

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

Date: August 27, 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, P.E., Manager - Capital Projects

Subject: Request Waiver of Bid Requirement and Approve Agreement with GrayMatter Systems, LLC for Industrial Control System Design and Implementation Support Services
IRCDUS Project ID 00.23.545

Background:

The Indian River County Departments of Information Technology (IT) and Utility Services (IRCDUS) are jointly undertaking the Industrial Control System (ICS) Network Upgrade project (IRCDUS Project ID 00.23.545) for the Utilities' Supervisory Control and Data Acquisition (SCADA) system. The upgrade is intended to enhance the operational efficiency and cybersecurity posture of the County's ICS and SCADA systems.

On January 11, 2022, the Indian River County Board of County Commissioners (BCC) approved the award of Request for Proposal (RFP) 2022014 to GrayMatter Systems, LLC (GrayMatter) to provide consulting and design services related to the ICS Network Upgrade project in the amount of \$60,448.00. Then on November 22, 2023, Task 10 was added as Change Order 1 for \$20,250.00 for changes, updates, and additional meetings related to the project.

GrayMatter has completed its obligations under RFP 2022014 and Change Order 1, and the BCC approved final payment to GrayMatter on August 20, 2024. IRCDUS has the final design documents for the project and is in the process of advancing the project to the procurement and implementation phases.

Analysis:

To support the contractor procurement and implementation phases, including deployment, installation and construction of a fully delivered ICS Network Upgrade project, IRCDUS desires to retain GrayMatter to provide post design services including, development of material specifications, implementation scope of work, request for proposal (RFP), estimate of probable costs, procurement and implementation support, and project management.

Based on discussions with IRCDUS and IT staff, GrayMatter provided a Proposal for Industrial Controls System Design and Implementation Support Services that is incorporated as Exhibit 1 in the attached agreement signed by GrayMatter. GrayMatter proposed fee for the above tasks is \$312,676.98 which includes a 5%

Consent Item

contingency allotment. While the GrayMatter proposal comprises a suite of optional services, specific task order services proposed for the ICS Network Upgrade project include:

- Task 1 – RFP Development and Solicitation Support,
- Task 2 – Bid Award and Pre-Implementation Services,
- Task 3 – Technical Implementation and Support Services, and
- Task 4 – Project Controls and Closeout.

As the systems designer, GrayMatter has the advantage of familiarity with IRC’s IT systems, including firewalls and integrations of the ICS Network Upgrade into the existing infrastructure. It should also be noted that GrayMatter was competitively selected for the first phase of the project. Further, issuing an RFP for the implementation services will only add delays to the project, thus extending exposure to risk of cyberattacks that we must do everything to avoid. Considering the importance of this project, the desire to move it forward as quickly as possible and GrayMatter’s familiarity with our system, IRCDUS staff believe that it is in the best interest of the County to retain GrayMatter for the next phases and therefore request a waiver of the requirement for bids.

Funding:

Expenses, in the amount of \$312,676.98, for this project will be recorded in the Utilities/WIP/SCADA Cyber Security account, number 471-169000-23545. Since this is an operating capital project, the funds will come from fund-balance. Operating funds are derived from water and sewer sales.

Description	Account Number	Amount
Utilities/WIP/SCADA Cyber Security	471-169000-23545	\$312,676.98

Recommendation:

Staff recommends that the Indian River County Board of County Commissioners approve the agreement with GrayMatter Systems, LLC including the proposal and task order services incorporated as Exhibit 1 for \$312,676.98 and authorize the Chairman to sign it after review and approval by the County Attorney as to form and legal sufficiency. So long as there are no changes in the dollar amount under the agreement and upon adequate completion of the work set forth in the agreement, staff is directed to make final payment and release any retainage to GrayMatter Systems, LLC.

Attachments:

- GrayMatter Proposal for Industrial Controls System Design and Implementation Services and Support
- Professional Services Agreement (signed by GrayMatter)
- Consent of the Gray Matter Companies - Officers