

Indian River County, Florida
Department of Utility Services
Board Memorandum

Date: January 31, 2025

To: Indian River County Board of County Commissioners

From: John A. Titkanich, County Administrator
Sean C. Lieske, Director of Utility Services

From: Howard G. Richards, P.E., Capital Projects Manager, Utility Services

Subject: Work Order 17 to Kimley-Horn and Associates, Inc. for Oslo Water Treatment Plant Capital Upgrades & Renewals, IRCDUS Project ID 12.25.505

Background:

Indian River County Department of Utility Services (IRCDUS) owns and operates South County (Oslo) Water Treatment Plant (WTP) to the south and North County (Hobart) WTP to the north. Both plants provide potable water service to over 110,000 people across an urban service area (USA) of 96.44 square miles within Indian River County (IRC). IRCDUS recently completed construction of the Oslo WTP Improvements project, Project ID (PID) 12.19.503, which includes process improvements to increase the treatment capacity from 8.57 to 9.0 million gallons per day (MGD).

The Oslo WTP improvements project addressed critical items that were successful in enhancing treatment capacity while addressing urgent backlog of asset renewals. However, multiple items remain that are important to maintain and enhance reliability, operability, efficiency, and quality. It was determined that the appropriate course of action was to address them collectively in a subsequent project herein referred to as Oslo Water Treatment Plant Capital Upgrades & Renewals, PID 12.25.505 (Project).

As the name implies, the Project comprises a hybrid scope of capital and maintenance expenses (i.e., the subprojects). In addition, the capital subprojects include debottlenecking or throughput enhancement features (which are akin to capacity increase). Further, the project will be executed utilizing multiple vendors/contractors depending on the nature or type of work. As such, the project will be implemented in phases. Phase 1 (i.e., the Planning Phase) entails identifying what needs to be addressed, defining work scopes or packages, preparing budget estimates and funding, and project prioritization based on criticality. Subsequent phases of the Project include design, bidding and procurements, and build (i.e., construction, installation, integration, etc.).

Analysis:

Upon request by IRCDUS, Kimley-Horn and Associates, Inc. (KHA) provided the attached Work Order (WO) 17, pursuant to the Continuing Contract Agreement for Consulting Engineering Services dated May 2, 2023, between IRC and KHA, to provide Phase 1 services for the Oslo Water Treatment Plant Capital Upgrades & Renewals. The tasks under the Phase 1 scope include Project Management, Capital Maintenance & Renewal Matrix, and Technical Memorandum. The total fee for WO 17 is a lump sum of \$56,818.84. Results of Phase 1/Planning for the Project will be used to prepare and execute subsequent phase(s).

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One objective of this project is to identify a list of items that need to be addressed. The KHA fee is based in part on knowledge of Oslo WTP and discussions with Operations staff. It is anticipated that there could be added scope identified during the prosecution of the services that may warrant a change in scope. Staff therefore propose an additional 15%, or \$8,522.83, in project reserve, to cover potential scope variability (contingency for unforeseen circumstances) or owner-directed change(s) (value engineering or design improvements) be approved by the Board of County Commissioners (BCC) for such expenses which may be in IRC's best interest to adhere to project objectives. The project reserve will be retained by IRCDUS to be used for amendments after scope and fee negotiations with KHA.

KHA, pursuant to the Schedule provided in Exhibit A of Work Order 17, will complete the project and issue the Final Technical Memorandum in 4 months.

The total proposed budget for the Oslo Water Treatment Plant Capital Upgrades & Renewals project is \$65,341.67, including KHA's proposed cost (\$56,818.84) and project reserve retained by IRCDUS (\$8,522.83). The budget is distributed as shown in the following matrix:

Cost Category	KHA Base Fee	Project Reserve	Phase 1 Budget
Capital Budget (Capacity Related)	\$17,045.65	\$2,556.85	\$19,602.50
Capital Budget (Non-Capacity Related)	\$17,045.65	\$2,556.85	\$19,602.50
Operating Budget	\$22,727.54	\$3,409.13	\$26,136.67
Totals	\$56,818.84	\$8,522.83	\$65,341.67

Funding:

Funds, in the amount of \$19,602.50, for this project are derived from the Water Impact Fee/WIP/Oslo WTP Capital Upgrades & Renewals account, number 474-169000-25505. Capital fund revenues are generated from impact fees. Furthermore, new growth has created the need for the expansion or construction of the facilities, and that new growth will benefit from the expansion or construction of the facilities.

Expenses, in the amount of \$19,602.50, for this project will be recorded in the Utilities/WIP/Oslo WTP Capital Upgrades & Renewals account, number 471-169000-25505. Since this is an operating capital project, the funds will come from fund balance. Operating funds are derived from water and sewer sales.

Funds in the amount of \$26,136.67 for this project are derived from the Utilities/Water Production/R&R/Oslo WTP Capital Upgrades & Renewals account, number 47121936-044610-25505, which is in the Utilities operating fund. The Utilities operating fund budget is derived from water and sewer revenues.

Account Name	Account Number	Amount
Water Impact Fee/WIP/Oslo WTP Capital Upgrades & Renewals	474-169000-25505	\$19,602.50
Utilities/WIP/Oslo WTP Capital Upgrades & Renewals	471-169000-25505	\$19,602.50
Utilities/Water Production/R&R/Oslo WTP Capital Upgrades & Renewals	471-219-536-044610-25505	\$26,136.67

Recommendation:

Staff recommends that the Indian River County Board of County Commissioners approve Work Order 17 to Kimley-Horn and Associates, Inc. for the Oslo Water Treatment Plant Capital Upgrades & Renewals project

Consent Item

in the amount of \$56,818.84 and authorize the Chair to execute the same. Staff also recommend authorizing the Department of Utility Services to retain a project reserve of \$8,522.83 establishing a budget of \$65,341.67, for said project to cover potential scope variability or owner directed change(s) required to adhere to project objectives. So long as there are no changes in the dollar amount under the work order and amendments up to the approved budget and upon adequate completion of the work set forth, staff is directed to make final payment to Kimley-Horn and Associates, Inc.

Attachments:

KHA WO 17 Proposal for Oslo WTP Capital Upgrades & Asset Renewals