

Indian River County, Florida  
Department of Utility Services  
Board Memorandum

**Date:** May 26, 2021

**To:** Jason E. Brown, County Administrator

**From:** Vincent Burke, PE, Director of Utility Services

**Through:** Jennifer Hyde, Purchasing Manager

**Prepared by:** Terry Southard, Operations Manager, Utility Services

**Subject:** South County Reverse Osmosis (SCRO) Water Treatment Plant (WTP) Bid Award

**Background/Analysis:**

Indian River County Department of Utility Services (IRCDUS) owns and operates the South County Reverse Osmosis (SCRO) Water Treatment Plant (WTP) located at 1550 9<sup>th</sup> Street SW, Vero Beach. IRCDUS is currently utilizing Kimley-Horn and Associates (KHA), under previous Board of County Commissioners (BCC) authorization from November 5, 2019, under the Water Plant and Water Resources Engineering Services Agreement.

On December 17, 2019, the BCC awarded KHA with Work Order No. 1 to provide design, permitting, and bidding phase services for the SCRO WTP project. Following completion of task 1 of this scope including the preliminary evaluation, the following additional items were determined to be necessary improvements as part of the overall project:

- Replace existing 1.5 million gallons per day (MGD) reverse osmosis (RO) trains (upgrade to 1.8 MGD)
- Replace/upgrade associated RO train remote programmable logic control (PLC) and instrumentation
- Replace process piping to stainless steel
- Modify feedwater pump configuration to dedicated operation
- Upgrade finish water supply piping to provide redundancy/resiliency
- Replace/upgrade high service pump piping and finish flow meter
- Replace/upgrade main plant PLC and associated PLC/Human-Machine Interface (HMI) programming
- Rehabilitate and upgrade cleaning system
- Rehabilitation of lab space and equipment

KHA has almost completed Work Order No. 1 at a cost of \$695,501.00. Bids were prepared for Purchasing to advertise.

On April 4, 2021, the Indian River County Purchasing Department advertised the project and requested bids, with the bid opening on May 19, 2021. Four companies bid the project:

Bidder Name	Total Base Bid	Subtotal of Alternates	Total Bid with Alternates
TLC Diversified, Inc	\$ 8,725,777.00	\$1,773,000.00	\$10,498,777.00
Florida Design Contractors	\$ 8,805,000.00	\$1,878,000.00	\$10,683,000.00
BLDM USA, LLC	\$ 9,601,000.00	\$1,349,000.00	\$10,950,000.00
WPC Industrial Contractors & Randall Environmental,	\$10,259,000.00	\$2,068,670.60	\$12,327,670.60

KHA reviewed the bids for completeness with respect to responsiveness, responsibility, and price. On May 27, 2021, KHA provided a Bid Review letter recommending TLC Diversified, Inc., as the lowest responsive, responsible bidder for the project with a total bid of \$10,498,777.00. IRCUS staff has worked on two successful projects with TLC and agrees with KHA's recommendation of award to TLC Diversified.

Overall costs for design and construction are as follows:

Description	Cost
KHA Work Order #1 Design Phase	\$ 695,501.00
Apparent Bid Construction Cost	\$10,498,777.00
KHA Work Order #6 Construction Phase Services	\$ 1,222,546.00
<b>Total South RO Improvement Cost</b>	<b>\$12,416,824.00</b>

On April 13, 2021, the BCC approved the American Rescue Plan (ARP) spending plan, which included a \$6,000,000 allocation towards the SCRO project. In order for these expenses to be eligible for ARP funding, federal clauses must be included in the contract documents. Because bids were already accepted at the time of BCC approval of the ARP funding for the project, federal requirements will need to be added to the agreement. Staff recommends the BCC award to TLC Diversified, and if that firm declines to accept the additional clauses, authorize staff to reach out to each subsequent low, responsive, and responsible bidder to determine if they will honor their bid price and accept the addition of federal clauses to the agreement. Should TLC decline, the changes, staff will bring an updated award recommendation to the BCC.

#### Funding:

Funds for this project are derived from the South Reverse Osmosis (S R/O) Membrane & Retrofit account in the Utilities operating fund. Utilities operating funds are generated from water and sewer sales. Additionally, \$6,000,000 in ARP funding, if federal contractual objectives can be met, may be utilized to fund a portion of the overall project, which will be added as a reimbursement to the Utilities fund.

Note: Staff did apply for cost-share grant funding to offset a portion of the construction cost, but was unable to acquire. Also, FY 2021-2022 legislative appropriations of \$1,129,668 were approved by the Florida House and Senate, but was unfortunately not funded when the Governor did a line-item veto. Staff would like to thank Representative Erin Grall and Senator Debbie Mayfield for their help and support of this legislative request.

Description	Account Number	Amount
S R/O Membrane & Retrofit FY 20-21	47121936-044699-19503	\$ 151,142.37
S R/O Membrane & Retrofit FY 21-22	47121936-044699-19503	\$5,802,152.43
S R/O Membrane & Retrofit FY 22-23	47121936-044699-19503	\$4,545,482.30

**Recommendation:**

Staff recommends that the Board of County Commissioners (BCC) award bid #2021026 to TLC Diversified, Inc. for \$10,498,777.00. Staff also recommends the BCC approve the sample agreement and authorize the Chairman to sign it, after the County Attorney has approved it as to form and legal sufficiency, and after receipt and approval of the required public construction bond and insurance. Staff further proposes the federal clauses be added to the final contract documents.

**Attachments:**

KHA South County WTP Improvements Project Bid Review Dated May 27, 2021  
Sample Agreement