



March 27, 2017

Mr. Arjuna Weragoda, P.E.
Indian River County Utilities
1801 27th Street
Vero Beach, FL 32960

RE: *South County Water Treatment Plant*
Well S-4 Replacement – Change Order to All Webbs Enterprises, Inc.
Bid/Contract No. 2016031
KHA Project No. 044572039

Dear Mr. Weragoda,

As you are aware, the existing well S-4 was determined to be unusable and was determined that a new well be drilled adjacent to the existing well. See attached correspondence dated December 31, 2016, outlining the condition assessment of well S-4. With direction from IRCU staff, Kimley-Horn and Associates, Inc. prepared drawings and specifications for a new well, and provided these to All Webbs Enterprises (AWE) requesting a change order price for the replacement well. We have reviewed the latest change order proposal provided by All Webbs for well S-4 replacement and have the following comments and recommendations.

The original opinion of costs of \$802,000 provided in the recommendation letter was for basic replacement of the well, wellpump, wellhead, and electrical system. During development of the plans and specifications, it was determined that additional scope would not only improve the performance and reliability of the well, but provide a more robust raw water supply system to the treatment plant.

Additional items to provide a more robust raw water supply system to the water plant not originally included are:

- Plug and abandonment of well S-4
- Demolition of the existing wellhead, site, piping, etc.
- Automatic transfer switch for the generator, allowing the unit to startup remotely when power is lost.
- Upsize in generator size to account for across the line starter on well pump – improve reliability of system.
- Additional development time to improve yield of well
- Enhance fiber optic trunk and include fiber optic communication of well S-4

AWE's latest proposal is \$1,095,205.00, which includes all of these items. The sum of the additional line items listed above totals approximately \$161,000, which appear to be in line with their current pricing used for well S-7, with the exception of some of the electrical costs. Some of the well abandonment and development rates seem a little inflated as well, but the overall well costs appear to be within 10% of what we would expect.

Another option that you could consider is to re-advertise the well S-4 replacement for bids. However, in comparing the costs provided by the 2nd lowest bidder, Rowe Drilling, their bid price was \$1,091,875 which is still greater than AWE's latest proposal. Additionally, AWE's proposal includes ALL of the extra work (abandonment and demolishing the existing well, generator with ATS, fence and gate, and additional development time to improve performance). Therefore, AWE's proposal is still less than the 2nd lowest bidder, and includes all of these improvements.

There is no guarantee that if you rebid the project, that the bids will come in more competitive, and in fact may be higher than the previous bids. There is also additional time and effort (costs) to re-advertise, which will inflate costs even more.

It should also be noted that the preliminary performance of well S-7 is nearly **quadrupled** the capacity of the existing South Oslo wells, having a specific capacity greater than 80 gpm/ft. The existing wells average 20 gpm/ft with well 1 having a 40 gpm/ft specific capacity. Therefore, the results of the work AWE has provided shows positive signs and has produced a well that is much more productive than all of the existing wells at the South RO water plant.

Based on our review, discussions/negotiations with AWE, and comparison of this project bid and other similar project experience, it is our recommendation is to award the change order in the amount of to **\$1,051,783.57** AWE currently under contract. This amount includes the credit for the rehab work on the original well S-4.

Please do not hesitate to contact me at (561) 845-0665 if you have any questions.

Sincerely,

KIMLEY-HORN AND ASSOCIATES, INC.



Mark D. Miller, P.E.
Vice President

Encl: Well S-4 Condition Assessment Letter Report 12.31.17

AWE Proposal / Change Order

CC: Vince Burke, P.E., Director
Terry Southard, IRCU