



"The Best Waterfront City in Which to Live, Work and Play."

CITY OF RIVIERA BEACH – MEMORANDUM

TO: HON. MAYOR, CHAIRPERSON AND CITY COUNCIL

THROUGH: JONATHAN EVANS, CITY MANAGER,MPA, MBA, ICMA-CM

FROM: RANDY M. SHERMAN, DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES

SUBJECT: **CONTRACT ON BEHALF OF THE CITY OF RIVIERA BEACH WITH GREAT DANE PETROLEUM**

DATE: NOVEMBER 18, 2020

CC: GENERAL PUBLIC

Background:

A diesel fuel line break has occurred at the Marina. There has been no environmental impact as the fuel lost was contained within a reservoir installed solely for this purpose. The loss of the fuel line availability has curtailed diesel fuel sales.

Seven Kings Holdings (SK) operates the Marina on behalf of the City serving as a third-party Manager. In accordance with the agreement between the City and SK, SK could assert this is an undertaking to "...avoid suspension of any necessary service to the Marina", in which case SK would need to "...notify City of such emergency expenses as promptly as possible however Seven Kings may immediately proceed with such maintenance and repair work as deemed appropriate by Seven Kings to address the emergency condition." (para 2.03(d)), however, due to the amount of monies involved it is thought to be more prudent to await Council approval due to the expenditure being in excess of our or the City Manager's approval limit (\$25,000) (para 2.03(c)(i)).

SK, in their role as third-party Manager, has obtained, reviewed, and qualified (*i.e. compared the scope of work*) three (3) proposals.



The submitted prices ranged from \$164,957 (*Great Dane Petroleum Contractor's Inc.* ("Great Dane"), *see attached*) to \$310,300 (Fuel Guys). After qualifying the various submitted proposals, the recommendation is to proceed w/ Great Dane as the vendor for the project.

In addition to the vendor's price, there are other expenses involved in this repair. The total permit and fees not included in the contract price totals approximately \$4,400.

Additionally, two items were also excluded in the proposal, having the potential for additional costs:

1. If any existing utilities are in the way of construction and have to be relocated, those costs would be extra; and
2. If any soil contamination is found during course of the work, lab testing, soil removal and disposal would be additional costs.

It is difficult to determine if either of these situations exist and even harder to place a cost estimate, but there are "possibilities", and for that reason, it is recommended that a 10% contingency be included in the total approved amount by the Council.

The total amount of the requested City Council approval for this Capital Expenditure would therefore be \$189,957 and allow the City Manager 10% Change Order authority.

Upon the issuance of the notice to proceed, Great Dane is estimating 60-days for permit approval and then 120 days for completion of the work.

As background and for comparison purposes, Great Dane replaced the faulty fuel lines from the bulkhead out to the floating docks to the dispensers in 2018, a roughly similar distance. The total vendor price for that project was \$128,931.43 with an additional \$3,519.73 in permit fees. That project did not require any excavation, refilling or repaving as is required for this work. Flex pipe was used in that instance due to the nature of the installation, while this current project uses a semi-rigid fiberglass pipe which should have a better usable lifetime.

Citywide Goal:

Achieve a Sustainable Economy

Budget/Fiscal Impact:

The cost of this request is \$189,957.

Recommendation(s):

Adopt the resolution as presented authorizing Seven Kings to engage Great Dane Petroleum to repair the broken diesel fuel line.



Attachments:

- Resolution Number 117-20
- Great Dane Petroleum Proposal
- Pages 4 and 5 of the Management Agreement between the City of Riviera Beach and Seven Kings Holdings

