIS 8TH DAY OF JUNE, 2021.

THE CITY OF MARATHON, FLORIDA

Luis Gonzalez, Mayor

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Diane Clavier, City Clerk

(City Seal)

**APPROVED AS TO FORM AND LEGALITY FOR THE USE
AND RELIANCE OF THE CITY OF MARATHON, FLORIDA ONLY:**

Steve Williams, City Attorney

**EXHIBIT "C"
CHANGE ORDER**

CHANGE ORDER NO. 3

TO: City of Marathon

PROJECT: Area 3 to 4 Force Main Repump

CONTRACTOR: Key Honey Contracting, LLC

DATE: April 27, 2021

This Change Order will authorize the following change to the Agreement:

The Work as set forth in the Agreement is hereby amended to include the items set forth on Exhibit "1" attached hereto and by this reference made a part hereof.

This Change Order constitutes full, final, and complete compensation to the Contractor for all costs, expenses, overhead, and profit, and any damages, and/or time adjustments of every kind that the Contractor may incur in connection with the above referenced changes in the Work, and any other effect on any of the Work under the Agreement. The Contractor acknowledges and agrees that (a) the Contract Price of **\$694,245.00** under the Agreement will be **changed** by this Change Order, and (b) the schedule for performance of Work will be **changed** by this Change Order. Contractor expressly waives any claims for any additional compensation, damages, or time extensions in connection with the above-referenced changes. Except as herein or heretofore expressly modified, all terms of the Agreement shall remain in full force and effect and shall cover the performance of, and payment for, any work authorized hereunder. Any defined terms not defined in this Change Order shall have the meanings set forth in the Agreement.

By signing below the parties indicate acceptance of this Change Order as set forth herein.

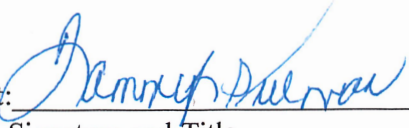
CONSENT OF SURETY TO CHANGE ORDER

The Surety Agrees that this change order is not a cardinal change and if the Change Order includes an increase in the Contract amount, then the penal amount of the payment and performance bond issued for this Contract is increased by the dollar amount of this Change Order.

Old Republic Surety Company (Seal)

Surety's Name and Corporate Seal

By: 
Signature and Title Angelo G. Zervos, Attorney-in-Fact
City of Marathon

Attest: 
Signature and Title
Contractor

By: _____
Name: _____
Title: _____

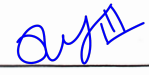
By: 
Name: Richard Gibbs III
Title: President

Exhibit "1"

CHANGE ORDER SUMMARY

This Change Order is necessary to cover changes in the Work to be performed under this Agreement. Except as may be modified herein all of the provisions of the Agreement apply to and govern all Work under this Change Order.

THE FOLLOWING CHANGES ARE MADE TO THE AGREEMENT DOCUMENTS:

(1)	Original Contract Price	\$ 419,415.00
(2)	Current Contract Price (Adjusted by Previous Change Orders)	\$ 694,245.00
(3)	Total Proposed Change in Contract Price	\$ 7,480.00
(4)	New Contract Price (Item 2 + Item 3)	\$ 701,725.00
(5)	Original Contract Time	90 Days
(6)	Proposed Change in Contract Time	14 Days
(7)	Current Contract Time (Adjusted by Previous CO)	243 Days
(8)	Total Change in Contract Time	167 Days
(9)	New Contract Time (Item 6 ± Item 7)	257 Days
(10)	Original Contract Substantial Completion Date	December 30 th , 2020
(I 1)	New Contract Substantial Completion Date	June 15th, 2021

CHANGE ORDER HISTORY						
Item No.	Description	Current Contract Amount	Additive Change	Deductive Change	Net Change Contract Price	Net Change Contract Time
I.	CO #1	\$419,415.00	\$73,586.00	\$0.00	\$73,586.00	92
II.	CO #2	\$493,001.00	\$201,244.00	\$0.00	\$201,244.00	61
III.	CO #3	\$694,625.00	\$7,480.00	\$0.00	\$7,480.00	14
Total					\$282,310.00	167

The Change Order is a result of: Force main relocation to accommodate FKEC's revised transformer location. This includes additional labor, parts, time, and equipment required for the relocation.



OLD REPUBLIC SURETY COMPANY

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That OLD REPUBLIC SURETY COMPANY, a Wisconsin stock insurance corporation, does make, constitute and appoint: GUS E. ZERVOS, STEPHEN M. ZERVOS, DAVID C. LANGE, ANGELO G. ZERVOS, MICHAEL G. ZERVOS, DONALD W. BURDEN of SOUTHFIELD, MI

its true and lawful Attorney(s)-in-Fact, with full power and authority for and on behalf of the company as surety, to execute and deliver and affix the seal of the company thereto (if a seal is required), bonds, undertakings, recognizances or other written obligations in the nature thereof, (other than bail bonds, bank depository bonds, mortgage deficiency bonds, mortgage guaranty bonds, guarantees of installment paper and note guaranty bonds, self-insurance workers compensation bonds guaranteeing payment of benefits, or black lung bonds), as follows:

ALL WRITTEN INSTRUMENTS

and to bind OLD REPUBLIC SURETY COMPANY thereby, and all of the acts of said Attorneys-in-Fact, pursuant to these presents, are ratified and confirmed. This appointment is made under and by authority of the board of directors at a special meeting held on February 18, 1982.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following resolutions adopted by the board of directors of the OLD REPUBLIC SURETY COMPANY on February 18, 1982.

RESOLVED that, the president, any vice-president or assistant vice president, in conjunction with the secretary or any assistant secretary, may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the company to execute and deliver and affix the seal of the company to bonds, undertakings, recognizances, and suretyship obligations of all kinds; and said officers may remove any such attorney-in-fact or agent and revoke any Power of Attorney previously granted to such person.

RESOLVED FURTHER, that any bond, undertaking, recognizance, or suretyship obligation shall be valid and binding upon the Company

- (i) when signed by the president, any vice president or assistant vice president, and attested and sealed (if a seal be required) by any secretary or assistant secretary; or
- (ii) when signed by the president, any vice president or assistant vice president, secretary or assistant secretary, and countersigned and sealed (if a seal be required) by a duly authorized attorney-in-fact or agent; or
- (iii) when duly executed and sealed (if a seal be required) by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority evidenced by the Power of Attorney issued by the company to such person or persons.

RESOLVED FURTHER that the signature of any authorized officer and the seal of the company may be affixed by facsimile to any Power of Attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the company; and such signature and seal when so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, OLD REPUBLIC SURETY COMPANY has caused these presents to be signed by its proper officer, and its corporate seal to be affixed this 17th day of December, 2020.

OLD REPUBLIC SURETY COMPANY

Karen J. Haffner
Assistant Secretary



Alan Pavlic
President

STATE OF WISCONSIN, COUNTY OF WAUKESHA - SS

On this 17th day of December, 2020, personally came before me, Alan Pavlic and Karen J Haffner, to me known to be the individuals and officers of the OLD REPUBLIC SURETY COMPANY who executed the above instrument, and they each acknowledged the execution of the same, and being by me duly sworn, did severally depose and say: that they are the said officers of the corporation aforesaid, and that the seal affixed to the above instrument is the seal of the corporation, and that said corporate seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority of the board of directors of said corporation.



Kathryn R. Pearson
Notary Public

My Commission Expires: September 28, 2022

(Expiration of notary's commission does not invalidate this instrument)

CERTIFICATE

I, the undersigned, assistant secretary of the OLD REPUBLIC SURETY COMPANY, a Wisconsin corporation, CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and furthermore, that the Resolutions of the board of directors set forth in the Power of Attorney, are now in force.

46-5195



Signed and sealed at the City of Brookfield, WI this 11th day of May, 2021.

Karen J. Haffner
Assistant Secretary

ORSC 22262 (3-06)

ZERVOS GROUP, INC.