



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 17-20

City Council

4/13/2017

LEGISLATIVE ACTION ITEM

SPONSOR: Ashton J. Hayward, III, Mayor

SUBJECT:

SUPPLEMENTAL BUDGET RESOLUTION NO. 17-20 - PENSACOLA ENERGY - AWARD OF BID #17-012, NATURAL GAS PIPELINE CONSTRUCTION EAST PENSACOLA LOW PRESSURE AREA UPGRADES

RECOMMENDATION:

That City Council adopt Supplemental Budget Resolution No. 17-20

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

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-Bayveiw Park Area	Replace 16,000 LF	\$471,350

Total Award \$ 2,477,265

PRIOR ACTION:

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% Contingency

Total: \$3,365,010

FINANCIAL IMPACT:

Approval of the supplemental budget resolution will appropriate funding for the project and is available 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) Supplemental Budget Resolution No 17-20
- 2) Supplemental Budget Explanation

PRESENTATION: No