



Memorandum

Memorandum No: 23-109

Date: August 31, 2023

To: Honorable Mayor, Vice Mayor, and Commissioners

From: Greg Chavarria, City Manager

Re: **Prospect Lake Clean Water Center – Change Order Procedure**

On February 7, 2023, the City Commission approved a resolution authorizing execution of a Comprehensive Agreement with Prospect Lake Water, L.P. Prospect Lake Holdings, L.P., and IDE PLCW, INC. for the development, construction, and operation of the Prospect Lake Clean Water Center (PLCWC) (CAM #23-0196). Pursuant to Section 8.02 of the Comprehensive Agreement, the City of Fort Lauderdale (City) initiated a change in work requesting that the Project Company perform additional feedstock water testing and provide alternatives, if required, to ensure compliance with newly proposed Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) regulations. At the time the Comprehensive Agreement was approved, proposed regulations from the Environmental Protection Agency (EPA), that included new PFAS requirements were not released and therefore were not reflected in the design standards used for the proposed project. In compliance with Section 8.04 “Procedures for Implementing Changes to the Work” the project company prepared a Change Proposal that was submitted to the City on August 22, 2023. The change order has a net value of \$371,644 reflecting the additional work necessary to ensure the new water plant will meet all requirements when the new rules come into effect.

Pursuant to the City Code of Ordinances, Article V, Division 2, Section 2-177, the City Manager, or designee, is authorized to approve change orders up to a cumulative maximum amount of ten percent (10%) of the original contract amount. The contract amount of the PLCWC is \$485 million; therefore change orders up to a cumulative amount of \$48.5 million may be approved. Given the importance of this project, staff believes greater visibility is warranted when approving change orders. As such, the \$371,644 change order was administratively approved by myself. Funding for proposed additional work is available within the project’s enabling work contingency funds and will not alter the previously approved funding strategy.

To provide greater transparency for the Commission and our residents, all change orders exceeding \$500,000 will be brought to the City Commission for approval, along with any material changes, while change orders below \$500,000 and non-material change orders

will be approved by myself, as authorized by City Code of Ordinances, Article V Division 2, Section 2-177.

Staff is currently negotiating potential additional work that may exceed the \$500,000 threshold. Staff has requested a material change to the administration and nanofiltration buildings to be constructed with concrete in lieu of prefabricated metal buildings. Additionally, staff have requested the administration building be expanded to provide additional space for supervisory offices, a training room, and options for LEED certification. If the costs associated with these additional changes are deemed acceptable, and surpass the given thresholds by Ordinance, a change order will be brought to the City Commission for approval at a future meeting.

For additional information contact Public Works Director Alan Dodd at adodd@fortlauderdale.gov.

c: Anthony G. Fajardo, Assistant City Manager
Susan Grant, Assistant City Manager
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David R. Soloman, City Clerk
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Department Directors
CMO Managers