



## **FWP – Market Analysis & Stimulation of Bidder Interest Plan**

### **Market Analysis:**

The aging infrastructure has been a concern for US citizens and governing authorities for years. The Federal Government has recognized that counties across the United States invest \$134 billion annually in water infrastructure, and as a result, has increased their WIFIA program funds by \$6.5 billion for this year. This is an effort to reduce the risk of system failures for communities and promote growth across the nation. These Federal funds are on top of the Florida State Revolving Fund Program, and other funding sources currently available to regional municipalities (such as local Water Management District funding programs).

With this rapid influx of available little or no interest-bearing tax dollars and increasing demands on the skilled labor force, FWP is witnessing a unique construction market not seen since the nineteen twenties. The rapid availability of financing leads to many municipalities proceeding with Capital Improvement Projects. The sheer amount of plant and pipeline work, coupled with a reduction in the available workforce, are leading factors to projects experiencing cost overruns and extended schedules.

FWP is maximizing its ability to maintain reasonable costs and schedule delivery by utilizing both Garney's and Wharton Smith's subcontractor databases to solicit proven subcontractors and vendor partners who are likely to be interested in bidding on this project. While FWP is utilizing the Building Connected platform for public bid solicitation, subcontractor and vendor relationships will play a pivotal role in participation. FWP has internally reviewed and developed scopes of work that promote Bidder Interest. The intent is to provide competitive pricing by establishing work packages that are in line with a subcontractor/vendor's line of work.

### **Stimulation of Bidders:**

Qualified companies take the business of determining whether to bid on individual projects seriously before they commit resources. Large successful companies today are no longer bidding work if they do not have the resources to properly staff the project. Likewise, these firms are looking for projects where the work is further out to maintain the continuity of their crews and create a backlog.

FWP and its partners are continuously monitoring the current market conditions, tracking raw material costs, and assessing available labor as to best combine construction work packages that align with these trends. FWP believes that this will promote bidder interest and lead to competitive pricing in both direct labor and materials. FWP believes that establishing work packages that align with subcontractor/vendor abilities and are more manageable contracts could attract more local interest which will directly reduce overhead costs (such as travel, housing, and per diem). It is FWP's intention to explore every option with PRWC to deliver the best project possible.

An example of how FWP/PRWC is changing bid packages in order to encourage competition is how the SETM pipe segments are being repackaged into smaller segments. This will allow a smaller pipeline subcontractor the ability to perform a smaller section of the work and not be faced with the possibility of over-committing



resources or turning away from a larger segment. Another example is how the Plant Contractor scope of work was separated into the following:

1. Underground Piping & Site Work
2. Aboveground, Process Equipment, & Metals
3. Five Raw Water Well Sites
4. Reject Pond

By creating this separation, a local General Contractor could decide if they would want to pursue work in 2025 like the underground piping or reject pond or bid on work that is a few years out such as the raw well sites or the aboveground/equipment/metals to create future backlog.

Included with this Market Analysis you will find the individual Bid Packages as they are broken out for the WPF. Some Bid Packages have further breakdowns within the package to promote competition from smaller contractors (i.e., the Plant Contractor package for example). Each of the Bid Package PDFs includes the list of bidders who have been invited to bid and their current status. If a contractor has viewed the drawings, this will be indicated in the Status Column. You can also see if this Bidder has chosen not to bid. Finally, if the Bidder has not yet opened the drawings, the list simply indicates invited.

FWP has extended invitations to all qualified contractors in order to promote competitive bidding with the underlying intent of providing PRWC with high quality project deliverable. FWP has consulted with PRWC/TeamOne to generate this list, and included all potential bidders as requested by PRWC/TeamOne. Of course, FWP remains open to suggestions from PRWC/TeamOne for potential bidders and innovative ways to promote interest in the project in this saturated market.

FWP will continue to reach out to all bidders to promote competitive results. However, it should be stated that there are a sizable number of companies who are indicating they are currently best suited to service customers/clients near their established workforce and that they too have an excess of backlog work on the books.

FWP is utilizing a call log which focuses on Bid packages that require additional efforts to obtain multiple bids. Team members have identified specific contractors to reach out to which is based on their working history and successful relationships. FWP will make this list available for reference during the development of the GMP for the WPF. The list will provide dates of attempts and any responses such as if a voice message were left or notes from the conversation. Lastly, FWP has included and requested the No Bid Letter/Email should the company not wish to bid.

In closing FWP is doing everything possible in order to deliver a high-quality project at the most competitive price possible.

*Sincerely,*

*Florida Water Partners (FWP)*



References:

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