



Memorandum

---

**File #:** 17-00227

City Council

4/13/2017

---

**LEGISLATIVE ACTION ITEM**

**SPONSOR:** Ashton J. Hayward, III, Mayor

**SUBJECT:**

PENSACOLA ENERGY - AWARD OF BID #17-012, NATURAL GAS PIPELINE CONSTRUCTION EAST PENSACOLA LOW PRESSURE AREA UPGRADES

**RECOMMENDATION:**

That City Council award Bid #17-012 Natural Gas Pipeline Construction to R.A.W. Construction, LLC., the lowest and most responsible bidder in the amount of \$2,477,265 for seven (7) natural gas infrastructure replacement projects, \$581,835 for the miscellaneous work option as outlined in the bid specifications plus a 10% contingency of \$305,910 for a total amount of \$3,365,010 for a period of one year. Further, that City Council approve the supplemental budget resolution appropriating the additional amount needed from the Florida Gas System Revenue Note, Series 2016. Finally, that City 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 30, 2017 for a contract to replace aging natural gas pipelines (infrastructure replacement). Two (2) vendors responded to the City's invitation to bid. 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 failure to have proper licensing in place at the time of the bid opening, as required by the bid documents. Therefore, R.A.W. Construction, LLC was the lowest and most responsible bidder.

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-Greenwood Park	Replace 14,550 LF	\$378,065
Project #2-North Blackshear	Replace 15,800 LF	\$362,155
Project #3-Lakeview Phase I	Replace 20,200 LF	\$451,720
Project #4-Lakeview Phase II	Replace 11,200 LF	\$224,348
Project #5-South Blackshear	Replace 15,400 LF	\$326,040
Project #6-Lakeview Phase III	Replace 9,850 LF	\$263,587

Project #7-Bayview Park Area

Replace 16,000 LF

\$471,350

Total Award

\$ 2,477,265

**PRIOR ACTION:**

On November 29, 2016, City Council approved a resolution authorizing \$7,302,400 in financing for the acquisition and construction of certain capital improvements to the natural gas system including cast iron replacement in the west and central portions of the city, bare steel main replacement in various system locations, and the construction of main in new subdivisions. This A.O.B. is for cast iron main replacement in the East Hill area at a cost of \$3,365,900.

**FUNDING:**

Budget: \$3,365,900

Actual: \$2,477,265 Construction Contract  
581,835 Miscellaneous Work Option  
305,910 10% ContingencyTotal: \$3,365,010**FINANCIAL IMPACT:**

Approval of the supplemental budget resolution will appropriate the funding in the Gas Utility Fund from the Florida Gas System Revenue Note, Series 2016.

**CITY ATTORNEY REVIEW:** Yes

3/27/2017

**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. 17-012
- 2) Final Vendor Reference List - Bid No. 17-012
- 3) Supplemental Budget Resolution
- 4) Supplemental Budget Explanation

**PRESENTATION:** No