



BOARD OF COUNTY COMMISSIONERS

DATE: March 11, 2008

AGENDA ITEM NO. 21.

Consent Agenda

Regular Agenda

Public Hearing

County Administrator's Signature: 

Subject:

Award of Bid - Gas, Natural, Supply and Manage (Co-op)
Contract No. 067-0626-B (RM)

Department:

Purchasing

Staff Member Responsible:

Joe Lauro

Recommended Action:

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD) AWARD THE BID FOR GAS, NATURAL, SUPPLY AND MANAGE (CO-OP) TO PENINSULA ENERGY SERVICES, INC., (PESCO), WINTER HAVEN, FLORIDA ON THE BASIS OF BEING THE LOWEST RESPONSIBLE, RESPONSIVE BID RECEIVED. BIDS ARE ON FILE IN THE PURCHASING DEPARTMENT.

IT IS ALSO RECOMMENDED THAT THE COUNTY ADMINISTRATOR BE AUTHORIZED TO APPROVE ANY FUTURE CHANGE ORDER REQUESTS THAT ARE DIRECTLY RELATED TO THIS CONTRACT.

Summary Explanation/Background:

This is a cooperative bid, administered by Pinellas County containing the requirements of Hillsborough Community College, for the purpose of establishing a contract for the supply of natural gas; however, after the bids were evaluated, Hillsborough Community College discovered it was already obligated under another contract and could not participate in this award. Historically TECO/Peoples Gas (TECO) provided natural gas, at a regulated rate, and delivered it directly to end-users. The rate TECO charged for natural gas was set monthly by TECO and the Florida Public Service Commission (PSC), respectively. Due to natural gas deregulation, customers now have the choice to buy natural gas from a gas marketer at rates that are not regulated by the PSC. Under a "customer choice program," non-utility gas suppliers, called gas marketers, purchase gas and arrange for its transportation to local gas utilities. TECO, now known as a Local Gas Distribution Company (LDC), no longer purchases gas directly for its customers, but continues to deliver it to homes and businesses.

During calendar year 2007, Pinellas County paid \$1,432,156.00 for natural gas. Comparing current bid costs to buy from a marketer to the total amount paid to TECO last year, it is estimated that Pinellas County will save over \$250,000.00 each year of this contract. The Utilities and Facility Management Departments are the largest users of natural gas.

The fixed marketer fee is the only fee that will remain firm during the term of the contract. This fee is for the transportation of one therm of natural gas delivered to the LDC. All other fees may increase or decrease depending on the price of natural gas and LDC pass-thru costs (The LDC costs remain the same for each month but can change if TECO applies for a rate increase with the PSC). The County reserves the right to add or delete locations after the award has been made as may be deemed necessary or in the best interest of the County. In such instances, the contractor will provide services in accordance with the terms, conditions, and specifications of the contract.

Duration of the contract is for a period of twelve (12) months, from the date of award. The contract may be renewed for four (4) additional twelve (12) month periods and shall be exercised only if all prices, terms, and conditions remain the same and approval is granted by the County Administrator.

Fiscal Impact/Cost/Revenue Summary:

TOTAL ESTIMATED PINELLAS COUNTY ANNUAL CONTRACT VALUE: \$1,166,330.00

Funding for the natural gas will come out of the Facility Management and Utilities operating budgets.

Exhibits/Attachments Attached:

1. Contract Review
2. Bid Tabulation
3. Worksheet

PINELLAS COUNTY GOVERNMENT, FLORIDA							
Tabulation							
BID #:	067-0626-B(RM)						
Bid Title :	GAS, NATURAL SUPPLY AND MANAGE (COOP)						
Project #							
Date & Time Due:	1/15/2008						
	ESTIMATED THERMS ANNUAL QTY	DECEMBER 07 CLOSE FGT ZONE #3 PRICE PER THERM	DECEMBER 07 PASS-THROUGH COST WELLHEAD TO CITY GATE	FIXED MARKETER FEE PER THERM	ESTIMATED ANNUAL EXPENDITURE COLUMNS (B+C+D) X B		
FLORIDA NATURAL GAS	1,251,021.50	\$0.745	\$0.0741	\$0.0199	\$1,049,607.04		(A)
ATLANTA, GA							
FPL ENERGY SERVICES, INC	1,251,021.50	\$0.748	\$0.07701	\$0.028	\$1,067,133.85		
MIAMI, FL							
INFINITE ENERGY, INC	1,251,021.50	\$0.748	\$0.07587	\$ 0.02	\$1,055,699.51		(A)
GAINESVILLE, FL							
INTERCONN RESOURCES, INC.	1,251,021.50	\$0.748	\$0.079	\$0.0135	\$1,051,483.57		
ST. PETERSBURG, FL							
PENINSULA ENERGY SERVICES CO., INC. (PESCO)	1,251,021.50	\$0.748	\$0.0773	\$0.0125	\$1,048,105.81		
WINTER HAVEN, FL							
SUNSHINE STATE GAS, INC.	1,251,021.50	\$0.7480	\$0.092	\$0.03	\$1,088,388.71		(A)
NAPLES, FL							
(A)	CORRECTED TOTAL						

PINELLAS COUNTY GOVERNMENT, FLORIDA								
WORKSHEET	ESTIMATED TOTAL COST WITH LDC COSTS							
Bid Title :	GAS, NATURAL SUPPLY AND MANAGE (COOP)							
Project #								
Date & Time Due:	1/15/2008							
	ESTIMATED THERMS ANNUAL QTY	DECEMBER 07 CLOSE FGT ZONE #3 PRICE PER THERM	DECEMBER 07 PASS-THROUGH COST WELLHEAD TO CITY GATE	FIXED MARKETER FEE PER THERM	ESTIMATED ANNUAL EXPENDITURE COLUMNS (B+C+D) X B	PEOPLES GAS LDC COSTS	ESTIMATED TOTAL COST FOR NATURAL GAS	
FLORIDA NATURAL GAS ATLANTA, GA	1,251,021.50	\$0.745	\$0.0741	\$0.0199	\$1,049,607.04		(A)	
FPL ENERGY SERVICES, INC MIAMI, FL	1,251,021.50	\$0.748	\$0.07701	\$0.028	\$1,067,133.85			
INFINITE ENERGY, INC GAINESVILLE, FL	1,251,021.50	\$0.748	\$0.07587	\$0.02	\$1,055,699.51		(A)	
INTERCONN RESOURCES, INC. ST. PETERSBURG, FL	1,251,021.50	\$0.748	\$0.079	\$0.0135	\$1,051,483.57			
PENINSULA ENERGY SERVICES CO., INC. (PESCO) WINTER HAVEN, FL	1,251,021.50	\$0.748	\$0.0773	\$0.0125	\$1,048,105.81			
	1,127,189.00	\$0.748	\$0.0773	\$0.0125	\$944,358.94	\$221,971.00	\$1,166,329.94	PC
	123832.5	\$0.748	\$0.0773	\$0.0125	\$103,746.87	\$38,652.00	\$142,298.87	HCC
TOTAL CO-OP							\$1,308,628.81	
SUNSHINE STATE GAS, INC. NAPLES, FL	1,251,021.50	\$0.7480	\$0.092	\$0.03	\$1,088,388.71		(A)	
(A)	CORRECTED TOTAL							