RESOLUTION NO. 16-07-38

A RESOLUTION OF THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA
APPROVING CHANGE ORDER NO. 13 TO THE DESIGN, BUILD AND OPERATE (DBO) AGREEMENT BETWEEN ISLAMORADA, VILLAGE OF ISLANDS AND REYNOLDS WATER ISLAMORADA, LLC, PROVIDING FOR REVISIONS TO THE DESIGN/BUILD WORK; AUTHORIZING VILLAGE OFFICIALS TO IMPLEMENT THE TERMS AND CONDITIONS OF CHANGE ORDER NO. 13; AUTHORIZING THE VILLAGE MANAGER TO EXPEND BUDGETED FUNDS; AUTHORIZING THE VILLAGE MANAGER TO EXECUTE CHANGE ORDER NO. 13; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, on August 21, 2012, the Village entered into a Design Build and Operate (DBO) Agreement with Reynolds Water Islamorada, LLC (“Reynolds”) to provide design, construction and operation of a Village-wide wastewater system (“DBO Agreement”); and

WHEREAS, Article X “Changes in the Design/Build Work” of the DBO Agreement provides for changes, modifications, and additions to the Design/Build Work; and

WHEREAS, Village Staff, the Village Owners Representative Team (“ORT”) and Reynolds have identified various changes, modifications, and additions to the Design/Build Work; and

WHEREAS, Change Order No. 13 provides for inclusion of those identified changes, modifications, and additions into the Design/Build Work; and

WHEREAS, the Village Council finds that approval of Change Order No. 13 to the DBO Agreement between the Village and Reynolds, attached hereto as Exhibit “1”, is in the best interest of the Village and its residents.
NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF
ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, AS FOLLOWS:

Section 1. Recitals. The above recitals are true and correct and incorporated into this Resolution by this reference.

Section 2. Approval of Change Order. The Village Council of Islamorada, Village of Islands, hereby approves Change Order No. 13 between the Village and Reynolds, a copy of which is attached hereto as Exhibit “1”, together with such non-material changes as may be acceptable to the Village Manager and approved as to form and legality by the Village Attorney.

Section 3. Authorization of Village Officials. The Village Manager and/or her designee and the Village Attorney are hereby authorized to take all actions necessary to implement the terms and conditions of Change Order No. 13.

Section 4. Authorization of Fund Expenditure. Notwithstanding the limitations imposed upon the Village Manager pursuant to the Village’s Purchasing Procedures Ordinance, the Village Manager is authorized to expend budgeted funds to implement the terms and conditions of Change Order No. 13.

Section 5. Execution of Change Order. The Village Manager is authorized to execute Change Order No. 13 on behalf of the Village, to execute any required agreements and/or documents to implement the terms and conditions of Change Order No. 13 and to authorize any further acts necessary to implement the terms thereof, subject to approval as to form and legality by the Village Attorney.

Section 6. Effective Date. This Resolution shall take effect immediately upon adoption.
Motion to adopt by Councilman Chris Sante, second by Vice Mayor Jim Mooney.

FINAL VOTE AT ADOPTION
VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS:

Mayor Deb Gillis                    YES
Vice Mayor Jim Mooney               YES
Councilman Mike Forster             YES
Councilman Chris Sante              YES
Councilman Dennis Ward              YES

PASSED AND ADOPTED this 21st day of July, 2016.

Mayor Deb Gillis
Vice Mayor Jim Mooney
Councilman Mike Forster
Councilman Chris Sante
Councilman Dennis Ward

DEB GILLIS, MAYOR

ATTEST:

KELLY TOOTH, VILLAGE CLERK

APPROVED AS TO FORM AND LEGALITY
FOR THE USE AND BENEFIT OF
ISLAMORADA, VILLAGE OF ISLANDS ONLY

ROGET V. BRYAN, VILLAGE ATTORNEY
CHANGE ORDER NO. 13

VILLAGE/OWNER: Islamorada, Village of Islands

COMPANY: Reynolds Water Islamorada, LLC

PROJECT: Design, Build, Operate (DBO) Agreement for Wastewater Collection and Transmission

DATE: July 21, 2016

This Change Order will authorize the following changes to the Design/Build Work and DBO Agreement:

The Design/Build Work as set forth in the DBO Agreement is hereby amended as set forth in Exhibit “A” attached hereto and by this reference made a part hereof for all purposes.

This Change Order constitutes full, final, and complete compensation to the Company for all costs, expenses, overhead, and profit that the Company may incur in connection with the above referenced changes to the Design/Build Work, and any other effect on any of the Design/Build Work under the DBO Agreement. The Company acknowledges and agrees that (a) the Design/Build Price under the DBO Agreement will be changed by this Change Order, (b) the Project Schedule and Contract Time for performance of the Design/Build Work for design and construction of the Wastewater Facilities will not be changed by this Change Order. Except as herein or heretofore expressly modified, all terms of the DBO Agreement shall remain in full force and effect and shall cover the performance of, and payment for, any changes in the Design/Build Work authorized hereunder. Any defined terms not defined in this Change Order shall have the meanings set forth in the DBO Agreement.

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

[Signatures Follow on the Next Page]
VILLAGE/OWNER:

ISLAMORADA, VILLAGE OF ISLANDS
a Florida municipal corporation

By: Maria J Aquilar
Name: Maria J Aquilar
Title: Village Manager
Date Executed: 7/22/16

ATTEST:

Deputy Village Clerk

Approved as to form and legal sufficiency for the use and benefit of Islamorada, Village of Islands:

Village Attorney

COMPANY:

REYNOLDS WATER ISLAMORADA, LLC
a Delaware Limited Liability Company

By: Leslie F. Archer
Name: Leslie F. Archer
Title: President
Date Executed: 7/25/16
EXHIBIT “A”

CHANGE ORDER NO. 13

<table>
<thead>
<tr>
<th>Date of Change Order:</th>
<th>July 21, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title of Change Order:</td>
<td>Miscellaneous Scope of Work Revisions</td>
</tr>
<tr>
<td>Original Design/Build Price:</td>
<td>$90,900,000.00</td>
</tr>
<tr>
<td>This Change Order Value: (Increase or Decrease in Design/Build Price)</td>
<td>($2,549,117.29) Decrease in Design/Build Price</td>
</tr>
<tr>
<td>Value of Previous Change Orders:</td>
<td>$7,590,343.28 (With Phase 1 and Phase 2 of Paving Work)</td>
</tr>
<tr>
<td></td>
<td>Up to a maximum lump sum amount of $8,305,350.26 should Village authorize all private roads within Phase 3 of Paving Work.</td>
</tr>
<tr>
<td>Current Design/Build Price (including this CO):</td>
<td>$95,787,104.97 (with Phase 1 and Phase 2 Paving Work)</td>
</tr>
<tr>
<td></td>
<td>Up to a maximum lump sum amount of $96,656,232.97 should Village authorize all private roads within Phase 3 of Paving Work.</td>
</tr>
<tr>
<td>Original Project Completion Dates:</td>
<td>Substantial: June 1, 2015 Final: December 1, 2015</td>
</tr>
<tr>
<td>Changes in Contract Time from this Change Order:</td>
<td>Substantial: 0 Days Final: 0 Days</td>
</tr>
</tbody>
</table>
I. DESCRIPTION OF CHANGE(S) IN DESIGN/BUILD WORK;
SCOPE OF WORK:

This Change Order No. 13 consists of fourteen (14) items of work. The Scope of Work for each of these items of work included in this Change Order No. 13 shall be incorporated into the Design/Build Work as follows:

Item No. 1 – Reconcile contingency work quantities related to Change Order No. 5, Residential Grinder Pump Program for Residential Properties assessed for 1 EDU up to 4 EDU

This net deductive change reconciles various work item quantities/costs associated with Change Order No. 5, Residential Grinder Pump Program for Residential Properties assessed for 1 EDU up to 4 EDU. This change will result in a reduction in the Design/Build Price.

Item No. 2 – Reconcile contingency work quantities related to Change Order No. 10, Residential Grinder Pump Program for Residential Properties served by up to a Duplex Grinder Pump Station

This net deductive change reconciles various work item quantities/costs associated with Change Order No. 10, Residential Grinder Pump Program for Residential Properties served by up to a Duplex Grinder Pump Station. This change will result in a net reduction in the Design/Build Price.

Item No. 3 – Reconcile overlay paving contingency work item quantities related to Change Order No. 11

This net deductive change reconciles various unused contingency work item costs associated with Change Order No. 11, Item 7 and Item 9. This change will result in a net reduction in the Design/Build Price.

Item No. 4 – Reconcile Residential Grinder Pump Program additional contingency work item quantities related to Change Order No. 12.

This net deductive change reconciles various unused contingency work item costs associated with Change Order No. 12, Item 7 and Item 8. This change will result in a net reduction in the Design/Build Price.

Item No. 5 – Delete from the Company's Design/Build scope of work the requirement to provide wastewater service for Village facilities at Anne's Beach (LMK).

This item deletes from the Company's scope of work the requirement to provide a wastewater service point of connection for Anne's Beach. The value of the proposed service connection shall be deducted from the Design/Build Price.

Item No. 6 – Modify the Company’s Design/Build scope of work for the proposed NPK Re-Pump Station Chemical Feed.

This item removes from the Company’s scope of work the requirement to provide metered chemical feed to the NPK Re-Pump Station equalization basin. In the event that metered chemical feed is required in the future to suppress downstream odors at the KLWTP Headworks, the methods and chemical selection will be coordinated by Village Operations with the KLWTD in accordance with the KLWTD/Islamorada Inter-Local Agreement. The value of the proposed work shall be deducted from the Design/Build Price.
Item No. 7 – Remove from the Company's scope of work the requirement to provide wastewater service to UMK Parcels 404730 and 404730.0001 under the Design/Build Work Phase.

This item removes from the Company's Design/Build scope of work the requirement to provide wastewater service to UMK Parcels 404730 and 404730.0001. The work will be reassigned to a Work Authorization and completed under the Village's Servicers Phase of the DBO Agreement upon issuance of the pending FDOT and FDEP permits. The value of the proposed work will be deducted from the Design/Build Price.

Item No. 8 – Remove from the Company's scope of work related to Construction Change Request No. 33, Coral Shores High School & Creekside Apartments Valve Pit Replacements w/Grinder Pumps.

This item removes from the Company's Design/Build scope of work the proposed wastewater service improvements to two properties on the NPK Collection System. The work will be reassigned to a Work Authorization and completed under the Operation Services Phase of the DBO Agreement. The value of the proposed work, including costs adjustments to address FKEC mandated electrical modifications, will be deducted from the Design/Build Price.

Item No. 9 – Remove from the Company's scope of work the requirement to complete the wastewater service extension to SPK parcel 410170 under the Design/Build Work Phase.

This item removes from the Company's Design/Build scope of work the requirement to extend the current wastewater service point of connection to abut SPK Parcel 410170. The work will be reassigned to a Work Authorization and completed under the Operation Services Phase of the DBO Agreement. The value of the proposed Work will be deducted from the Design/Build Price.

Item No. 10 – Key Honey Lane base reconditioning and remobilization for paving.

This item addresses additional work scope to recondition road base and remobilize to complete paving for a section of Key Honey Lane in Middle Plantation Key. The value of the work will be added to the Design/Build Price.

Item No. 11 – Furnish and install Simplex Grinder Stations with increased capacity wet well basins in lieu of the standard Duplex Grinder Station.

This item addresses changes to the unit cost pricing for modified Simplex Grinder Pump Stations installed under the Residential Grinder Pump Program. The change in the work will result in an increase to the Design/Build Price.

Item No. 12 – Vacuum Pump Station landscape cost/credit adjustments.

This item adjusts the value of the deleted vacuum pump stations landscape plantings previously credited to the DBO Agreement under Change Order 12, Item 12. The adjustment or change will result in an increase to the Design/Build Price.

Item No. 13 – Remove from the Company's scope of work the requirement to complete the Randall Adams LPFM Collection Sewer (CCR 29) under the Design/Build Work Phase.

This item removes from the Company's Design/Build scope of work the requirement to complete the LPFM wastewater collection system to serve three parcels in Middle Plantation Key. The work will be reassigned to a Work Authorization and completed under the Operations Services
Phase of the DBO Agreement. The value of the proposed work will be deducted from the Design/Build Price.

Item No. 14 – Opt-Out Parcel Credits

This item addresses a decrease in the Company's Design/Build scope of work due to the formal opt-out of vacant buildable parcels from the Wastewater Program. The value of the deleted service requirements will be deducted from the Design/Build Price.

II. CHANGE(S) IN DESIGN/BUILD WORK: SCOPE OF WORK

This Change Order No. 13 changes the Design/Build Work and scope of work as follows:

Item No. 1 – Reconcile contingency work quantities related to Change Order No. 5, Residential Grinder Pump Program for Residential Properties assessed for 1 EDU up to 4 EDU.

Change Order No. 5 provided an estimated quantity for work items and associated costs to furnish and install Residential Grinder Pumps (RGP) and service laterals for Residential Properties assessed 1 EDU up to 4 EDUs. With the completion of the RGP Program under the Design/Build Work Phase, the remaining unused unit work items will be deleted from the Project Scope. The costs/credits associated with this change will result in a net decrease or reduction of $1,869,230.00 to the Design/Build Price.

Item No. 2 – Reconcile contingency work quantities related to Change Order No. 10, Residential Grinder Pump Program for Residential Properties served by up to a Duplex Grinder Pump Station.

Change Order No. 10 provided an estimated quantity for work items and associated costs to furnish and install Residential Grinder Pumps (RGP) and service laterals for properties served by up to a Duplex Grinder Pump. With the completion of the RGP Program under the Design/Build Work Phase, the remaining unused unit work items will be deleted from the Project Scope. The costs/credits associated with this change will result in a net decrease or reduction of $306,695.00 to the Design/Build Price.

Item No. 3 – Reconcile overlay paving contingency work item quantities related to Change Order No. 11.

Change Order No. 11 provided an estimated quantity for work items related to the Pavement Overlay Program. With the completion of the Pavement Overlay Program under the Design/Build Work Phase, the remaining unused unit work items will be deleted from the Project Scope. The costs/credits associated with this change will result in a net decrease or reduction of $86,731.18 to the Design/Build Price.

Item No. 4 – Reconcile Residential Grinder Pump Program additional contingency work item quantities related to Change Order No. 12.

Change Order No. 12 provided an estimated quantity for work items related to the Residential Grinder Pump (RGP) Program. With the completion of the RGP Program under the Design/Build Work Phase, the remaining unused unit work items will be deleted from the Project Scope. The costs/credits associated with this change will result in a net decrease or reduction of $250,150.00 to the Design/Build Price.
**Item No. 5 – Delete from the Company’s Design/Build scope of work the requirement to provide wastewater service for Village facilities at Anne’s Beach (LMK).**

The DBO Agreement requires that the Company provide wastewater service to all buildable properties in the Village, including the Village’s restroom facilities at Anne’s Beach which are bounded by FDOT controlled right-of-way and submerged lands. In order to connect the facilities to the Village wastewater collection system, the Village will be required to secure a separate FDOT Utility Permit. In lieu of applying for and securing two (2) FDOT Utility Permits, it was determined that consolidating the Company’s responsibility to provide a service point of connection with the Village’s responsibility to design, construct, and connect the Anne’s Beach facilities to the collection system could be addressed under a single task and associated FDOT Utility Permit. This change will result in a net decrease or reduction of $41,440.00 to the Design/Build Price.

**Item No. 6 – Modify the Company’s Design/Build scope of work for the proposed NPK Re-Pump Station Chemical Feed.**

Provisions for a metered chemical feed system at the NPK Re-Pump Station was a requirement of the Project Design Criteria Package and Village/KLWTD Interlocal Agreement as a way to address potential odors at the Key Largo Wastewater Treatment Plant (KLWTP) Headworks. The NPK Re-Pump Station has been in operation since June, 2014. To date, no issues of odors at the KLWTP attributed to Village flows have been identified by the KLWTD. In the event that metered chemical feed is required in the future to suppress downstream odors at the KLWTP Headworks, the methods, chemical selection, and dosage rate will be coordinated by Village Operations with the KLWTD in accordance with the KLWTD/Islamorada Inter-Local Agreement. This change will result in a net decrease or reduction of $4,000.00 to the Design/Build Price.

**Item No. 7 – Remove from the Company’s scope of work the requirement to provide wastewater service to UMK Parcels 404730 and 404730.0001 under the Design/Build Work Phase.**

The DBO Agreement requires that the Company provide wastewater service to all buildable parcels in the Village. The referenced isolated parcels were not served during the active design and construction phases. Upon receiving notice of the missing service connections, the Company promptly initiated the design and permitting process to extend the existing vacuum collection system to serve the parcels. Due to the long lead time required to secure FDOT Utility and FDEP Wastewater Permit approval, the proposed work will be completed under the Operations Services Phase of the DBO Agreement once the permits are in place. This change will result in a net decrease or reduction of $15,000.00 to the Design/Build Price.

This work to be performed during the Operations Services Phase of the DBO Agreement shall be authorized by the Village pursuant to a Work Authorization to be carried out with the same requirements and upon the same terms and conditions specified for the Design/Build Work in the DBO Agreement.

**Item No. 8 – Remove from the Company’s scope of work related to Construction Change Request No. 33, Coral Shores High School & Creekside Apartments Valve Pit Replacements w/Grinder Pumps.**

The Company is unable to place the collection system improvements into service for the two sites within the NPK collection system within the time constraints of the Design/Build Final Completion Date of May 29, 2016. The balance of these operational upgrades will be completed under the Operations Services Phase of the DBO Agreement. This change will result in a net decrease or reduction of $106,548.68 to the Design/Build Price.
This work to be performed during the Operations Services Phase of the DBO Agreement shall be authorized by the Village pursuant to a Work Authorization to be carried out with the same requirements and upon the same terms and conditions specified for the Design/Build Work in the DBO Agreement.

**Item No. 9 – Remove from the Company’s scope of work the requirement to complete the wastewater service extension to SPK Parcel 41070 under the Design/Build Work Phase.**

The Company was prevented from completing the installation of the service lateral to the property during the installation of the collection system. The work will be reassigned to a Work Authorization and completed under the Operations Services Phase of the DBO Agreement. This change will result in a net decrease or reduction of $3,250.00 to the Design/Build Price.

This work to be performed during the Operations Services Phase of the DBO Agreement shall be authorized by the Village pursuant to a Work Authorization to be carried out with the same requirements and upon the same terms and conditions specified for the Design/Build Work in the DBO Agreement.

**Item No. 10 – Key Honey Lane base reconditioning and remobilization for paving.**

The Company's paving activities on Key Honey Lane were impacted by Residential Grinder Pump Program issues that were outside of the Company's control. The Company required a second mobilization for grade preparation and overlay paving of the west section of the road. This change will result in a net increase of $2,250.00 to the Design/Build Price.

**Item No. 11 – Furnish and install Simplex Grinder Stations with increased capacity wet well basins in lieu of the standard Duplex Grinder Station.**

Based on site specific wastewater flow determinations, the Company developed grinder pump design changes that provide for a simplex grinder pump installation in an upsized (duplex) wet well basin. Use of a larger basin in lieu of the standard duplex wet well basin results in a lower cost installation than a standard duplex grinder station while still meeting the service requirements of the property. This change will result in an increase of $175,500.00 to the Design/Build Price. The increase, however, is offset by corresponding deductions under Item No. 2.

**Item No. 12 – Vacuum Pump Station landscape cost/credit adjustments.**

The value of the deleted vacuum pump stations landscape plantings previously credited to the DBO Agreement under Change Order 12, Item 12, was established by the Owner's Representative Team using the Contract Schedule of Values. The Company has subsequently provided a material cost breakdown of the acceptable landscape material installed on the site that supports an adjustment to the landscape credit identified in Change order No. 12, Item 12. This change will result in a net increase of $4,852.57 to the Design/Build Price.

**Item No. 13 – Remove from the Company’s scope of work the requirement to complete the Randall Adams LPFM Collection Sewer (CCR 29) under the Design/Build Work Phase.**

The Company has substantially completed the installation of the LPFM Collection Sewer to service the residential parcels in the Randall Adams Subdivision in accordance with CCR 29. Service extensions and final testing of the LPFM collection sewer will be completed under the Operations Services Phase of the DBO Agreement. This change will result in a net decrease or reduction of $10,000.00 to the Design/Build Price.
This work to be performed during the Operations Services Phase of the DBO Agreement shall be authorized by the Village pursuant to a Work Authorization to be carried out with the same requirements and upon the same terms and conditions specified for the Design/Build Work in the DBO Agreement.

**Item No. 14 – Opt-Out Parcel Credits**

The Village Wastewater Assessment Program has allowed property owners of undeveloped parcels to Opt-Out from the Wastewater Program. Under the terms of the DBO Agreement, the Company is required to provide wastewater service to all buildable parcels in the Village. This item addresses the credited value of work deleted to provide service to these Opt-Out parcels. This change will result in a net decrease or reduction of $38,675.00 to the Design/Build Price.

**III. SCHEDULE:**

Unless otherwise specifically modified herein for Items No. 7, 8, 9 and 13 to be performed and completed pursuant to a Work Authorization within the Operations Services Phase of the DBO Agreement, the Design/Build Work and scope of Work described in this Change Order No. 13 will be completed within the original Project Completion Dates and Tasks shall be included in the Project Schedule to complete this scope of work.

**IV. COST BREAKDOWN/CHANGE IN DESIGN/BUILD PRICE:**

The cost breakdown associated with Changes in the Design/Build Work in this Change Order No. 13, including the deletion of and credit to the Village for work scope changes which shall receive a credit or reduction in the Design/Build Price, is as follows:

<table>
<thead>
<tr>
<th>Item No.</th>
<th>AREA</th>
<th>COST/CHANGE TO DESIGN/BUILD PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Reconcile contingency work quantities related to Change Order No. 5. Residential Grinder Pump Program for Residential Properties assessed for 1 EDU up to 4 EDU</td>
<td>Lump Sum Decrease in Design/Build Price in the amount of $(1,869,230.00)</td>
</tr>
<tr>
<td>2</td>
<td>Reconcile contingency work quantities related to Change Order No. 10. Residential Grinder Pump Program for Residential Properties served by up to a Duplex Grinder Pump Station</td>
<td>Lump Sum Decrease in Design Build Price in the amount of $(306,695.00)</td>
</tr>
<tr>
<td>3</td>
<td>Reconcile contingency work item quantities related to Change Order No. 11</td>
<td>Lump Sum Decrease in Design/Build Price in the amount of $(86,731.18)</td>
</tr>
<tr>
<td>4</td>
<td>Reconcile contingency work item quantities related to Change Order No. 12</td>
<td>Lump Sum Decrease in Design/Build Price in the amount of $(250,150.00)</td>
</tr>
<tr>
<td>5</td>
<td>Delete from the Company ’s Design/Build scope of work the requirement to provide wastewater service for Village facilities at Anne’s Beach (LMK)</td>
<td>Lump Sum Decrease in Design/Build Price in the amount of $(41,440.00)</td>
</tr>
<tr>
<td>6</td>
<td>Modify the Company ’s Design/Build scope of work for the proposed NPK Re-Pump Station Chemical Feed</td>
<td>Lump Sum Decrease in Design/Build Price in the amount of $(4,000.00)</td>
</tr>
</tbody>
</table>
The Company shall incorporate the work in this Change Order No. 13 as part of the Design/Build Work into an updated Schedule of Values in sufficient detail to allow the Village to adequately evaluate the Company Application for Payment completed on a monthly basis. Payment will be made in accordance with Article IX of the DBO Agreement.
V. WAIVER AND RELEASE OF CLAIMS.

In consideration of the modifications agreed to in this Change Order No. 13, and other good and valuable consideration, the Company hereby releases the Village and expressly waives any claims or demands of any kind which the Company has or may have against the Village for additional compensation, delay, damages, or time extensions in connection with the Project and DBO Agreement on or prior to July 21, 2016.