



Memorandum

File #: 17-00052

City Council

2/9/2017

LEGISLATIVE ACTION ITEM

SPONSOR: Ashton J. Hayward, III, Mayor

SUBJECT:

Pensacola Energy - Award of Bid #17-011, Natural Gas Pipeline Construction West Pensacola Low Pressure Area Upgrades

RECOMMENDATION:

That City Council award Bid #17-011 Natural Gas Pipeline Construction to R.A.W. Construction, LLC., the lowest and most responsible bidder in the amount of \$1,986,875 for seven (7) natural gas infrastructure replacement projects, \$169,200 for the miscellaneous work option as outlined in the bid specifications plus a 10% contingency of \$215,608 for a total amount of \$2,371,683 for a period of one year. Further, that Council authorize the Mayor to execute a contract and take all actions necessary to complete the project.

HEARING REQUIRED: No Hearing Required

SUMMARY:

Sealed bids were received January 19, 2017 for a contract to replace aging natural gas pipelines (infrastructure replacement). Two (2) vendors responded to the City's invitation to bid. R. A.W. Construction, LLC was the lowest and most responsible bidder. Pricing for seven (7) projects was included in the bid packages to be awarded over the one year period. The second bidder, Big Sky Underground's bid was declared non-responsive for failing to provide a bid price for Projects #4 & #5, as required by the bid documents. It is critical that this work move forward so that the pipe replacement is completed before the new road repaving projects have begun.

The contract also provides for miscellaneous outside work in addition to the specified work orders. Miscellaneous outside work is based on hourly rates for out of scope work or change order work. Miscellaneous projects may arise, for example, in a case of emergency such as unusual weather conditions or to assist with system expansion.

Project #1-North Highland Phase I	Replace 18,000 LF	\$378,655
Project #2-North Highland Phase II	Replace 14,500 LF	\$318,855
Project #3-North Highland Phase III	Replace 9,000 LF	\$203,850
Project #4-North Highland Phase IV	Replace 9,000 LF	\$183,770
Project #5-South Palafox	Replace 4,000 LF	\$137,000
Project #6-Downtown West	Replace 18,500 LF	\$379,250

Project #1-Devilliers Replacement	Replace 16,200 LF	\$385,495
Total Award	\$ 1,986,875	

PRIOR ACTION:

November 29, 2016 - City Council approved a resolution authorizing a \$15 million financing for the acquisition and construction of certain capital improvements to the gas system over a three year period and authorized the Mayor to execute the transaction.

FUNDING:

Budget:	\$2,371,700
Actual:	\$1,986,875 Construction Contract 169,200 Miscellaneous Work Option <u>215,608</u> 10% Contingency
Total:	<u>\$2,371,683</u>

FINANCIAL IMPACT:

Funding is available in the Gas Utility Fund from the Florida Gas System Revenue Note, Series 2016.

CITY ATTORNEY REVIEW: Yes

1/27/2017

STAFF CONTACT:

Eric W. Olson, City Administrator
Richard Barker, Jr., Chief Financial Officer
Don J. Suarez, Pensacola Energy Director

ATTACHMENTS:

- 1) Bid Tabulation - Bid No. 17-011
- 2) Final Vendor Reference List - Bid No. 17-011

PRESENTATION: No