

**Indian River County, Florida
Department of Utility Services
Board Memorandum**

Date: January 19, 2022

To: Jason E. Brown, County Administrator

From: Matt Jordan, Interim Director of Utility Services

Through: Jennifer Hyde, Purchasing Manager

Prepared By: Terry Southard, Operations Manager, Utility Services
Rich Meckes, Wastewater Superintendent

Subject: Award of Bid #2022020 - South County Wastewater Treatment Facility (SCWWTF)
Reuse Control Panel Replacement and Permission to Increase Capital Funds

Background/Analysis:

The South County Wastewater Treatment Facility (SCWWTF) reuse control panel is in need of replacement, and the replacement was approved in the Fiscal Year (FY) 2021/22 capital budget with a total approved amount of \$375,000.00. The project was put out to bid, and bids were received on December 17, 2021. Two responsive bids were received, both significantly over budget.

	Contractor	Location	Bid Price
1.	Paragon Electric of Vero, Inc.	Vero Beach	\$606,527
2.	Hinterland Group, Inc.	Riviera Beach	\$773,965

However, with current market conditions, that was not surprising. The increase is due to several factors:

1. The rapid increase in inflation over the past year (~20%-30%).
2. Market conditions that have greatly impacted the pricing of fuel, goods, and services.
3. The ongoing COVID-19 pandemic is resulting in many manufacturers and contractors losing production time due to sick employees or potential exposures to the virus. This lost production time impacts project schedules, requiring elevated costs to perform work short-staffed. This has also caused significant impacts to the supply chain and availability of materials/equipment.
4. Equipment shortages have led vendors/fabricators the inability to hold their pricing.

A review of each bid package was performed by Kimley-Horn and Associates, Inc. (KHA), the engineer of record for the project, and Richard Meckes, Wastewater Superintendent. It was determined that Paragon Electric of Vero, Inc., (Paragon) is the lowest, responsive, and responsible bidder.

Since this is a capital purchase, the funds come from Operating Fund Reserves. We are seeking your approval to increase the available funds for the replacement of the SCWWTF reuse control panel and to also award the Bid #2022020 to Paragon.

Funding:

Funds in the amount of \$606,527.00 for this project will be available in Utilities/Other Equipment, account number 471-166002, in the Utilities Operating Fund. Utilities operating funds are generated from water and sewer sales.

Description	Account Number	Amount
Utilities/Other Equipment	471-166002	\$606,527.00

Recommendation:

1. Staff recommends that the Board of County Commissioners (BCC) give approval to use cash balance in the amount of \$231,527 to fund the additional cost for the replacement of the South County Wastewater Treatment Facility Reuse Control Panel.
2. Staff also recommends that the BCC award Bid #2022020 to Paragon Electric of Vero, Inc., in the amount of \$606,527.00, approve the agreement, and authorize the Chairman to execute it after review and approval of the agreement and public construction bond by the County Attorney as to form and legal sufficiency.

Attachments:

1. Bid 2022020 SCWWTFRCP Replacement -KHA Bid Review (due to size of document, this item can be reviewed online at www.ircgov.com or a printed copy is available in the Commission Office).
2. Agreement