



## Legislation Text

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**File #:** RES. NO. 2024-R-27, **Version:** 1

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**TO:** Honorable Mayor & Members of the North Port Commission

**FROM:** A. Jerome Fletcher II, ICMA-CM, MPA, City Manager

**TITLE:** A Resolution of the City Commission of the City of North Port, Florida, Amending the Non-District Budget and Capital Improvement Budget for Fiscal Year 2023-2024 for Kayak Launch Repairs and Utilities Administration and Field Operations Building in the Amount of \$13,195,681; Providing for Findings; Providing for Posting: Providing for Conflicts; Providing for Severability; and Providing an Effective Date.

### Recommended Action

Approve Resolution No. 2024-R-27.

### Background Information

#### Parks & Recreation Department

The Parks & Recreation Department received numerous guaranteed maximum price packages associated with repairs and replacements for two park sites and three kayak launches. In total, these proposals equal \$374,431. The Parks and Recreation Department currently has approximately \$135,500 unencumbered in the existing Hurricane Ian allocated repair funds. As such, an additional \$238,931 is needed to make the Hurricane Ian related repairs at the following locations: Kirk Park, Oaks Park, Water Control Structure (WCS)106 East Kayak Launch, WCS 106 West Kayak Launch and WCS 101 Sandbar Kayak Launch.

#### Utilities Department

The bid opening for the Utilities Administration & Field Operations Building came in \$12.9M higher than what the Engineer's Opinion of Probable Cost was as well as what was budgeted for the construction. Utilities staff worked with the Finance Department staff to identify additional funding needed to award the Construction Contract. The budget amendment will be required for that award.

All three currently budgeted projects have been analyzed and determined that they could be postponed to future budget years in order to fully fund the new building. It is imperative that the new building construction not be delayed because Utilities is currently renting modulars to provide temporary office space for utility staff. The Utilities temporary space is currently very crowded and it's important to provide a positive work environment for their employees. Also, the Utilities equipment and material storage are now in temporary connex boxes and the new building will provide necessary warehouse space.

RFB 2024-15 was published February 16, 2024, with the initial bid due date of April 16, 2024. Several addenda were issued during the open bid process, one of which delayed the bid opening to May 14, 2024, to allow for additional time for potential bidders to submit their bids.

The bid opening for the construction of the North Port Utilities Administration Building was held May 14, 2024. The lowest responsive bidder was roughly \$12.9M over the current budget. The second lowest, and only other bid that came in was 6.7% above the lowest bid. Both bids were very close in cost when comparing the overall construction cost. The

Engineer's Opinion of Probable Cost was updated March 2023 and was showing an estimated cost of \$16,387,916 for construction.

There is a financial risk if the bid is not awarded now. The Engineer would have to update bid documents to incorporate all the addenda and also be available for any questions during the rebid process. This would result in a change order to their current Contract for additional services. We do not anticipate that rebidding the project would result in a significantly reduced bid amount. The construction part of the bid could also come in higher than what has been submitted. As time goes on, costs for goods and services in the construction industry continue to increase. This is a reality for the building as well. The Utilities Department has managed to find enough to award this project, but the concern would be if it gets rebid, there is no guarantee we could find additional funds above and beyond what has already been identified.

### **Strategic Plan**

Good Governance

### **Financial Impact**

Funding will be provided as follows:

- \$238,931 will be taken from General Fund fund balance for the repair to the kayak launches.
- \$3,644,750 will be taken from the Utilities fund (420) balance, \$6,000,000 from the Water Capacity fund (423) balance and \$3,312,000 will be transferred from Utilities projects (U23CFM, U23PCB, U22WIS) to fund \$12,956,750 for the Utilities Administration and Field Operations Building U18UAB.

### **Procurement**

Not applicable.

Attachments:

1. Resolution No. 2024-R-27
2. General Fund fund balance report
3. CIP Sheets

**Prepared by:** Lisa Herrmann, Budget Administrator

**Department Director:** Kim Williams, Finance Director