

Indian River County, Florida
Department of Utility Services
Board Memorandum

Date: August 23, 2024

To: Indian River County Board of County Commissioners

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

From: Howard G. Richards, PE, Manager - Capital Projects

Subject: Approve Agreement with HDR Engineering, Inc. for IRCDUS Project ID: 00.23.547 for the County's Integrated Water Master Plan.

Background:

Indian River County (IRC) is experiencing significant growth, which is expected to continue and possibly even accelerate during the foreseeable future. To help ensure continued availability of water, wastewater, and reuse services to its customers, Indian River County Department of Utilities Services (IRCDUS) will undertake the development of an Integrated Water Master Plan (IWMP). The IWMP involves comprehensive analyses and assessments of the future demand for water, wastewater, and reuse services, and to define short- and long-term capital improvements projects (CIP) for IRCDUS.

Request for Qualifications (RFQ) 2024039 was issued on February 22, 2024, to identify qualified consulting engineering firms to develop the IWMP. Upon review of the five (5) statements of qualifications (SOQs) that were received on April 2, 2024, the selection committee ranked HDR Engineering, Inc. (HDR) as the top firm. Subsequently, on June 18, 2024, the Indian River County Board of County Commissioners (BCC) authorized negotiations with HDR (and the subsequently ranked firms should negotiations fail).

Analysis:

IRCDUS and Purchasing staff held meetings with HDR to negotiate the required scope of services and consulting fees for the IWMP is reflected in the attached agreement. The outcomes of the meetings are incorporated into the attached Consulting Engineering Services Agreement signed by HDR. HDR's proposed cost is \$2,475,840, including labor and direct expenses. The anticipated schedule to complete the IWMP is approximately sixteen (16) months, commencing in fiscal year 24/25.

Because public utilities' master planning is multifaceted in nature, occurring over a period of time

Departmental Item

that could see changing conditions, defining all the tasks and activities to be performed, and the underlying cost drivers, has inherent uncertainties. As those uncertainties manifest during execution of the project, IRCDUS will negotiate additional services with HDR to reach agreement on scope and fee amendments. To manage such uncertainties, IRCDUS and HDR mutually agree that a thirty percent (30%), or \$742,750.00, owner's allowance is appropriate. IRCDUS staff proposes to retain the owner's allowance as a management reserve (MR) for the purpose of covering increases in scope and fee for the IWMP.

The total proposed budget for the IWMP is \$3,218,590, including HDR proposed cost (\$2,475,840) and IRCDUS management reserve (\$742,750). This proposed budget is less than the IRCDUS's planned operating budget of \$3,500,000.00 for this project.

Funding:

Funds for this project are derived from the Utilities/General & Engineering/Other Professional Services/Integrated Water Master Plan account, number 47123536-033190-23547, in the Utilities operating fund. There is \$2,000,000 budgeted in the Fiscal Year 2024/2025 budget, with the remaining \$1,218,590 to be budgeted in Fiscal Year 2025/2026. The Utilities operating fund budget is derived from water and sewer revenues.

Description	Account Number	Amount
Utilities/General & Engineering/Other Professional Services/ Integrated Water Master Plan	47123536-033190-23547	\$3,218,590

Recommendation:

Staff recommends the Indian River County Board of County Commissioners approve the agreement with HDR Engineering, Inc. for the IRCDUS Integrated Water Master Plan in the amount of \$2,475,840 and authorize the Chair to execute the agreement.

Staff is seeking Board direction on authorizing the Department of Utility Services, with the County Administrator's approval, additional scopes of work that may be identified, negotiated, and fee agreed upon, up to \$742,750.00.

Attachments:

Integrated Water Master Plan Consulting Engineering Services Agreement (HDR sign)