



AGENDA ITEM

TITLE

Discussion Regarding Reconstruction and Paving of Royal Highlands and Ridge Manor Roads Project (Contract No. 23-C00326/AP)

Discussion Regarding Reconstruction and Paving of Royal Highlands and Ridge Manor Roads Project (Contract No. 23-C00326/AP)

BRIEF OVERVIEW

In October 2022, the County solicited bids for a road paving project that combined three Municipal Services Benefit Unit (MSBU) funded roads, specifically: Blackberry Court, Milgate Court, and Warbler Road. The County received only one proposal which was substantially higher than the approved voted budgets. Subsequently, the County Engineer rejected the proposal due to lack of competing bids.

Due to escalating construction costs, these three MSBU projects were consolidated with additional projects into a single bid package to solicit more competitive pricing.

The Reconstruction and Paving of Royal Highlands and Ridge Manor Roads Project (Bid # 23-C00326/AP) includes nine roads, five of which are MSBU-funded (A-E) and four are County-funded (F-I).

MSBU-FUNDED

- A - Blackberry Court (Ord 2022-07)
- B - Milgate Court (Ord 2021-25)
- C - Warbler Road (Ord 2022-08)
- D - Penn State Road (Ord 2022-22)
- E - Scaup Duck Ave (Ord 2022-22)

COUNTY-FUNDED

- F - Arbor Street
- G - Emerald Drive
- H - Glenchester Drive
- I - Nodoc Drive

Staff updated the construction estimates to current market price when the combined project was released for bid in July 2023. The estimated construction cost at the time was \$1,101,931 for the MSBU-funded roads. Three proposals were received by the August 21, 2023, submission deadline, with the lowest bid for MSBU-funded road totaling \$1,495,949.

Due to the increased costs, DPW is addressing the two project funding types separately as outlined below.

MSBU-FUNDED (A-E):

The five MSBU-funded projects are eligible for the County’s subsidized one-third cost share funding as each Ordinance was created prior to the July 2023 MSBU policy change.

The bids for each MSBU-funded road were evaluated individually against the corresponding MSBU budget. All received bids for each MSBU road exceed the approved funding threshold.

| | MSBU <u>Vote</u> | Lowest <u>Bid</u> | Lowest Bid <u>vs. Vote</u> |
|-----------------------|---------------------|----------------------|-------------------------------|
| A - Blackberry Court | \$ 29,900 | \$144,643 | 484% |
| B - Milgate Court | \$114,000 | \$252,917 | 222% |
| C - Warbler Road | \$130,000 | \$262,195 | 202% |
| D - Penn State Road | \$305,642 | \$398,569 | 130% |
| E - Scaup Duck Avenue | \$307,418 | \$396,250 | 129% |

Additionally, the proposed MSBU budgets were voted in 2021 and 2022, and included bank interest rates between 2.5% and 4%, respectively. The current market interest rate has increased to ~6%.

The difference in price between the approved MSBU budgets and the lowest responsive bid, together with the economic concerns and resulting MSBU assessment rates, constitutes cause to not award the MSBU-funded (A-E) roads at this time. Staff recommends obtaining additional quotes for each MSBU road separately, which will be evaluated and subject to the new MSBU Policy 16.1 threshold guidelines for contract award.

COUNTY-FUNDED (F-I):

These are addressed on Procurement Department’s agenda item #12531, “Award of Contract to B.R.W. Contracting, Inc., for Reconstruction and Paving of Royal Highlands and Ridge Manor Roads (Contract No. 23-C00326/AP; Amount: \$2,518,806.00)”

FINANCIAL IMPACT

There is no financial impact currently for MSBU-funded portion. Should the Board approve obtaining additional quotes for the five MSBU roads which results in contract award, the County intends to use legally available Constitutional Gas Tax Fund revenue to finance project costs on an interim basis. The County will be reimbursed through a non-ad valorem assessment levied upon the benefitting property owners tax bill.

LEGAL NOTE

The Board has the authority to act on this matter pursuant to Sections 125.01 and 197.3632, Florida Statutes.

RECOMMENDATION

It is recommended that the Board have a discussion and provide direction regarding moving forward with the MSBU-funded roads portion of the Reconstruction and Paving of Royal Highlands And Ridge Manor Roads project.

REVIEW PROCESS

| | | | |
|---------------|------------|------------|----------|
| Shannan Lakis | Approved | 09/20/2023 | 3:37 PM |
| Elaine Singer | Approved | 09/21/2023 | 7:35 AM |
| Todd Crosby | Approved | 09/21/2023 | 4:24 PM |
| Toni Brady | Disapprove | 09/27/2023 | 2:12 PM |
| Elaine Singer | Approved | 09/28/2023 | 11:35 AM |

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|----------------------|-----------|------------|----------|
| Todd Crosby | Approved | 09/29/2023 | 7:46 AM |
| Alisa Pike | Delegated | 10/02/2023 | 4:13 PM |
| Scott Herring | Approved | 10/02/2023 | 4:21 PM |
| Scott Herring | Approved | 10/02/2023 | 4:21 PM |
| Carla Rossiter-Smith | Approved | 10/03/2023 | 3:54 AM |
| Jodi Florio | Approved | 10/03/2023 | 10:29 AM |
| Pamela Hare | Approved | 10/03/2023 | 11:37 AM |
| Jon Jouben | Approved | 10/03/2023 | 3:35 PM |
| Heidi Kurppe | Approved | 10/03/2023 | 4:06 PM |
| Toni Brady | Approved | 10/03/2023 | 5:10 PM |
| Jeffrey Rogers | Approved | 10/04/2023 | 9:45 AM |
| Colleen Conko | Approved | 10/04/2023 | 9:53 AM |

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| RESULT: | ADOPTED |
| MOVER: | Brian Hawkins |
| SECONDER: | Steve Champion |
| | Allocco, Narverud, Champion, Campbell and Hawkins |