

EXECUTIVE SUMMARY

Update the CAC and TDC relative to Bid No. 13-6067R to renourish the Vanderbilt, Pelican Bay, Park Shore and Naples Beaches via a off shore sand source utilizing hopper dredges along with presenting alternatives for consideration and solicit Advisory Board recommendations.

OBJECTIVE:

1. To Update the CAC and TDC relative to Bid No. 13-6067R to renourish the Vanderbilt, Pelican Bay, Park Shore and Naples Beaches via an off shore sand source utilizing hopper dredges.
2. Present alternatives plans for consideration.
3. Solicit recommendations.

CONSIDERATIONS:

Bids were received on 6/17/2013 to renourish the Vanderbilt, Pelican Bay, Park Shore and Naples Beaches via a off shore sand source utilizing hopper dredges. Only one bid was received. Great Lakes Dock and Dredge (GLDD) bid approximately \$32M to place approximately 360,000 CY's of sand on these beaches. Collier County budget was approximately \$15M to perform this work.

Great Lakes Dock and Dredge was the contractor who renourished Collier County beaches in 2006 for a cost of approximately \$18M by placing 663,000 CY's of sand on the beaches. Collier County had expected a price increase but was surprised by the extent of this increase. In the past, we have repeatedly indicated that the dredging capacity during turtle nesting season is very tight. Typically demand exceeds dredging capacity during this period of time. However, within the past six months several issues have occurred that have severely affected the market. Some of the major ones are:

1. Hurricane Sandy destroyed the New Jersey and New York coasts when it made landfall on 10/31/2012. The entire dredging community was eagerly anticipating renourishment plans from the USACE and for the first time on 5/22/2013 both the NY Corps District and the Philadelphia Corps District announced that they are moving forward with the updating of Plans and Specifications for immediate construction on a number of large projects. This is a bonanza of work that will continue for many years and the dredgers are reluctant to commit capacity this year in anticipation of these significant projects. The dredgers have always preferred working with the USACE as opposed to local communities. The dredgers believe that there is the potential for lots of projects, lots of money and the USACE will tolerate larger prices and larger claims. Corps project tend to utilize the same specifications making project familiarity and equipment standardization the normal. These are all large projects that all utilize hopper dredges.
2. On Friday of last week, the Jacksonville Corps District announced in a webinar a list of Florida projects that would be moving forward this year. This was the second webinar to

discuss Corps status in Florida and the first time specific projects were announced. As is the case of Captiva just to our north, immediate construction is anticipated. The USACE is delaying bid openings week by week until all funding sources are identified. The dredging community indicated that there was not sufficient capacity to accomplish all this Florida work.

3. Louisiana just received funding for the rebuilding of two large restoration islands as part of the Mississippi delta rebuild program. This is a large multi-year project that was awarded within the past two weeks and has tied up all the capacity of the Louisiana dredging community.

Sam Morrison, the VP of Great Lakes indicated in a phone call on Tuesday 6/18/2013 that this was definitely a supply and demand issue. He also noted that the size of the project, the difficulty of the project, the timing and scope uncertainty were all factors. They would like to work with us to reduce the risk and downtime and have offered several suggestions that could reduce costs. It is doubtful however that these reductions even if acceptable to the county could close the gap to the budgeted costs.

Obviously, a \$32M beach renourishment project is unacceptable. However, there are several options that the Collier County can pursue. Two critical points that need to be taken into account in evaluating any options are that the TS Fay PW expires on 12/31/2014. This PW would pay for 155K CY's of material on the beach. The second consideration is that the FDEP and USACE permits for this work expire on 1/12/2015. Staff is recommending the following options for consideration and discussion:

1. Work with GLDD to evaluate and eliminate, if possible the "High Cost Obstacles and Risks" to reduce the bid price. Some of these might be:
 - Alternate material screening methods to eliminate dredge screening and downtime.
 - Eliminate pipeline relocations.
 - Dredging/renourishment when capacity is available.
 - Other methods of renourishment in "low fill volume" areas.
2. Reject the GLDD bid and postpone dredging for a year but be prepared to perform emergency truck haul renourishment to deal with critical hot spots as they develop.
 - This would also include a permitting update component.
3. Reject the GLDD bid and rebid the project utilizing a modified truck haul approach and extremely close coordination with the City of Naples. This project would begin as soon as turtle nesting season ends or the beaches become available and continue until 5/1/2014. Dual sand mines, dual haul/placement contractors and multiple discharge locations on the beach would be required along with approval to stockpile screened sand prior to placement. This approach would be difficult but would be doable with coordinated planning and cooperation by all stakeholders.

FISCAL IMPACT: \$15M is budgeted/available for beach renourishment in FY 2013/14 as per the Office of Management and Budget.

GROWTH MANAGEMENT IMPACT: There is no impact to the Growth Management Plan related to this action.

LEGAL CONSIDERATIONS: This is a project update and has not been reviewed by the County Attorney at this time. The County Attorney will review and approve any items presented for a “recommendation for approval” to the CAC, TDC or the BCC.

RECOMMENDATION: Staff is soliciting input and recommendations as to how to proceed with the renourishment of the Vanderbilt, Pelican Bay, Park shore and Naples beaches.

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