



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 17-45

City Council

8/10/2017

LEGISLATIVE ACTION ITEM

SPONSOR: Ashton J. Hayward, III, Mayor

SUBJECT:

SUPPLEMENTAL BUDGET RESOLUTION NO. 17-45 - PENSACOLA ENERGY - AWARD OF BID #17-028, NATURAL GAS PIPELINE CONSTRUCTION EAST OF I-110 LOW PRESSURE AREA UPGRADES

RECOMMENDATION:

That City Council adopt Supplemental Budget Resolution No. 17-45

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017 PROVIDING FOR AN EFFECTIVE DATE.

HEARING REQUIRED: Choose an item.

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 funds for this 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) Supplemental Budget Resolution No. 17-45
- 2) Supplemental Budget Explanation No. 17-45

PRESENTATION: No