

**INDIAN RIVER COUNTY
OFFICE OF MANAGEMENT AND BUDGET
PURCHASING DIVISION**

DATE: June 1, 2022

TO: BOARD OF COUNTY COMMISSIONERS

THROUGH: Jason E. Brown, County Administrator
Kristin Daniels, Director, Office of Management and Budget

FROM: Jennifer Hyde, Purchasing Manager

SUBJECT: First Extension and Modification to Agreements for Utilities Labor Contract (RFP 2020039)

BACKGROUND:

On July 7, 2020, the Board of County Commissioners approved the award of RFP 2020039 for the construction, repair, or replacement of various water transmission and distribution, wastewater collection and transmission, and reclaimed water transmission system elements at various locations throughout Indian River County to Blue Goose Construction, LLC (“Blue Goose”), CK Contractors & Development, LLC (“CK”), and Hinterland Group, Inc. (“Hinterland”).

The initial term of the award is two years, commencing July 7, 2020, with two one-year renewal terms available, subject to vendor acceptance, satisfactory performance, and staff’s determination that a renewal would be in the best interest of Indian River County.

Blue Goose Construction, LLC submitted a 30-day notice of termination on March 15, 2022, due to “increasing uncertainty of stable material pricing, unparalleled competition for qualified utilities employees and the overall current business environment”. CK and Hinterland have both provided quality service during the initial term, and have agreed to renew the agreement, pending an increase in pricing.

ANALYSIS:

Staff negotiated a modification to the pricing with both firms based on the change in the Consumer Price Index for All Urban Consumers (CPI-U), South Area from April 2020 through April 2022. RFPs were opened on May 21, 2020, and May 2022 CPI data are scheduled to be released on June 10, 2022.

CPI Index at time of Bid (April 2020)	Current CPI Index (April 2022)	Change (100% multiplier)
246.254	279.879	13.65%

CONSENT

The potential impact to total award amount is shown in the table below. The award amount is the total cost of each item contemplated in the agreement, and does not reflect total anticipated annual expenditure.

Contractor	Total original award	Updated award
CK Contractors	\$526,624.27	\$598,508.48
Hinterland Group	\$552,364.50	\$627,762.25

The agreements also require amendment to incorporate changes to Florida Statute, as well as federal contract terms that would be required in the event the agreement is utilized following a disaster, or other federally-funded grant work.

FUNDING:

Funding comes from various Utilities accounts, depending upon the individual projects and scopes of work.

RECOMMENDATION:

Staff recommends the Board approve the first extensions and modifications to the agreements with CK Contractors & Development, LLC, and Hinterland Group, Inc., and authorize the Chairman to sign them after the County Attorney's approval of the agreement as to form and legal sufficiency.

ATTACHMENT:

First Extension and Modification – CK

First Extension and Modification - Hinterland