

City of Coconut Creek InterOffice Memorandum

To: Sheila Rose
Deputy City Manager

Date: July 25, 2022

From: Alex Tergis (AT)
Asst Dir of Public Works
John Tetteris
Superintendent of Public Works

Subject: Cost Adjustment for Potters's
Landscaping

On June 29th, 2022 John Tetteris and I met with Nina Potters, the Owner of Potters Landscaping who informed us that unfortunately, due to the extreme increases in fuel and material supply costs, but without saying Force Majeure, she cannot afford to continue honoring the contract without an increase during this initial contract period. The current contract has fixed pricing through FY2023 at which point it is eligible for CIP increases should we extend the contract.

As Potters has so far delivered excellent service, we entertained their proposal for an immediate increase of 5% and an additional 3% followed by 2% for the renewal year. The backup documentation supported their position however we stated our position of a having a set contract price and told them that the best we could support, was a 5% increase for the final year of their initial term, FY2023, and that this would need to go to our City Commission for approval. This would result in an overall cost increase of \$27,531.24 annually. They understand our position and are willing to accept this amendment should we get approval.

The Budget in Account No. 0173-4605 is \$550,632.94 annually for this Landscaping Maintenance Service and would need to be increased to for Fiscal Year 2023 to \$578,164.18, less than the proposed budget of \$583,632.94, as other planned maintenance for FY2023 has since been removed.

Our research has shown that this increase would still keep the pricing well below the second lowest qualified Vendor's price quote from when we bid this out back in 2019. The original bid was well more than 20% higher than our new rate would be. Our expert opinion is that putting this back out in today's current economic state would result a much higher pricing. Therefore, we must reluctantly recommend that we approve this request.