



STAFF REPORT

CITY OF GREEN COVE SPRINGS, FLORIDA

TO: City Council Regular Meeting **MEETING DATE:** September 9, 2022
FROM: Scott Schultz, Asst. Water Utilities Director
SUBJECT: City Council discussion of Contract Modifications, Completion Date Extension and general status & activities for the Harbor Road Water Reclamation Facility (WRF) Phase 2 Expansion.

BACKGROUND

Contract Modification #2 includes an extension of Contract Time (completion date) of 138 days. Contract Time dates are as follows.

- **Original** Substantial Completion October 13, 2022 / Contract Closeout November 12, 2022
- **Modified** Substantial Completion March 1, 2023 / Contract Closeout April 1, 2023

There are a number of factors contributing to the delays, some of which are listed below.

- **Notice to Proceed (NTP):** The NTP was issued in March of 2021. Normally you would expect substantial excavations and construction activities within 2-3 months. Due to material shortages, especially the American Iron & Steel (AIS) requirement, substantial construction did not begin for approximately six months.
- **American Iron & Steel (AIS):** State Revolving Fund (SRF) projects require all materials to be AIS compliant. This means every step from the mining to final assembly be completed in the United States. While this is an overall positive, obtaining AIS compliant materials in the current supply chain environment is very challenging.
- **Concrete:** There has been a significant decrease in the availability of concrete, especially concrete which has an aggregate (rock) component. There have been delays of over 45 days for the contractor to obtain concrete, especially with the large volume requirements.
- **Labor:** There is a significant shortage of labor in the construction trades. State Revolving Fund (SRF) projects require all trades to be paid in conformance with the Davis-Bacon Act, which sets minimum pay for each trade (laborer, equipment operator, etc.). Even with the project paying workers more than traditionally paid on a construction project, it is extremely hard to obtain and maintain workers.

FISCAL IMPACT

Fiscal impact is hard to measure, but Contract Modifications to date are less than 1% of total project cost. No Contract Modification has been specifically tied to labor costs.

RECOMMENDATION

Discuss Contract Modifications, Completion Date Extension and general status & activities for the Harbor Road Water Reclamation Facility (WRF) Phase 2 Expansion.