



INDIAN RIVER COUNTY, FLORIDA DEPARTMENT OF UTILITY SERVICES

Date: January 9, 2017

To: Jason E. Brown, County Administrator

From: Vincent Burke, P.E., Director of Utility Services

Prepared By: Arjuna Weragoda, P.E., Capital Projects Manager

Subject: West Wabasso Phase II Sewer and the East Gifford Drainage Project – Bidding Status:
Bid No. 2017021

DESCRIPTIONS AND CONDITIONS:

On December 1, 2015, the Indian River County Board of County Commissioners (BCC) approved the Federally-Funded Sub-Grant Agreement – FY 2014 Funding Cycle for Contract Number 16DB-OK-10-40-01-N05. This agreement was in regard to both the West Wabasso Phase II sewer and the East Gifford drainage projects for a total amount of \$750,000.00 and the St. Johns River Water Management District FY 15/16 Cost Share grant for a total amount of \$343,677.05. The project was advertised initially on August 28, 2016, and bids were opened September 29, 2016. On November 1, 2016, the BCC authorized staff to reject the two bids, modify the specifications, and re-advertise since the initial bid prices were approximately \$1 million over budget. The project was re-advertised November 14, 2016 and opened December 15, 2016.

ANALYSIS:

The itemized bid schedule was broken into two separate schedules labeled A for the West Wabasso Phase II sewer project and B for the East Gifford drainage project. The engineer's opinion of probable construction cost for the projects are as follows:

Name	Schedule A-Sewer	Schedule B-Drainage	Total
Indian River County	\$1,041,445.60	\$169,624.80	\$1,211,070.40

Of the seven (7) prospective bidders who attended the mandatory pre-bid meeting held September 12, 2016, only two submitted bids. The results are as follows:

Initial Bids Opened September 29, 2016

Bidder	Schedule A-Sewer	Schedule B-Drainage	Total
Blue Goose Construction	\$2,081,776.30 (99.89% increase)	\$176,945.40 (4.32% increase)	\$2,258,721.70 (86.51% increase)
Timothy Rose Contracting	\$2,176,814.40	\$251,448.46	\$2,428,262.86

Only two (2) prospective bidders attended the non-mandatory pre-bid meeting that was held November 28, 2016.

Re-Advertised Bids Opened December 15, 2016

Bidder	Schedule A-Sewer	Schedule B-Drainage	Total
Blue Goose Construction	\$2,046,448.00 (96.50% increase)	\$215,080.20 (26.80% increase)	\$2,261,528.20 (86.74% increase)
Timothy Rose Contracting	\$2,125,513.40	\$200,768.80	\$2,326,282.20

The two bidders that attended the meeting are the same contractors who submitted bids both rounds. The following table compares the lowest, responsive, responsible bidder's prices from the initial and re-bid. Note that bid reductions from both contractors were unsuccessful during the rebid. The lowest overall bid actually increased from the initial bid. For the rebid, the lowest bidder's price for Schedule A-sewer reduced by \$35,328.30, but the drainage portion of the project, schedule B, increased by \$38,134.80.

Bidder	Schedule A-Sewer		Schedule B-Drainage	
	Initial Bid	Re-Bid	Initial Bid	Re-Bid
Blue Goose Construction	\$2,081,776.30 (99.89% increase)	\$2,046,448.00 (96.50% increase)	\$176,945.40 (4.32% increase)	\$215,080.20 (26.80% increase)

Given that the lowest bid price is still approximately \$1 million over the budgeted amount and only two bids were submitted, staff feels that in order to ensure the county receives competitive bids for the subject project, the most appropriate action is to reject this bid and table the project for a later date. The lack of participation and higher than anticipated bids could possibly be attributed to the complexity of paper work, auditing requirements that are mandated as part of the federal grant, and the abundance of construction activity available for potential bidders in the Treasure Coast area.

Staff would like to present the following options for the BCC to consider:

1. Since the bid prices are approximately \$1 million over budget, do nothing and table the project for a later date. The BCC agenda item for December 1, 2015, noted that "if during the procurement process bids are much higher than the Engineer's opinion of probable cost, the county has the option to close the sub-grant early without addressing any construction." The following will need to happen to exercise this option.
 - Terminate the Small Cities Community Development Block Grant (CDBG) Agreement 16DB-OK-10-40-01-N 05 through a written request per Item 13 (Termination). Please note that there are no penalties for early modification to close an agreement with no construction expenditures and no other compliance issues.
 - Terminate the St. Johns River Water Management District FY 15/16 Cost Share grant. This can be accomplished via a letter notifying the district of the reasons for termination. District staff stated that the subject termination will not be viewed negatively on future grant applications since the reasons for termination are beyond the control of the county.
 - Keep in mind that one of the goals in the Gifford Neighborhood Plan is to complete certain drainage improvements in this area by 2019. Staff can move forward with the proposed drainage improvements for the East Gifford area as designed and itemized in Schedule B through a separate procurement process utilizing other funding sources.

2. Award the bid to the lowest, responsive and responsible bidder, Blue Goose Construction, for a total sum of \$2,261,528.20 to include Schedule A and B work. Fund the deficit from other funding sources such as follows:

PROJECT NAME/ACTIVITY	CONSTRUCTION COST (Blue Goose)	CDBG FUNDING	COST-SHARE FUNDING*	OTHER FUNDING SOURCE	COMMENTS
West Wabasso Sewer Phase II	\$ 2,046,448.00	\$ 720,000.00	\$ 343,677.05	\$ 982,770.95	The deficit will be funded through Optional Sales Tax.
East Gifford Drainage Project	\$ 215,080.20	\$ 30,000.00	\$ 0.00	\$ 185,080.20	Deficit to be funded via available MSBU funds in the amount of \$19,000 and the remainder to be funded through Optional Sales Tax.

FUNDING:

Funding for the West Wabasso Phase II sewer project is available in the Utilities capital fund account. Capital fund revenues are generated from impact fees. Funding for the East Gifford drainage project is available in the Optional Sales Tax fund.

Description	Account Number	Amount
West Wabasso Phase II Sewer Project	472-169000-14501	\$1,050,000.00
Optional Sales Tax- East Gifford Drainage Project	31524319-066340-15017	\$ 170,000.00

RECOMMENDATION:

Staff recommends Option No. 1 outlined above, rejection of all bids submitted in response to Invitation to Bid No. 2017021 and table the project for a later date, and authorize staff and the chair to sign any documents necessary to effectuate the termination of the agreements associated with the West Wabasso Phase II Sewer project.

ATTACHMENT(s):

Bid Comparison for Schedule A and B