

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: February 3, 2015

Consent [X]

Regular []

Public Hearing []

Department: Water Utilities Department

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: **A)** Contract with Hinterland Group, Inc. (Contract) for the Belle Glade Sewer Infiltration and Inflow Improvements 2014 project (project) in the amount of \$1,794,613. The duration of the contract is 180 days; **B)** Change Order No. 1, decreasing the contract price by \$451,270; **C)** a Budget Amendment of \$808,007 in the Water Utilities Department Capital Improvement Fund for the project; **D)** a Budget Transfer of \$170,007 in the Department of Economic Sustainability (DES) Disaster Recovery Initiative (DRI) Fund for the project; and **E)** a Budget Transfer of \$638,000 in DES's DRI 3 Wilma Fund for the project

Summary: On October 22, 2014, five (5) bids were received for the Belle Glade Sewer Infiltration and Inflow Improvements 2014 project. This project will diminish infiltration and inflow into the sewer system, reducing the likelihood of sewer overflows. Hinterland Group, Inc. was the lowest responsive responsible bidder in the amount of \$1,794,613. Funding is provided by the County's Department of Economic Sustainability with Disaster Recovery Program. Since the project is funded with federal funds, it is subject to a 22.4% minority participation goal and a 6.9% female participation goal for trades rather than the County's SBE goals. The Contract provides for 0.0% minority participation and 2.2% female participation. However, staff recommends award to Hinterland Group, Inc. based upon their good faith efforts to meet the desired participation goals. The project requires specialized work involving the lining of wastewater pipes that few minority-owned businesses provide. Hinterland Group, Inc is a Palm Beach County company. Change Order No. 1 will reduce the contract price from \$1,794,613 to \$1,343,343 and reduce the scope of work to match the available grant amount because the bid amount exceeded the available grant funds by \$451,270. (WUD Project No. 14-088) District 6 (JM)

Background and Justification: The DEO has appropriated funds for the rehabilitation of the City of Belle Glade's wastewater infrastructure through the DRI Program. A bid protest was submitted to the Palm Beach County Director of Purchasing on October 30, 2014, by the second low bidder Lanzo Trenchless Technologies based on the premise that Hinterland Group, Inc. did not meet the experience required for this project. The protest was determined to be untimely because the Notice of Award Recommendation had not been posted at the time the protest was filed. Additionally, Palm Beach County Water Utilities Department staff determined that Hinterland Group, Inc. had taken the steps necessary to demonstrate the required experience. No bid protest was submitted within the five (5) day period following the posting of the Notice of Award recommendation.

Attachments:

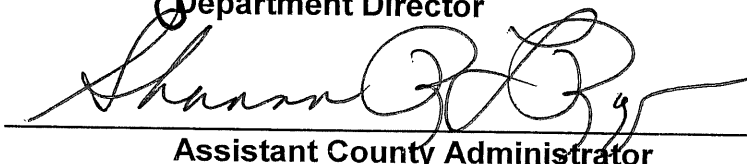
1. Two (2) Original Contracts
2. Location Map
3. Notice of Award Recommendation with Bid Tabulation Sheet
4. Two (2) Original Change Order No. 1
5. Budget Amendment Form Water Utilities Capital Improvement Fund
6. Budget Transfer Form Disaster Recovery Initiative Fund
7. Budget Transfer Form Disaster Recovery Initiative #3 Wilma Fund
8. Memorandum of Understanding

Recommended By: _____


Department Director

1-26-15
Date

Approved By: _____


Assistant County Administrator

1-29-15
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures	\$1,343,343	\$0	\$0	<u>0</u>	<u>0</u>
External Revenues	(\$1,343,343)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Program Income (County)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
In-Kind Match County	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET FISCAL IMPACT	\$0	\$0	\$0	<u>0</u>	<u>0</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Budget Account No.: Fund 4011 Dept 721 Unit W040 Object 6546

[illegible]

Reporting Category N/A

B. Recommended Sources of Funds/Summary of Fiscal Impact:

The project is being funded by County's Department of Economic Sustainability with DRI. Water Utilities will initially fund the expenditures and be reimbursed from DES.

C. Department Fiscal Review: Debra M West

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

Handwritten signature: *[Signature]* 1/21/15

Dan J. Jordan 107/15
Contract Development and Control
1-27-15 B W hecker

B. Legal Sufficiency:

James C. Mayo 4/29/15
Assistant County Attorney

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

WUD 14-088 Belle Glade Inflow & Infiltration Improvements 2014

Attachment 2



Inter-Office Memorandum

Palm Beach County



Water Utilities Department

2014 DEC 12 PM 8:07
2014 DEC 22 AM 10:53

TO: Jim Stiles, Director
Water Utilities Department

DATE: December 12, 2014

FROM: Maurice Tobon, P.E., Director of Engineering *MT*
Water Utilities Department

RE: Notice of Award Recommendation
Belle Glade Sewer Infiltration and Inflow Improvements 2014
Project No: WUD 14-088

The bid opening for the above referenced project was held on Wednesday, October 22, 2014. Bids were received from five (5) contractors. A summary of the results of the bidders' total base bid price is as follows:

BIDDER'S NAME	BASE BID
Hinterland Group, Inc.	\$1,794,613.00
Lanzo Trenchless Technologies	\$1,959,670.00
Insituform Technologies, LLC	\$2,608,516.70 *
Layner Inliner, LLC	\$2,972,655.00
Giannetti Contracting Corp.	\$4,457,874.00

* The Total Base Bid for Insituform Technologies, LLC was recalculated from \$2,610,316.70 to \$2,608,516.70 due to two computational errors in the bid form - 6.

The engineer's recommendation is to award to Hinterland Group, Inc. as the lowest responsive bidder.

The engineer's opinion of probable construction cost was \$1,200,000. An evaluation of the low bid is as follows:

1. The Bid Form and Federally Funded Project Forms provided in the Contract Documents were properly executed.

2. Bid Bond equal to 5% of the total base bid was enclosed on the form provided in the Contract Documents.
3. The Contractor holds a valid state contractor's license. The Local Preference Ordinance is not applicable to this Department of Economic Sustainability (DES) funded project.
4. The lowest responsive bidder acknowledged the one (1) addendum.
5. SBE-M/WBE Schedules #1 and #2 provided in the Contract Documents were properly filled out. The low bidder has met the 15% SBE goal established under the SBE Ordinance. (A copy of the Office of Small Business Assistance SBE-M/WBE Compliance Review is attached.)

Based on their bid results, the completeness of their bid package, and the responses of their references. Contract award is recommended to the low responsive bidder, Hinterland Group, Inc. in the amount of \$1,794,613.00, subject to Department of Economic Sustainability (DES) review and formal approval by the Florida Department of Economic Opportunity (DEO) and the PBC Board of County Commissioners.

A copy of this notice has been posted at the bid opening location and will be left there for a minimum of five (5) business days.

VG/vg

Attachments

cc: Hassan Hadjimiry, P.E., Assistant Utilities Director
Maurice Tobon, P.E., Director of Engineering
Craig C. Williams, Assistant Director Finance & Administration
Henry Melendez, P.E., Pipeline Design Manager

CHANGE ORDER

PROJECT: Belle Glade Sewer Infiltration and Inflow Improvements 2014
 WATER UTIL. DEPT. PROJECT NO. WUD 14-088
 DISTRICT NUMBER: 6
 CHANGE ORDER NO.: one(1)

TO:	DOCUMENT NO.	R2015-
Hinterland Group	CONTRACT DATE:	February 3, 2015
5401 N Haverhill Road Unit 114	NOTICE TO PROCEED:	February 3, 2015
West Palm Beach Florida 33407	BUDGET LINE ITEM:	4011721W0406546

You are directed to make the following changes in this contract:

1.1	Reduce bid item 1 from 11,650 lf to 7,500 lf	\$107,900.00
1.2	Reduce bid item 3 from 2,800 lf to 2,000 lf	\$116,000.00
1.3	Reduce bid item 10 from 2,000 lf to 1,250 lf	\$118,500.00
1.4	Reduce bid item 11 from 1,000 lf to 735 lf	\$53,000.00
1.5	Reduce bid item 22 from 577 vf to 430 vf	\$30,870.00
1.6	Delete bid item 31	\$25,000.00
TOTAL		\$451,270.00

NOT VALID UNTIL SIGNED BY BOTH OWNER AND ENGINEER. SIGNATURE OF THE CONTRACTOR INDICATES HIS AGREEMENT HERewith INCLUDING ANY ADJUSTMENT IN THE CONTRACT SUM OR CONTRACT TIME, AND NO ADDITIONAL COST OR TIME INDICATED HEREIN WILL BE RELATED TO THIS CHANGE

The Original Contract Sum was	\$1,794,613.00
Net Change by previous Change Orders00
The Contract Sum prior to this Change Order was	\$1,794,613.00
The Contract Sum will be reduced by this Change Order	\$451,270.00
The New Contract Sum indicating this Change Order will be ...	\$1,343,343.00
The Contract Time for will be increased by 0 days	0 Days
The Date of Substantial Compl. Including this Change Order:	Jul 3, 2015
The date of Final Compl. Including this Change Order:	Aug 2, 2015

 EXECUTION OF THIS CHANGE ORDER ACKNOWLEDGES FINAL SETTLEMENT OF, AND RELEASES, ALL CLAIMS FOR COSTS AND TIME ASSOCIATED, DIRECTLY OR INDIRECTLY, WITH THE ABOVE STATED MODIFICATION (S), INCLUDING ALL CLAIMS FOR CUMULATIVE DELAYS OR DISRUPTIONS RESULTING FROM, CAUSED BY, OR INCIDENT TO SUCH MODIFICATION (S) CONSTITUTES IN WHOLE OR PART, A CARDINAL CHANGE TO THE CONTRACT.

Belle Glade
Sewer Infiltration and Inflow Improvements 2014
Project No. WUD 14-088
District Number: 6
Contract No. R 2015-
Change Order No. one(1)

Palm Beach County

Hinterland Group, Inc

Palm Beach County

Victor Gutierrez, P.E.

ENGINEER

P.O. Box 16097

Address

WPB, FL 33416

~~Daniel Duke III~~

CONTRACTOR

5401 N Haverhill 114

Address

WPB, FL 33407

Shelley Vana Mayor

OWNER:

P.O. Box 16097

Address

WPB, FL 33416

BY Victor Gutierrez

BY [Signature]

BY _____

DATE 12/24/14

DATE 1/6/15

DATE _____

JCS

Approved as to Form and Legal Sufficiency

By: _____
County Attorney

Attest: Sharon R. Bock, Clerk and Comptroller

By: _____
Deputy Clerk

Belle Glade
Sewer Infiltration and Inflow Improvements 2014
Project No. WUD 14-088
District Number: 6
Contract No. R 2015-
Change Order No. one(1)

CHANGE ORDER CATEGORIZATION

☒ OWNER INITIATED

☐ QUANTITY OVERRUNS/UNDER-RUNS

☐ DIFFERING SITE CONDITIONS

☒ REQUEST BY ANOTHER AGENCY/OUTSIDE

☐ ZONING/CODE/ORDINANCE CHANGES

☐ A. REIMBURSABLE

☐ ERRORS/OMISSIONS/IN DESIGN

☐ B. NON-REIMBURSABLE

Belle Glade
Sewer Infiltration and Inflow Improvements 2014
Project No. WUD.14-088
District Number: 6
Contract No. R 2015-
Change Order No. one(1)

SCOPE OF WORK

- 1.1 Reduce the linear feet of lining for 8" PVC or VCP gravity sanitary sewer main.
 - 1.2 Reduce the linear feet of lining for 30" PVC or VCP gravity sanitary sewer main.
 - 1.3 Reduce the linear feet for single lateral replacement with cleanout installation (removal and installation).
 - 1.4 Reduce the linear feet for double lateral replacement with cleanout installation (removal and installation).
 - 1.5 Reduce the vertical linear feet of sewer manhole coating.
 - 1.6 Delete contract allowances for miscellaneous items
-

Belle Glade
Sewer Infiltration and Inflow Improvements 2014
Project No. WUD 14-088
District Number: 6
Contract No. R 2015-
Change Order No. one(1)

SUMMARY

<u>C.O. #</u>	<u>DESCRIPTION</u>	<u>ADDITIONS</u>	<u>(DELETIONS)</u>	<u>NET CHANGE</u>
1.1	8" lining gravity sewer.		107,900.00	107,900.00
1.2	10" lining gravity sewer		116,000.00	116,000.00
1.3	Single lateral replacement		118,500.00	118,500.00
1.4	Double lateral replacement		53,000.00	53,000.00
1.5	Sewer manhole coating		30,870.00	30,870.00
1.6	Contract allowances		25,000.00	25,000.00
	Total			\$451,270.00

Belle Glade
Sewer Infiltration and Inflow Improvements 2014
Project No. WUD 14-088
District Number: 6
Contract No. R 2015-
Change Order No. one(1)

SUMMARY

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1.4	Double lateral replacement		53,000.00	53,000.00
1.5	Sewer manhole coating		30,870.00	30,870.00
1.6	Contract allowances		25,000.00	25,000.00
	Total			\$451,270.00

BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
BUDGET: AMENDMENT
FUND 4011: Water Utilities Department Capital Improvement Fund

Use this form for items not anticipated in the budget

Account		Original Budget	Current Budget	Increase	Decrease	Adjusted Budget	Encumbered As of 1/23/15	Remaining Balance
Number	Name							
<u>Capital Improvement Fund</u>								
<u>Receipts and Revenues</u>								
4011-800-4211-8319	Transfer from fund 1106	1,025,915	1,025,915	170,007	0	1,195,922		
4011-800-4211-8335	Transfer from fund 1108	<u>0</u>	<u>0</u>	<u>638,000</u>	<u>0</u>	<u>638,000</u>		
Total receipts and revenues		<u>245,201,670</u>	<u>238,707,040</u>	<u>808,007</u>	<u>0</u>	<u>239,515,047</u>		
<u>Expenditures and Reserves</u>								
4011-721-W040-6546	Collection System	592,621	592,621	809,985	0	1,402,606	59,263	1,343,343
4011-720-9900-9909	Reserves	69,564,731	69,162,767	0	1,978	69,160,789	0	69,160,789
Total expenditures and reserves		<u>245,201,670</u>	<u>238,707,040</u>	<u>809,985</u>	<u>1,978</u>	<u>239,517,025</u>	<u>59,263</u>	<u>1,343,343</u>

<u>Water Utilities Department</u>	Signatures	Date	By Board of County Commissioners
Initiating Department/Division	<u>Debra M. West</u>	<u>1/26/15</u>	At Meeting of _____
Administration/Budget Department Approval	_____	_____	_____
OFMB and Budget Department - Posted	_____	_____	Deputy Clerk to the Board of County Commissioners

15-

BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
BUDGET TRANSFER

Page 1 of 1
BGEX-143-01231500000000644

Use this form to provide budget for items not anticipated in the budget.

FUND 1106 -Disaster Recovery Initiative

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED	REMAINING BALANCE
EXPENDITURES								
143-1421-9211	Transfer to WUD	0	0	170,007	0	170,007		
143-1421-8201	Contributions Other Govt Agency	740,883	740,883	0	170,007	570,876	0	570,876
TOTAL EXPENDITURES		0	0	170,007	170,007	0		

Department of Economic Sustainability
INITIATING DEPARTMENT/DIVISION
Administration/Budget Department Approval
OFMB Department - Posted

Signatures

Edward B. Lampert
[Signature]

Date

1/23/2015

By Board of County Commissioners
At Meeting of :
February 3, 2015
Deputy Clerk to the
Board of County Commissioners

BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
BUDGET TRANSFER

Page 1 of 1
BGEX-143-01231500000000642

Use this form to provide budget for items not anticipated in the budget.

FUND 1108 -Disaster Recovery Initiative #3 Wilma

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED	REMAINING BALANCE
EXPENDITURES								
143-1422-9211	Transfer to WUD	0	0	638,000	0	638,000		
143-1422-8101	Contributions Other Govt Agency	729,409	729,409	0	638,000	91,409	15,692	75,717
TOTAL EXPENDITURES		0	0	638,000	638,000	0		

Department of Economic Sustainability
INITIATING DEPARTMENT/DIVISION
Administration/Budget Department Approval
OFMB Department - Posted

Signatures

Charles H. Smith

Date

1/23/2015

By Board of County Commissioners
At Meeting of :
February 3, 2015
Deputy Clerk to the
Board of County Commissioners

MEMORANDUM OF UNDERSTANDING
BELLE GLADE
SANITARY SEWER IMPROVEMENTS PROJECT

This Memorandum of Understanding (Memorandum) is entered on _____ by and between **Palm Beach County Department of Economic Sustainability ("DES")**, and the **Palm Beach County Water Utilities Department ("WUD")** to cooperatively complete the **Belle Glade Sanitary Sewer Improvements Project** (the "Project").

WHEREAS, DES has identified \$1,343,352.89 in surplus Community Development Block Grant (CDBG)/Disaster Recovery Initiative (DRI) funds between Palm Beach County and the State of Florida Department of Economic Opportunity (DEO); and

WHEREAS, DEO has approved \$170,006.60 of DRI-2 funds, \$638,000 of DRI-3 funds and \$535,346.29 of DRI-5 (DREF) funds for the implementation of the Project; and

WHEREAS, DES has made these DRI funds available for construction costs related to the installation of sanitary sewer improvements in the City of Belle Glade; and

WHEREAS, the improvements referenced herein require a construction contractor to undertake the construction work as established by drawings and specifications provided by WUD; and

WHEREAS, WUD will procure the services of a construction contractor, whose contract will be funded with DRI funds, for the work on the Project; and

WHEREAS, HUD/DEO requires that an inter-departmental agreement, provided as this Memorandum of Understanding, be executed between DES, as the HUD/DEO-funded department, and WUD, as the department implementing a federally-funded project; and

WHEREAS, DES and WUD wish to enter into this Memorandum of Understanding in order to establish the terms and conditions for undertaking the infrastructure improvements projects.

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained, it is agreed as follows:

1. DES:

- a. Shall provide WUD with the Federal requirements applicable to construction contracts as they relate to the use of CDBG/DRI funds (including but not limited to, Davis-Bacon and Related Acts (DBRA)), bonding requirements established under 24 CFR Part 85, and Executive Order 11246).
- b. Shall provide WUD with program and report forms to be completed by consultants, contractors, and subcontractors as they relate to compliance with CDBG/DRI requirements and the collection of information needed by DES to meet its reporting obligations to HUD/DEO.
- c. Shall update WUD with any HUD/DEO requirements associated with the use of CDBG/DRI funds that arise in the course of implementing the improvements for the Project.
- d. Shall utilize a budget transfer mechanism to reimburse WUD for eligible project costs following DES's review/approval of paid invoices.
- e. Shall monitor the progress of project implementation and expenditure of funds through observation and contact with WUD, and through the receipt from WUD of reports, as well as contractor payment requests.
- f. Shall be responsible for Davis-Bacon compliance.
- g. Shall identify additional surplus DRI funds and if available shall revise the Project allocation contained herein and notify WUD in writing of the additional funds available.

2. WUD:

- a. Shall include the Federal requirements applicable to the use of CDBG/DRI funds in the contracts for construction and assure compliance with such requirements.
- b. Shall assign qualified staff to coordinate the bid process, procure the services of a construction contractor, enter into a construction contract with the contractor, monitor the contractor's progress and review and approve payments for completed improvements for the Project.
- c. Shall obtain forms completed by contractors, and subcontractors and prepare project reports as they relate to CDBG and HUD/DRI reporting requirements.
- d. Shall communicate, consult, and coordinate with DES regarding the expeditious completion of the Project.
- e. Shall review, approve and forward to DES the payment requests of the construction contractor for construction services for the Project according to the scope of the project, which activity is determined to be eligible as Public Facilities and Improvements, as defined in 24 CFR 570.201(c), to enable DES to achieve the National Objective of benefiting low and moderate income persons on an area-wide basis, as defined in 24 Code of Federal Regulations 570.208(a)(1)(i), and for which CDBG/DRI funds were made available by HUD.
- f. Shall assist with Davis-Bacon requirements by performing on-site employee interviews and reviewing certified payrolls from contractors and sub-contractors.

3. WUD shall maintain written records of work performed by its staff, and expenditures incurred in connection with this Memorandum of Understanding, and shall maintain all reports, plans, surveys documents, maps and other data produced, collected, developed, prepared, assembled or completed by WUD for the Project for five (5) years after expiration of this Memorandum of Understanding.

4. All income earned by WUD, if any, from activities financed, in whole or in part, by funds provided hereunder must be reported to DES. Such income would include, but not be limited to, income from service fees, sale of commodities, and rental or usage fees. Such income shall only be used to undertake the activities authorized by this Memorandum of Understanding and as approved by DES. Accounting and disbursement of such income shall comply with OMB Circular A-110 and regulations pertaining to the Community Development Block Grant.

5. WUD agrees to comply with the applicable uniform administrative requirements as described in the Community Development Block Grant Regulations (24 CFR 570.502).

6. WUD shall carry out the activities in this Memorandum of Understanding in compliance with all Federal laws and regulations at Subpart K of 24 CFR Part 570, except that: (i) WUD does not assume DES's environmental responsibilities described at 24 CFR Part 570.604; and (ii) WUD does not assume DES's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

7. This Memorandum of Understanding may be suspended or terminated in accordance with 24 CFR Part 85.43 if WUD materially fails to comply with any term hereof, and this Memorandum of Understanding may be terminated for convenience in accordance with 24 CFR Part 85.44.

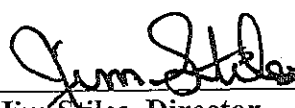
8. This Memorandum of Understanding shall expire on the date when WUD has satisfactorily submitted, and received DES approval of, all necessary documentation for project closeout; has submitted the contractor's request for final payment; and has obtained written notification from DES of the completion of the Project.

AGREED AS TO TERMS:

**DEPARTMENT OF ECONOMIC
SUSTAINABILITY**

WATER UTILITIES DEPARTMENT

BY: _____
Edward W. Lowery, J.D., Director

BY:  _____
Jim Stiles, Director