



Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Consent

F.10.

10/22/2024

Subject:

Sole Source Request with H2O Innovation USA, Inc for Mims Water Treatment Plant Filtration Unit (District 1).

Fiscal Impact:

Cost of the filtration unit is \$2,024,286.60. This is budgeted in the Capital Improvement Project associated with this project.

Dept/Office:

Utility Services Department

Requested Action:

It is requested that the Board approve the Sole Source Request for purchasing the filtration unit from H2O Innovation USA, Inc

It is also requested that the Board authorize the County Manager to execute the Sole Source Justification and Approval For and submit the required budget change request (BCR), amend the five-year Capital Improvements Plan (CIP) as it relates to this project, and any documents, reimbursement requests, amendments, or other administrative actions to initiate the sole source.

Summary Explanation and Background:

Brevard County Utility Services Department (BCUSD) owns and operates the Mims Water Treatment Plant (WTP) serving customers in the Mims Service Area. The Mims WTP has two treatment trains consisting of two separate clarifier and filter units running parallel to produce potable water for BCUSD customers. One of the filters has stopped operating requiring the associated treatment train to go offline and limiting the treatment capacity of the WTP. BCUSD identified the need to restore the WTP capacity by rehabilitating or replacing the filter unit and contracted a consultant to evaluate the different alternatives and design the preferred alternative to restore the WTP capacity.

BCUSD's consultant evaluated the rehabilitation of the existing filter and multiple "modular" filtration system alternatives, and identified replacing the filter unit as the recommended method for providing expanded filter capacity based on several key findings:

- Filter unit is anticipated to cost about the same to purchase and install as to rehabilitate the existing, offline filtration process.
- Filter unit is anticipated to be operational a year sooner than if the existing filter was rehabilitated.
- The capacity of the filter unit is 2-3 times greater than the capacity of the restored existing filtration system.

Our request to sole source H2O Innovation USA Inc. for the filter unit is due to contacting 8 possible vendors, 5

of which could not provide a modular with a 2 million gallons per day (MGD) capacity system required for this project. Of the remaining 3 vendors that could provide 2+ MGD capacity, H2O Innovation USA Inc. was the only vendor offering a single 2.5 MGD container unit compared to a multi-unit system, resulting in significant cost and footprint savings.

The Mims WTP is being relied upon to deliver water to a growing service area, with demands expected to continue to increase. To allow for the shortest possible schedule of implementation, BCUSD is pursuing a sole source pre-purchase of the Flexbox which is estimated to have a 35 to 40 week lead time for production and delivery.

This Single Source has been reviewed by the Purchasing Services, and signed by them as it meets the requirements for the Sole Source.

Attachment 1 - Sole Source Justification and Approval Form

Attachment 2 - H2O Proposal

Attachment 3 - Black & Veatch Recommendation Letter

Clerk to the Board Instructions:

E-mail the Clerk memo to karina.perez@brevardfl.gov and mail the original to the Utility Services Department.



Kimberly Powell, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972
Kimberly.Powell@brevardclerk.us

October 23, 2024

M E M O R A N D U M

TO: Edward Fontanin, Utility Services Director

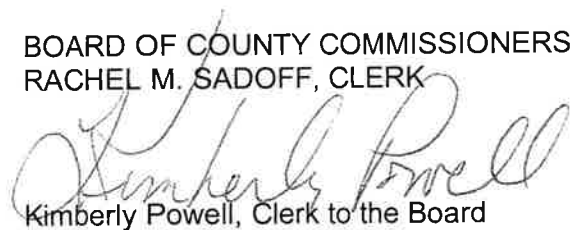
RE: Item F.10., Sole Source Request with H2O Innovation USA, Inc. for the Mims Water Treatment Plant Filtration Unit

The Board of County Commissioners, in regular session on October 22, 2024, approved the Sole Source Request for purchasing the filtration unit from H2O Innovation USA, Inc.; authorized the County Manager to execute the Sole Source Justification and Approval Form; and authorized the County Manager to submit the required Budget Change Request, amend the five-year Capital Improvements Plan (CIP) as it relates to this project, and any documents, reimbursement requests, amendments, or other administrative actions to initiate the sole source. Enclosed is the Approval Form.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
RACHEL M. SADOFF, CLERK



Kimberly Powell, Clerk to the Board

Encl. (1)

cc: Finance
Budget

**BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS
SINGLE/SOLE SOURCE JUSTIFICATION AND APPROVAL FORM**

PLEASE FORWARD ALL REQUESTS TO: SingleSource@brevardfl.gov

Sole Source: The *ONLY* known supplier for unique products and services where no other options are available.
Single Source: Though there may be alternate sources for the product or service requested, circumstances dictate the use of the proposed vendor. (i.e., availability, timeliness, location, etc.)

PART I – GENERAL REQUESTOR INFORMATION

Date Submitted: 09/23/2024 Requesting Department: Utility Services

Requisition #: _____ Contact Person/Phone #: Edward Fontanin, P.E./321-633-2091

One-time Purchase ☒ // Annual Purchase ☐

Amount of Purchase: \$2,000,000.00 ^{Estimated} (One time) // _____ (Estimated annual amount)

PART II – RECOMMENDED VENDOR INFORMATION

Vendor/Contractor Name: H2O Innovation USA Inc.

Vendor/Contractor Contact Name: Michael Gisclair

Vendor/Contractor Phone: (346) 242-3675

Vendor/Contractor Email: michael.gisclair@h2oinnovation.com

PART III – SINGLE/SOLE SOURCE VALIDATION

1. **Provide a detailed description of service/commodity to be provided by the vendor.**

FlexBox_UF(TM) container, controls, and spare parts.

2. **State why the recommended vendor is the only one capable of providing the required supplies and/or commodities. Include any back-up information or documentation that supports your recommendation. (Acceptable responses to this question will include strong pragmatic/technological information that supports the claim that there is only one vendor that can provide the services and/or commodities).** Attach vendor letter and additional sheet if necessary.

According to Utility Services Consultant, Black and Veatch (BV), this particular filter unit by H2O Innovations (H2O) appears to be unique in that it houses up to 2.5 million gallons per day (MGD) of filtration capacity in a single module, more than double the capacity of any other Ultrafiltration unit the Consultant could identify in the industry, and more than 2-3 times the capacity of the existing out-of-service filter

3. **List any other sources that have been contacted and explain in detail why they cannot fulfill the County's requirements. (Responses to this section should include information pertaining to any research that was conducted to establish that the vendor is a sole source. Responses should include information pertaining to discussions with other potential suppliers, and why they were no longer being considered by the County).**

BV contacted H2O and 7 other membrane filtration system vendors. Of the 8 vendors, 5 could not provide a modular 2 MGD capacity system. Of the 3 vendors that could provide 2+ MGD capacity (Veolia, Aria Filtra, and H2O), H2O was the only vendor offering a single 2.5 MGD container unit, resulting in significant cost and footprint savings compared to the other 2 vendors.

Check all entries below that apply to the proposed purchase which exempt formal competition. Attach a memorandum containing complete justification and support documentation as directed in the selected entry. (More than one entry will apply to most sole source products/services requested).

- ☒ 1. SOLE SOURCE REQUEST IS FOR THE ORIGINAL MANUFACTURER OR PROVIDER. THERE ARE NO REGIONAL DISTRIBUTORS. (Attach the manufacturer's written communication that no regional distributors exist. Item no. 4 must also be completed.)
- ☐ 2. SOLE SOURCE REQUEST IS FOR THE ONLY STATE OF FLORIDA DISTRIBUTOR OF THE ORIGINAL MANUFACTURER OR PROVIDER. (Attach the manufacturer's - not the distributor's - written certification that identifies all regional distributors. Item no. 4 must also be completed.)
- ☐ 3. THE PARTS/EQUIPMENT ARE NOT INTERCHANGEABLE WITH SIMILAR PARTS OF ANOTHER MANUFACTURER. PARTS ARE "DIRECT REPLACEMENTS" PARTS/COMPONENTS FOR EXISTING EQUIPMENT. (Explain in a separate memorandum.)
- ☒ 4. THIS IS THE ONLY KNOWN ITEM OR SERVICE THAT WILL MEET THE SPECIALIZED NEEDS OF THIS DEPARTMENT OR PERFORM THE INTENDED FUNCTION. (Attach separate memorandum with details of specialized function or application.)
- ☐ 5. THE PARTS/EQUIPMENT REQUIRED FROM THIS SOURCE ARE TO PERMIT STANDARDIZATION. (Attach separate memorandum describing the basis for standardization request.)
- ☐ 6. NONE OF THE ABOVE APPLIES. A DETAILED EXPLANATION AND JUSTIFICATION FOR THIS SOLE SOURCE REQUEST IS CONTAINED IN AN ATTACHED MEMORANDUM.

PART IV – CERTIFICATION AND APPROVALS

I have reviewed the following Single/Sole Source justification and concur with the request, fully understanding the implications of Section 838.22 of the Florida Statutes:

(2) "It is unlawful for a public servant or a public contractor who has contracted with a governmental entity to assist in a competitive procurement to knowingly and intentionally obtain a benefit for any person or to cause unlawful harm to another by circumventing a competitive solicitation process required by law or rule through the use of a sole-source contract for commodities or services."

(3) "It is unlawful for any person to knowingly agree, conspire, combine, or confederate, directly or indirectly, with a public servant or a public contractor who has contracted with a governmental entity to assist in a competitive procurement to violate subsection (1) or subsection (2)."

(5) "Any person who violates this section commits a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084."

Each undersigned individual hereby attests that he/she took part in the non-competitive procurement identified above, and has reviewed Florida Statutes, Chapter 838 as it relates to sole source contracts, and that he/she is independent of, and has no conflict of interest in, the entity evaluated and selected.

Requisitioner Signature: _____ Date: _____

Requesting Department Director Signature: _____ Date: _____

Central Services Office Director or
Purchasing Manager's approval: _____ Date: _____

Assistant County Manager/County Manager Approval (as applicable—ACM \$50K-\$100K//County
Manager \$100K-\$200K// BoCC \$200K<):

 Date: 10/22/24

As approved by the Board 10/22/2024.

Sole Source Approval ID #: _____

SECTION 2 – COMMERCIAL

2.1 PRICING

H₂O Innovation's preliminary sale price(s) for FlexBox_UF™ Container(s) is/are provided below. Prices are exclusive of any amount for federal, state, local, sales, use, property, import, VAT or similar taxes or duties.

Item	Description	Price (USD/each)	Quantity	Price (USD)
Containers	FlexBox_UF™ containers as described herein	\$1,732,618.00	1	\$1,732,618.00
Controls	Modicon PLC in lieu of CompactLogix PLC platform, including vendor-standard IO design with a combination of Wago IO in main control panel along with frame-mounted Numatics NEMA 4 IO complete with M12 connectors.	\$68,250.00	1	\$68,250.00
Field Service	Field service for training and/or installation, startup, and commissioning assistance. See Notes for details (below)	\$1,800.00/day	20	\$36,000.00
	Annual service agreement 1. Two (2) days onsite per quarter (eight (8) days onsite/year) 2. 365 days/year remote monitoring and data collection	\$36,000.00	Annual	\$36,000.00
Spare Parts	Per Spare Parts List Appendix H	\$16,418.00	1	\$16,418.60
Subtotal				\$1,889,286.60
Pilot Rental	Pilot unit equipment rental only complete with one HFUG-2020AN module (excludes costs for mobilization and demobilization and shipping pilot to and from site)	\$45,000.00	3 months	\$135,000.00

Total		\$2,024,286.60
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Notes:

- All pricing given in U.S. Dollars (USD)
- Pricing and scope based on Standard Terms and Conditions - H2O Innovation USA, Inc. (Appendix A)
- Shipping Ex-Works (EXW) H₂O Innovation's designated manufacturing facility
- Proposal validity is thirty (30) days from proposal date.
- Rental duration assumes three (3) months of testing. Shipping, mobilization, and demobilization would be in addition to the quoted monthly rental rate.
- Our offer includes twenty (20) days of field service
 - Travel & living expenses are in addition to the daily \$1,800 rate and will be charged at cost +20% admin fee
 - Additional field service time billed at hourly rate per Section 2.3

Payment Terms: thirty (30) days net from invoice date.

	Description	Progress	Cumulative
1	Upon Purchase Order	25%	25%
2	Upon fabrication of skids (prior to skid installation within container)	35%	60%
3	Upon Notice of Readiness to Ship	30%	90%
4	Upon Shipment of Equipment from H ₂ O Innovation facility	10%	100%

2.2 SCHEDULE

One (1) H2O Innovation FlexBox_UF™ container, with standard scope and features, ready-to-ship within forty (40) weeks after mutually executed purchase order.

Pilot rental units are available on first-come first-served basis subject to mutual execution of rental agreement.



July 23, 2024

Brevard County Utility Services Department
2725 Judge Fran Jamieson Way, A-213
Viera, FL 32940-6602

Attention: Edward Fontanin, PE
Director, Brevard County Utility Services

Subject: Mims Potable Water Service Area
Recommendation for Sole-source Modular Filter Procurement

The Brevard County Utility Services Department owns and operates the potable water system serving the utility's customers in the City of Mims Service Area. The Mims potable water supply system consists of source water supply wells, a treatment plant, and a distribution piping network serving an estimated population of 9,200. Utility Services Department (USD) leadership has identified the Mims Service Area as a system in need of significant improvement, with respect to both the existing conditions, as well as to position the system for anticipated, significant growth over the coming years.

Black & Veatch has been providing consulting engineering services for projects to improve the existing Mims Water Treatment Plant (WTP) for over two years, and was recently selected as the consulting team for planning and implementation of expansion of the Mims water system to meet current demands and future growth (contract pending).

A specific process within the WTP that currently limits the capacity of the facility to produce finished water is the media filtration system. Currently, one of the two existing filter treatment trains is offline, and would require significant time and investment to restore its original treatment capabilities. As part of the current services to Brevard County at the Mims WTP, Black & Veatch has been evaluating the costs and time requirements associated with restoring this filtration process, as well as assessing alternatives beyond the current infrastructure.

In this regard, Black & Veatch researched multiple "modular" filtration systems as alternatives to current filter restoration, and identified one particular system (H2O Innovations' Flexbox) as the recommended method for providing expanded filter capacity at the Mims WTP. While the filtration technology utilized in the Flexbox (Ultrafiltration) is an industry standard membrane treatment method offered by a number of vendors, this particular filter unit by H2O Innovations appears to be unique in that it houses up to 2.5 million gallons per day (MGD) of filtration capacity in a single module, more than double the capacity of any other Ultrafiltration unit we could identify in the industry.

As such, the Flexbox was recommended based on several key findings from the evaluations performed:

- The cost to purchase and install a Flexbox unit is roughly the same as rehabilitating the existing, offline filtration process.

- The time it would take to make a Flexbox unit operational is over a year less than rehabilitating the offline filtration unit.
- The capacity of the Flexbox is 2-3 times greater than the capacity of the restored existing filtration system.

Of particular interest in the analysis was the significantly reduced time it would take to implement the modular filter versus rehabilitation. The shorter schedule is important considering the Mims WTP is being relied upon to deliver water to a growing service area, with demands expected to increase significantly, even within the next few years.

Based on the need for a compressed schedule to implement expanded filtration capacity, the clear benefits of using modular filtration over rehabilitating the existing offline filter unit, and the unique position in the industry currently held by H2O Innovation's Flexbox unit (largest single-unit capacity system), Black & Veatch recommends the purchase and installation of a Flexbox system for filtration capacity expansion at the Mims WTP. Furthermore, to allow for the shortest possible schedule of implementation, it is further recommended that Brevard County pursue a single-source procurement of the Flexbox as quickly as possible, to facilitate initiation of fabrication for this long-lead time delivery (35-40 weeks).

If you have any other questions or concerns, please feel free to contact me at (407) 419-8005.

Very truly yours,

BLACK & VEATCH

A handwritten signature in blue ink, appearing to read 'James R. Murin, Jr.', with a stylized flourish at the end.

James R. Murin, Jr., P.E.
Project Manager