

TAB 8



City of Palmetto Agenda Item

Meeting Date

1/3/11

Presenter: **Jim Freeman**

Department: **City Hall**

Title:

Installation of Natural Gas Line for City Hall Emergency Generator

The current approved CIP for FY 2010 includes a budget of \$98,950 for the purchase and installation of a new generator for City Hall. In December of 2010, you approved the purchase of a new 125KW generator and we have spent a total of \$48,059. The final two tasks for this project involve installing a natural gas line to fuel the new generator and the installation of the generator once it arrives. TECO Peoples is the natural gas provider for Palmetto. According to the floridagas.org website, TECO is the only company that currently provides natural gas service to Palmetto. Pursuant to section 2-58 of City code this will be a sole source purchase as there is only one company that can provide natural gas service to City Hall. The natural gas distribution lines run behind City Hall (7th Ave). The closest point is at the corner of 7th Ave and 5th Street. The City will need to run a natural gas line from that intersection to City Hall for our new Generator fuels source. The total run is approximately 550 linear feet and will cost \$12,063 (see attached quote). There is a possibility that a portion of this cost could be refunded (within first 4 years) to the City depending if City usage exceeds the initial estimates or if additional customers are added as a result of our build-out of the natural gas line. This cost was budgeted as part of the initial estimate of \$98,950. As a secondary benefit, natural gas will now be available at City Hall if/when we decide to purchase alternate fuel vehicles. It is possible that we could have a refueling station if we decide to purchase natural gas vehicles in the future.

The last remaining piece for this project will be to select a contractor to install the generator. We are in the process of sending out requests for quotes and will bring this to you in the near future for approval.

Budgeted Amount:	\$98,950	Budget Page No(s):		Available Amount:	\$50,891	Expenditure Amount:	\$12,063
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Additional Budgetary Information: This is part of the approved CIP budget and the cost will be paid for using these funds.

Funding Source(s):	CIP Budget	Sufficient Funds Available:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Budget Amendment Required:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Source:	
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City Attorney Reviewed:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	Advisory Board Recommendation:	<input type="checkbox"/> For <input type="checkbox"/> Against <input checked="" type="checkbox"/> N/A	Consistent With:	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
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Potential Motion/Direction Requested: Motion to approve via sole source and authorize the Mayor to sign a Natural Gas Service Agreement with TECO Peoples Gas in the amount of \$12,063 for the installation of a natural gas line for the City Hall generator.

Staff Contact: Jim Freeman

Attachments: Natural Gas Agreement



PEOPLES GAS

Gas Service Agreement

370861

Customer Name <i>City of Palmetto</i>	Day Phone	Evening Phone	Other Phone
Service Address <i>516 8th AVE. W.</i>	City <i>Palmetto</i>	St. <i>Fl.</i>	Zip <i>34221</i>
C/O Name	City Limits <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	County Name <i>Manatee Co.</i>	
Mailing Address	City	St.	Zip
Contact Name <i>Jim FREEMAN</i>	Day Phone <i>723-4570</i>	Evening Phone <i>X117</i>	Other Phone <i>737-1829</i>
Federal ID/Social Security # <i>59-6000403</i>	Tax Exempt <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date Service Line Required	Date Gas Service Required
Field Contact Name <i>Jim FREEMAN</i>	Phone <i>737-1829</i>	Alt. Phone <i>723-4570 X117</i>	

SALES INSTRUCTIONS/REMARKS

SERVICE TYPE

Extend Gas Service to Generator Location
Refundable Constr. Deposit Agreement → \$11,988.00
Set Meter & Regulation - No charge

Main On Off
 New Added Load
 Conversion: Propane Company
 Reactivate Restart
 Res Com Indus
 Rate Class CS-SG
 Map #

QTY.	APPLIANCE TYPE	PEAK HR DEMAND (GPH)	ANNUAL THERMS PRESENT	ANNUAL THERMS ADDITIONAL	PRESSURE AT EQUIP.	FINANCIAL INFORMATION		OTHER SERVICES	
1	SG					Deposit	\$ <i>0.00</i>	WH Billing Program <input type="checkbox"/>	
						Aid to Construction (Non-Refundable)	\$	Conversion Billing <input type="checkbox"/>	
						Turn-on Charge	\$ <i>75.00</i>	Construction Deposit Required <input checked="" type="checkbox"/>	
						Other (Details in Remarks)	\$ <i>11,988.00</i>	Other <input type="checkbox"/>	
						Prepayment	\$ <i>11,988.00</i>	Other <input type="checkbox"/>	
						Balance Due	\$ <i>159.75</i>	Other <input type="checkbox"/>	
						DEALER INFORMATION			
						Dealer Name			
						Dealer Phone		Alt. Phone	
						Services to be provided by Dealer			
TOTAL		<i>1618</i>		<i>300</i>					

TO BE COMPLETED BY PGS ONLY

Meter Size	Regulator Size	Premise #	R/Cycl	Account #
System Pressure	Delivery Pressure	Project #	WOS #	

Remarks *\$11,988 See Refundable Construction Deposit Agreement.*

I have read all of the terms and conditions on the reverse side and agree to them.

Buyer/Owner Printed Name <i>C</i>	Buyer/Owner Signature <i>[Signature]</i>	Date	Sales Rep Printed Name <i>TERRY LARRO</i>	Sales Rep ID # <i>3526</i>
			Sales Rep Signature <i>[Signature]</i>	Date <i>12-14-10</i>

PGS CONTACT DURING INSTALLATION OF GAS SERVICE: DIVISION PHONE #

CONSTRUCTION DEPOSIT AGREEMENT

PEOPLES GAS SYSTEM, a Division of Tampa Electric Company, a Florida corporation (hereinafter called "COMPANY"), and City of Palmetto (hereinafter called "APPLICANT") of MANATEE County, Florida, in consideration of the premises and of other valuable consideration, hereby agree as follows:

(1) That Company will extend its gas main and/or service as follows:

a total distance of 550 feet (hereinafter referred to as the "EXTENSION"). The route of said Extension is shown as Exhibit "A" hereto attached and hereby made a part hereof.

(2) Without any right to refund, except solely as provided in paragraphs (3) and (4) hereof, Applicant will pay to Company \$ 11,988.00 in advance of actual construction [said amount being the cost of the Extension, less the Maximum Allowable Construction Cost ("MACC") thereof (determined in accordance with Company's tariff on file with the Florida Public Service Commission), and less an allowance to Applicant of \$ 0 for 0 bona fide consumer(s) to be connected to said Extension].

(3) At the end of one year from the date on which gas service to Applicant is initiated by Company, the MACC shall be recomputed using, in the calculation thereof, a re-estimation of the annual revenue (considering the actual revenue derived during the first year). If the MACC so re-calculated exceeds the MACC used to determine the amount paid by Applicant to Company pursuant to paragraph (2) hereof, Company shall refund to Applicant an amount equal to such excess.

(4) For each additional customer connected at any point on said Extension within a period of four years after the date of completion of said Extension, Company further agrees to refund to Applicant an amount by which the MACC for such additional customer exceeds the cost of connecting such customer, provided that an additional extension shall not have been necessary to serve such additional customer.

(5) The aggregate refund to Applicant made through the provisions of the foregoing paragraphs (3) and (4) shall at no time exceed the original deposit of Applicant.

(6) The Extension shall at all time be the property of Company. Any unrefunded portion of Applicant's deposit hereunder, at the end of four (4) years from the date of completion of the Extension covered by this Agreement, shall become the property of the Company.

Applicant acknowledges having read and understood the General Terms and Conditions on the reverse side hereof and agrees to said terms and conditions, which are made a part hereof.

DATED AND EXECUTED at _____, Florida, this _____ day of _____, 20__.

APPLICANT _____

PEOPLES GAS SYSTEM, a Division of TAMPA ELECTRIC COMPANY

By: _____

By: Tracy Larsen Tughr

Title: _____

Title: Account Manager

COMPLETION DATE: _____

R.G.S. NO. _____

GENERAL TERMS AND CONDITIONS

I. It is agreed that no refund or repayment will be made for any customer not connected directly to the Extension covered by this contract, and after the expiration of the periods of time provided in paragraphs (3) and (4) no further refunds or repayments shall be made by Company to Applicant.

II. The Company's obligation to construct the Extension provided for herein will be carried out with all reasonable expedition, subject to an adequate supply of gas to serve the consumer(s) to be connected to the Extension, and subject to applicable laws, rules and regulations of governmental authorities and to any delay occasioned by force majeure or events or conditions of whatsoever nature reasonably beyond the Company's control.

III. In the event the cost of construction contemplated herein is increased or decreased significantly, for any reason, prior to commencement of such construction, the amount of deposit provided for herein shall be increased by mutual agreement of Company and applicant or this contract may be canceled by either party if no such agreement is reached.

IV. Applicant understands that Company shall not be obligated or required to construct the Extension contemplated by this agreement in advance of and prior to the construction of Extensions covered by contracts and authorizations which were entered into by Company prior to the date of this Agreement, or Extensions required to be constructed by the provision of Company's franchise or construction required to maintain existing service.

V. Title to said Extension, including its pipes and appurtenances, connections thereto and extensions thereof, including the right to use, operate and maintain same, shall forever be and remain exclusively and unconditionally vested in Company, its successors and assigns.

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Issued By: William N. Cantrell, President
Issued On: April 17, 2001

Effective: May 18, 2001