Memorandum

MIAMI-DADE COUNTY

Date:	July 20, 2010
To:	Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners
From:	George M. Burgess County Manager
Subject:	Resolution accepting the Unsolicited Proposal for On-Site Chlorine Generation and Emergency Generator Systems at the County's Water Treatment Plants

Agenda Item No. 8(R)(1)(B)

This item was amended at the July 13, 2010 Government and Operations Committee to correct a scrivener's error under the fiscal impact to reflect the correct total allocated by Water and Sewer Capital Improvement and Multi-Year plan from $61 million to $67.2 million for this project.

RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) adopt the attached resolution accepting the unsolicited proposal to design and build chlorine generation and emergency generators at the County's water treatment plants. After carefully assessing the proposals, it is being recommended that the County accept the proposal and authorize issuance of a competitive solicitation to design and build suitable onsite chlorine generation facilities at the appropriate water facilities.

Kiewit Southern Co. in association with Electrolytic Technologies Corporation and Post, Buckley, Schuh & Jernigan, Inc. (Kiewit) presented the unsolicited proposal to Miami-Dade Water and Sewer Department (WASD) on February 24, 2010. The scope of work consists of designing and constructing two "Klorigen Hybrid Systems" that meet the disinfection criteria at the Alexander Orr Jr., John E. Preston and Hialeah Water Treatment Plants. The systems are designed to operate 24 hours per day, 365 days per year and at full capacity, it is capable of producing up to 25,000 pounds of chlorine equivalent per day.

SCOPE

Water treatment plants are regional facilities with countywide impact. The proposed onsite chlorine generation facilities are to be constructed at the Alexander Orr Jr. Water Treatment Plant located at 6800 SW 87 Avenue in District 7, and the John E. Preston Water Treatment Plant located at 1100 West Second Avenue in District 13. The facility at the Preston plant will also produce the chlorine need for the Hialeah plant.

FISCAL IMPACT/FUNDING SOURCE

The County received the $25,000 processing fee for the unsolicited proposal as required in Section 2-8.1 (K)(3) of the Code of Miami-Dade County. As part of the WASD's facilities planning, the FY 2009-2010 adopted Capital Improvement & Multi-Year Plan included two projects for onsite chlorine generation for a total cost of approximately $67.2 million. The two projects were to be funded from existing water and sewer bond funds and to the extent necessary, from future bond sales. The estimated base price associated with the unsolicited proposal, without options or alternatives, is $59.5 million. There is no additional impact on the current County budget.

TRACK RECORD/MONITOR

WASD's Assistant Director of Water will monitor the design and construction of this project.

BACKGOUND

As part of its facilities planning and homeland security objectives, WASD has been considering developing onsite production of chlorine for water treatment. Onsite production of chlorine minimizes safety risks associated with roadway or rail delivery of chlorine to the treatment plants.

In February 2010, Kiewit Southern Co. in association with Electrolytic Technologies Corporation and Post, Buckley, Schuh & Jernigan, Inc. presented an unsolicited proposal to Miami-Dade Water and Sewer Department (WASD) to design and build the facilities. The scope of the Kiewit proposal is to install two "Klorigen Hybrid Systems" to serve the Alexander Orr Jr., John E. Preston and Hialeah Water Treatment Plants. Kiewit's also proposed accelerating the design, construction, and permitting of the facilities, and financing the projects to be constructed including installation of emergency generators for enhanced system reliability at all three plants.

The proposed facilities and the quality of the chlorine produced will meet the criteria for disinfection at the County's water treatment plants. The systems are capable of producing up to 25,000 pounds of chlorine equivalent per day based at full design system capacity and production rates are scalable to match real time water production demands.

Staff conducted a thorough analysis of the Kiewit proposal and concluded that it meets the acceptance criteria specified in Section 2-8.1 (K)(6) of the Code (see Exhibit A). Therefore it is recommended that the Board accept the proposal for publication and competitive solicitation.

Assistant County Manager

Exhibit "A"

Unsolicited Proposal submitted by Kiewit Southern Co. in association with Electrolytic Technologies Corporation and Post, Buckley, Schuh & Jernigan, Inc.

Project Name: Design/Build of an On-Site Chlorine Generation and Emergency Generator System at the County's Alexander Orr Jr., John E. Preston and Hialeah Water Treatment Plants.

Pursuant to Ordinance 08-79 for an unsolicited proposal to be accepted and forwarded to the Board of County Commissioners for consideration the following criteria must be met:

Section 1 *– The proposed Miami-Dade County project must be in excess of $15 million*

- The base bid for this project is $59,550,000.

Section 3 *– There is a required initial processing fee of $25,000*

- The County has received the initial processing fee of $25,000 from Kiewit Southern Co. in association with Electrolytic Technologies Corporation and Post, Buckley, Schuh & Jernigan, Inc.

Section 6 *– The following 12 factors have been considered to determine whether this unsolicited proposal should be accepted.*

1. *The project must be in the public's best interest*

- The accelerated completion of this project is in the public's best interest for the security advantage of producing on-site chlorine as opposed to having it delivered to the County's water treatment plants, as it is done today. The current practice is subject to natural disasters, safety-related accidents and terrorist acts, which can all interrupt or terminate rail service delivery and increase current insurance rates. In addition, the disinfection systems proposed are consistent with the Chemical Facility Anti-Terrorism Act of 2009/Drinking Water System Security Act of 2009.

2. *The cost of the proposed project and its funding source*

- Cost of the proposed base bid is $59,550,000 without selecting any alternatives.
- The County's budgeted projections for the project in the unsolicited proposal are in the 2009-2010 adopted Capital Improvement & Multi-Year Plan, as shown below. The funding sources for both projects are currently issued water bond proceeds and future anticipated water bond funds.

  1) Project No. 9650031 - $30,000,000 2) Project No. 9650041 - $37,200,000

3. *State whether the proposed project may be accomplished through the use of County resources*

- Currently, WASD does not have the expertise to design and construct this project.

4. *The need for the proposed project*

- The unsolicited proposal is needed to produce on-site chlorine "scalable to match demand" instead of delivering the chlorine to the water treatment plants. There are risks associated with the handling, transportation and storage of chlorine. These are issues the County needs to address and the project proposed in the unsolicited proposal provides a viable solution. Onsite production of chlorine would minimize the possibility of safety-related accidents and/or terrorist attacks which could have long lasting detrimental effects on the health and welfare of Miami-Dade County residents.

5. *The scientific, technical or socio-economic merits of the proposals*

- This unsolicited proposal has socio-economic merits as the project will serve to further protect the safety and welfare of Miami-Dade County residents by allowing the County to become independent of its current business practice of transporting and storing gas chlorine to the water treatment plants. It will also provide additional work to various local firms during this difficult economic period.

6. *The contribution of the proposal to the County's goals and objectives*

- This unsolicited proposal meets the County's goals and objectives by ensuring that the County continues to enhance the security of its citizenry and continues to provide uninterrupted delivery of high quality drinking water to its residents and business owners and to visitors of Miami-Dade County as well as providing for future economic growth and safeguarding the public health and the environment.

7. *The qualifications, technical and management capabilities and experience of the proposer considered as a whole and considered in terms of the legal entities who may comprise the proposer or who may be serving as subcontractor to the proposer*

- The general contractors and subcontractors have provided in the unsolicited proposal the required state and county licenses and certifications for this project. The primary general contractor, Kiewit Southern Co. has been involved in over $500 million in civil infrastructure construction projects throughout Southern Florida including $15 million for Miami-Dade Water and Sewer Department (WASD) and $122 million for the Miami-Dade Aviation Department. Post, Buckley Schuh & Jernigan, Inc. has successfully completed design work of treatment plant projects for WASD for the past thirty years. Electrolytic Technologies Corporation is an expert in the design, supply, construction and operation of the onsite chlorine generation process and has successfully completed multiple projects throughout the United States.

8. *The general reputation and financial condition of the proposer and its team members*

- In a letter, Travelers Casualty and Surety Company of America confirmed its commitment to provide Kiewit Southern Co. with a 100% Performance and Labor and Materials Payment Bonds for this project. The letter also states that Travelers Casualty and Surety Company of America has been doing business with Kiewit Southern Co. for a long period of time with contracts aggregating in the billions of dollars and regards them as one of the outstanding construction organizations in North America with unquestionable financial responsibility.
- Kiewit Southern Co. has a net worth of over $104 million and has no debt. The audited financial statements are available upon request.

9. *The proposer's financial capacity to perform its obligation in the proposed contract*

- The proposer has provided documentation that indicates the following financial capacity to perform its obligations in the proposed contract:
    - Letter dated November 13, 2009 from Travelers Casualty and Surety Company of America. The letter states Kiewit has been authorized to bid individual contracts up to $350 million and a total program of approximately $8 billion.
    - Certified letter dated December 4, 2009 from Kiewit Southern Co.'s Controller verifying its financial capacity.

10. *The financial viability and feasibility of the submitted proposal*

- Based on the letter dated November 13, 2009 from Travelers Casualty and Surety Company of America, the County's adopted 2009- 2010 adopted Multi-Year Plan, and the financial plan proposed by the project team consisting of Kiewit Southern Co. in association with Electrolytic

Technologies Corporation and Post, Buckley, Schuh & Jernigan, Inc., it appears that the submitted proposal is financially viable.

11. *The cost, if any, to the County to proceed with the implementation of the proposal*

- The implementation of this unsolicited proposal will not have any additional cost to the County other than what the project has been budgeted for in the Capital Plan.

12. *Any other information the County deems appropriate for such initial evaluation*

- The unsolicited proposal included sufficient level of information for the evaluation and acceptance of the proposal.

MEMORANDUM

(Revised)

TO: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

DATE: July 20, 2010

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 8(R)(1)(B)

Please note any items checked.

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous_____) to approve**

✓ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(R)(1)(B)
7-20-10

RESOLUTION NO. _____

RESOLUTION APPROVING THE ACCEPTANCE OF THE UNSOLICITED PROPOSAL FOR THE DESIGN/BUILD OF AN ON-SITE CHLORINE GENERATION AND EMERGENCY GENERATOR SYSTEM FOR THE COUNTY'S ALEXANDER ORR JR., JOHN E. PRESTON AND HIALEAH WATER TREATMENT PLANTS

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board pursuant to Ordinance No. 08-79 hereby approves the acceptance of the request to advertise an unsolicited proposal for the design/build of an on-site chlorine generation and emergency generator system for the County's Alexander Orr Jr., John E. Preston and Hialeah Water Treatment Plant for the Miami-Dade Water and Sewer Department.

The foregoing resolution was offered by Commissioner ,
who moved its adoption. The motion was seconded by Commissioner
and upon being put to a vote, the vote was as follows:

Dennis C. Moss, Chairman
Jose "Pepe" Diaz, Vice-Chairman

Bruno A. Barreiro
Carlos A. Gimenez
Barbara J. Jordan
Dorrin D. Rolle
Katy Sorenson
Sen. Javier D. Souto
Audrey M. Edmonson
Sally A. Heyman
Joe A. Martinez
Natacha Seijas
Rebeca Sosa

The Chairperson thereupon declared the resolution duly passed and adopted this 20th day of July, 2010. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. SED

Sarah E. Davis