



BOARD OF COUNTY COMMISSIONERS AGENDA REQUEST

DATE: November 7, 2023
TO: Honorable Chairman and Distinguished Members of the Board
FROM: Jason Autrey
SUBJECT: Request approval of Amendment 4 (economic adjustment) for Mohawk Valley Materials, Inc.
DEPARTMENT: Public Works
BCC DISTRICT: 1 & 3

STATEMENT OF ISSUE: During the October 3, 2023 regularly scheduled Board meeting, the Board recommended to renew the contract between Mohawk Valley Materials, Inc, and Okaloosa County to continue their work stabilizing dirt roads throughout Okaloosa County, a task that is commonly referred to as the 50 in 5 project. This is a request to increase charges.

BACKGROUND: Okaloosa County continues under contract with Mohawk Valley Materials, Inc. to provide and place lime-rock per contracted specifications. Mohawk Valley Materials has been able to meet or exceed project deadlines and continues to provide quality work. The request for economic adjustment (REA) will be effective at the start of Task Order 6.

Mohawk Valley Materials submitted a request for economic adjustment, which staff reviewed and determined that it is within acceptable/allowable limits and is a reasonable request.

The combined line items of loose material placement and shaping of the stabilized rock will increase approximately 6.97% with this amendment. Staff will make adjustments to future task orders to accommodate this increase in cost. These rates will be applicable to the current contract with Mohawk Valley Materials.

This request is to formally incorporate the rate adjustment into the recently renewed contract. Mohawk remains steadfast working on current tasking and there will be no delay in production.

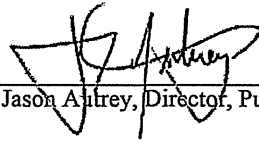
FUNDING SOURCE: (Surtax)

Department # 3301
Account # 563001
Project # ST000021

OPTIONS: Approve/Deny/Postpone.

RECOMMENDATION: Motion to approve Amendment 4 with Mohawk Valley Materials, Inc. to continue to provide and place lime-rock per contracted specifications.

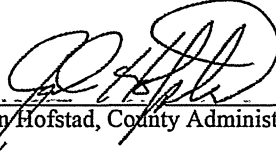
RECOMMENDED BY:



Jason Ahlrey, Director, Public Works

10/31/2023

APPROVED BY:



John Hofstad, County Administrator

11/1/2023



August 8, 2023

Robert VandenBroeck, PMP
Road Division Chief
Public Works
T: 850.689.5772
rvandenbroeck@myokaloosa.com

CONTRACT: C21-3074-PW
Mohawk Valley Materials, Inc.
Road Stabilization Project
EXPIRES:09/30/2024

RE: Contract Number ITB PW 27-21 Request for Equitable Adjustment 2023-2024

Dear Mr. Vandenbroeck,

I trust this message finds you well. I am writing to address an important matter concerning our ongoing project, Contract No. C21-3074-PW, titled Okaloosa Road Project, which is currently under the purview of Okaloosa County Board of Commissioners. Our team at Mohawk Valley Materials has encountered an unforeseen challenge relating to the cost of limerock, prompting us to request an equitable adjustment to the contract terms.

At the outset of our contract, the stipulated cost of limerock ranged from \$11-\$13 per ton. Regrettably, market dynamics and external factors have led to a notable increase, now pegged at \$15 per ton. Allow me to elucidate the factors that have contributed to this escalation:

1. **Market Volatility:** Recent fluctuations in the limerock market have led to an upward shift in its cost, driven by supply-demand imbalances.
2. **Supply Chain Disruptions:** Disruptions within the limerock supply chain, such as transport bottlenecks and limited availability, have further accentuated the upward price movement.
3. **Inflationary Pressures:** Broader economic inflationary trends have translated into amplified operational expenses throughout the limerock supply chain.

Given the substantial impact of these developments on the project's financial landscape, we kindly seek your consideration for an equitable adjustment to the contract price that reflects the revised limerock cost of \$15 per ton. Our objective in making this request is to ensure the successful progression of the project while also maintaining fiscal prudence.

Recognizing the diligence and scrutiny associated with contract adjustments, we kindly request an acknowledgment of this correspondence and Appendix A at your earliest convenience. Should further information be required to facilitate this process, please do not hesitate to communicate your needs.

We are profoundly committed to the successful realization of our project objectives and extend our gratitude for your understanding of the challenges posed by the limerock cost escalation. For any clarifications or discussions, please do not hesitate to reach out to our Director of Operations (Josh Simmons) at 850-603-1205 or via email jks@mohawkvalleymaterials.com.

Please reference Exhibit A for price increase information.

Respectfully,

A handwritten signature in black ink, appearing to read "Tricia M. Rutkowski".

Tricia M. Rutkowski
President

Mohawk Valley Materials, Inc.
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www.mohawkvalleymaterials.com





Exhibit A:

Mohawk Valley Materials proposes the following price increases:

1. Cost per cubic yard of sand removal – **Not Applicable**
2. Cost per cubic yard of sand removed and dropped at County Borrow Pits – **Not Applicable**
3. Cost per square yard of placed (loose) lime-rock - **\$10.83**
4. Cost of compaction/shaping to meet required cross-section - **\$.83**
5. Mobilization per task order - **\$4,197.85**