

Attachment A

<u>Agreement No.</u> ITB 2018-080-ND	<u>Title</u> Routine and Emergency Sanitary Sewer and Storm Water Pipes Cleaning and Closed-Circuit Television (CCTV) Inspection Services		
<u>Contractor</u> National Water Main Cleaning Co. Flotech Environmental LLC	<u>Current Term</u> 10/2/2021– 10/1/2022 10/4/2021– 10/3/2022	<u>Renewal Term</u> 10/2/2022 – 10/1/2023 10/4/2022 – 10/3/2023	<u>Amount Including Rate Increase</u> Estimated Fiscal Impact: \$1,700,250.16 Estimated Fiscal Impact: \$2,371,194.00
<u>Request:</u> This item seeks approval from the Mayor and City Commission to increase the price of line items 1 through 10 of the Agreement by 10.7%, as authorized in Section 2.1 of the ITB.			
<u>Brief Scope:</u> The purpose of these Agreements is to provide routine and emergency sanitary sewer and stormwater pipe cleaning and CCTV inspection services. These agreements established primary and secondary for non-emergency and planned work and primary and secondary for emergency and unplanned work.			
<u>Justification:</u> Following the award by the City Commission pursuant to the ITB, the City executed a contract for the services with National Water Main Cleaning Co. and Flotech Environmental LLC. The initial term of the agreements expired in early October 2022, with two one-year options remaining. In August 2022, the City Manager approved exercising the first renewal option, extending the agreements through October 2023. Subsequent to the recent renewals, the contractors requested a rate increase due to recent inflation pressures. National Water Main Cleaning Co. requested a rate increase of 29%, and Flotech Environmental LLC requested a 17% increase. However, the Agreement only allows the City to consider an adjustment in the prices based on the Consumer Price Index (CPI). The CPI report released on September 13, 2022, revealed a 10.7% rate increase from the prior year, which represents an estimated annual impact of \$164,342.16 for National Water Main Cleaning and \$229,194.00 for Flotech Environmental LLC based on the items awarded (see Attachment B). Both contractors have agreed to renew the Agreement based on the 10.7% increase. The Public Works Department has determined that the percentage increase is fair and reasonable due to the inflation reported and has the budget to absorb the rate increases as these services are critical to its operations, effective retroactively on October 1, 2022.			

<u>Agreement No.</u> ITB 2018-035-ND	<u>Title</u> Purchase of Asphalt Concrete		
<u>Contractor</u> General Asphalt Co. LLC	<u>Current Term</u> 11/6/2021 – 11/5/2022	<u>Renewal Term</u> 11/6/2022 – 11/5/2023	<u>Amount Including Rate Increase</u> Estimated Fiscal Impact: \$546,858.00
<u>Request:</u> This item seeks approval from the Mayor and City Commission to increase line the price of items 1 through 6 of the Agreement by 10.7%, as authorized in Section 2.1 of the ITB.			
<u>Brief Scope:</u> The purpose of the Agreement is to purchase asphalt concrete materials for road and bridge construction.			
<u>Justification:</u> Following the award by the City Commission pursuant to the ITB, the City executed a contract for the services with General Asphalt Co. LLC. The initial term of the agreements expired in November 2022, with two one-year options remaining. In August 2022, the City Manager approved exercising the last renewal option, extending the Agreement through November 2023. Subsequent to the recent renewals, the contractors requested a rate increase due to recent inflation pressures. General Asphalt Co. LLC requested a rate increase of 20.59%. However, the Agreement only allows the City to consider an adjustment in the prices based on the Consumer Price Index (CPI). The CPI report released on September 13, 2022, revealed a 10.7% rate increase from the prior year, which represents an estimated annual impact			

of \$52,858.00 for General Asphalt Co., Inc. based on the line items awarded (see Attachment C).

The Contractor has agreed to renew the Agreement based on the 10.7% increase, as allowed by the Agreement. The Public Works Department has determined that the percentage increase is fair and reasonable due to the inflation reported and has the budget to absorb the rate increase as these services are critical to its operations, effective retroactively on October 1, 2022.