



Memorandum

File #: 17-00438

City Council

8/10/2017

**LEGISLATIVE ACTION ITEM**

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

**SUBJECT:**

PENSACOLA ENERGY - AWARD OF BID #17-028, NATURAL GAS PIPELINE CONSTRUCTION EAST OF I-110 LOW PRESSURE AREA UPGRADES

**RECOMMENDATION:**

That City Council award Bid #17-028 Natural Gas Pipeline Construction to R.A.W. Construction, LLC, the lowest and most responsible bidder in the amount of \$2,796,754.25 for six (6) natural gas infrastructure replacement projects, \$320,058.00 for the miscellaneous work option as outlined in the bid specifications plus a 10% contingency of \$311,680.42 for a total amount of \$3,428,484.67 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. Finally, that City Council adopt a supplemental budget resolution appropriating funds for this project.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

Sealed bids were received July 20, 2017 for a contract to replace aging natural gas pipelines (infrastructure replacement). Four (4) vendors responded to the City's invitation to bid. Pricing for six (6) projects was included in the bid packages to be awarded over the one year period. 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-Cervantes	Replace 10,555 LF	\$253,769.25
Project #2-East Hill Phase I	Replace 37,000 LF	\$591,555.00
Project #3-East Hill Phase II	Replace 23,500 LF	\$432,300.00
Project #4-Old East King Cottage Area	Replace 37,300 LF	\$625,950.00
Project #5-Old East Hill	Replace 31,400 LF	\$495,480.00
Project #6-Heinberg Area	Replace 20,000 LF	\$397,700.00
Total Award	\$ 2,796,754.25	

**PRIOR ACTION:**

November 29, 2016 - City Council approved a resolution authorizing \$7,302,400 in financing for the acquisition and construction of 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.

April 13, 2017 - City Council approved a resolution authorizing \$3,365,900 in financing for the acquisition and construction of certain capital improvements to the natural gas system including cast iron replacement in the east portion of the city.

**FUNDING:**

Budget:	\$3,428,485.00
Actual:	\$2,796,754.25 Construction Contract
	320,050.00 Miscellaneous Work Option
	<u>311,680.42</u> 10% Contingency
Total:	<u>\$3,428,484.67</u>

**FINANCIAL IMPACT:**

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

**CITY ATTORNEY REVIEW:** Yes

7/24/2017

**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. 17-028
- 2) Final Vendor Reference List - Bid No. 17-028
- 3) Supplemental Budget Resolution
- 4) Supplemental Budget Explanation

**PRESENTATION:** No