LAKELAND CITY COMMISSION

Regular Session
June 5, 2023

The Lakeland City Commission met in the Lakeland Electric Conference Rooms 1A and 1B. Mayor Pro Tem Sara McCarley and Commissioners Chad McLeod, Bill Read, Stephanie Madden, Mike Musick, and Samuel Simmons were present. Mayor Bill Mutz was absent. City Manager Shawn Sherrouse, City Attorney Palmer Davis, Finance Director Mike Brossart, and City Clerk Kelly Koos were present.

CALL TO ORDER - 9:00 A.M.

PRESENTATIONS

Lakeland Powers On With Solar (Dale Marquardt, Building Official and Scott Bishop, LE Assistant General Manager)

Beautification Awards (Bill Koen)

- Residential- 1508 Mariner Rd: Nancy Ross
- Commercial- 205 E. Main St: Black & Brew

PROCLAMATIONS

Juneteenth Day
LGBTQ + Pride Month
National Garden Week
National Public Works Week
World Vitiligo Month

COMMITTEE REPORTS AND RELATED ITEMS

Real Estate and Transportation Committee 06/02/23

First Modification of Lease Agreement with Two Monies, LLC

Commissioner Mike Musick presented this report to the Commission. He clarified that the annual rent payment was $13,242.24.

Action: Commissioner Chad McLeod moved to approve the recommendation. Commissioner Stephanie Madden seconded and the motion carried unanimously.

APPROVAL OF CONSENT AGENDA

All items listed with an asterisk (*) were considered routine by the City Commission and were enacted by one motion following an opportunity for public comment. There was no separate discussion of these items unless a City Commissioner or Citizen so requested,

in which event the item was removed from the consent agenda and considered in its normal sequence.
* City Commission 05/12/23 – 05/15/23
* Memo re: 5:01 P.M. Hearing Waiver

Motion: Commissioner Chad McLeod moved to approve the Consent Agenda. Commissioner Stephanie Madden seconded.

Mayor Pro Tem Sara McCarley asked for comments from the Commission and the audience. There were no comments.

Action: Mayor Pro Tem Sara McCarley called for the vote and the motion carried unanimously.

APPROVAL OF MINUTES (with any amendments)

* City Commission 05/12/23 – 05/15/23

Action: The Commission approved this item as part of the Consent Agenda.

REQUESTS TO APPEAR FROM THE GENERAL PUBLIC – None

EQUALIZATION HEARINGS

Recess/Convene: The City Commission recessed the Regular Session and convened as the Equalization Board.

Palmer Davis explained the City Charter requires that prior to recording a lien against private property, the City Commission convene as the Equalization Board and grant those property owners the opportunity to object to the recording of the lien or ask any questions they might have. If someone present received a notice to appear before the City Commission re a lots cleaning/clearing or demolition assessment, this is the time to address the Commission.

Lots Cleaning and Clearing

Mayor Pro Tem Sara McCarley asked for comments from the public. There were none.

Action: Commissioner Bill Read moved to approve the assessments. Commissioner Mike Musick seconded and the motion carried unanimously.

Adjourn/Reconvene: The Equalization Board adjourned and the City Commission reconvened the Regular Session.

PUBLIC HEARINGS

Ordinances (Second Reading)

Ordinance 5989; Proposed 23-023; Expanding Deferred Retirement Option Program (DROP) Participation Period of the City of Lakeland Employee Pension Plan to Eight (8) Years (1st Rdg. 05-15-23)

> AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF LAKELAND, FLORIDA RELATING TO THE CITY OF LAKELAND EMPLOYEE PENSION PLAN; AMENDING SECTION 23.4.5 OF ARTICLE II OF DIVISION II OF THE CHARTER OF THE CITY OF LAKELAND, FLORIDA TO EXPAND THE DEFERRED RETIREMENT OPTION PLAN PARTICIPATION PERIOD AND AMEND TERMINOLOGY; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; PROVIDING AN EFFECTIVE DATE.

Palmer Davis read the short title.

Motion: Commissioner Bill Read moved to approve the ordinance. Commissioner Stephanie Madden seconded.

Mayor Pro Tem Sara McCarley asked for comments from the Commission and the audience. There were no comments from the audience.

The Commission discussed:
- Retroactive: The extension was not retroactive. The most recent employees who exited had not expressed a desire to extend. The City Manager was not aware of anyone requesting it be retroactive.
- The Pay and Benefits Study: Should this vote be delayed until the pay study is received. There were concerns that tabling the vote would prevent interested parties from extending.
- The employees voted and recommended approval. The time is unique since it is difficult to hire right now.
- There is large support amongst employees.
- The City Manager will receive the first draft of the pay and benefit study this week. The DROP program is a savings to the city, not an expense. There is not a correlation between the DROP program and the pay and benefit study.

Mike Brossart explained once an employee enters DROP, the employee and City stop contributing to the pension plan. The actuary does not recognize an expense to the plan. There are 168 employees in DROP and that is a savings of over $2 Million a year. DROP is not subsidized by the pension plan or taxpayers in any way. DROP members retirement funds are invested with all the other pension funds and the employee received 3% interest.

The Commission continued discussing:
- Employees receive bi-monthly pension payouts.

- A lot of the DROP programs are just patterned after other programs. That is where the different terms came from. There is some legislation in Florida now that will allow an unlimited term. The City of Auburndale does not have a term.
- The actuary is comfortable with 8 years right now. Staff has not asked them to consider something greater.
- The general employees were requesting probably because of the police extension. This is a big topic at FCCMA. A lot of managers are considering changes.
- Commissioner Sara McCarley asked about minutes from the employee association.

Action: Upon roll call vote Commissioners Chad McLeod, Bill Read, Stephanie Madden, Mike Musick, Samuel Simmons, and Mayor Pro Tem Sara McCarley voted aye. Ayes – six. Nays – zero. The motion carried unanimously.

Ordinance 5990; Proposed 23-024; Vacating Public Right-of-Way Located North of W. Peachtree Street, South of W. Magnolia Street, East of N. Virginia Avenue and West of N. New York Avenue (1st Rdg. 05-15-23)

> AN ORDINANCE RELATING TO PUBLIC RIGHT-OF-WAY; MAKING FINDINGS; VACATING PUBLIC RIGHT-OF-WAY LOCATED NORTH OF W. PEACHTREE STREET, SOUTH OF W. MAGNOLIA STREET, EAST OF N. VIRGINIA AVENUE AND WEST OF N. NEW YORK AVENUE WITHIN THE CITY OF LAKELAND, FLORIDA; AUTHORIZING THE RECORDING OF A CERTIFIED COPY OF THIS ORDINANCE; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

Palmer Davis read the short title.

Motion: Commissioner Mike Musick moved to approve the ordinance. Commissioner Chad McLeod seconded.

Mayor Pro Tem Sara McCarley asked for comments from the Commission and the audience. There were no comments.

Action: Upon roll call vote Commissioners Samuel Simmons, Mike Musick, Stephanie Madden, Bill Read, Chad McLeod, and Mayor Pro Tem Sara McCarley voted aye. Ayes-six. Nays-zero. The motion carried unanimously.

Resolutions

Resolution 5820; Proposed 23-025; Lots Cleaning and Clearing

> A RESOLUTION RELATING TO ASSESSMENTS; DETERMINING THE NECESSITY FOR HAVING CLEANED AND CLEARED CERTAIN PROPERTIES WITHIN THE CITY OF LAKELAND; PROVIDING FOR THE ASSESSMENT OF LIENS AGAINST SUCH PROPERTY FOR EXPENSES INCURRED IN THE CLEANING AND CLEARING THEREOF; PROVIDING AN EFFECTIVE DATE.

Palmer Davis read the short title.

Motion: Commissioner Mike Musick moved to approve the resolution. Commissioner Samuel Simmons seconded.

Mayor Pro Tem Sara McCarley asked for comments from the Commission and the audience. There were no comments.

Action: Upon roll call vote Commissioners Chad McLeod, Bill Read, Stephanie Madden, Mike Musick, Samuel Simmons, and Mayor Pro Tem Sara McCarley voted aye. Ayes – six. Nays – zero. The motion carried unanimously.

Resolution 5821; Proposed 23-026; Authorizing Approval of Agreements with the Florida Department of Transportation for Funding the Removal and Relocation of City Water and Electric Facilities Located in State Right-of-Way Due to the Construction of the Interchange Modification of I-4 and State Road 33

> A RESOLUTION AUTHORIZING APPROVAL OF AGREEMENTS BETWEEN THE FLORIDA DEPARTMENT OF TRANSPORTATION AND THE CITY OF LAKELAND FOR FUNDING THE REMOVAL AND RELOCATION OF CITY WATER AND ELECTRIC FACILITIES LOCATED IN STATE RIGHT OF WAY DUE TO THE CONSTRUCTION OF THE INTERCHANGE MODIFICATION OF I-4 AND STATE ROAD 33; MAKING FINDINGS; PROVIDING AN EFFECTIVE DATE.

Palmer Davis read the short title.

Motion: Commissioner Chad McLeod moved to approve the resolution. Commissioner Samuel Simmons seconded.

Mayor Pro Tem Sara McCarley asked for comments from the Commission and the audience. There were no comments from the audience.

The Commission discussed:

- Water's role in the project. Water designed the project and provided the information to FDOT to include in their bid request.
- This was an expensive but much needed project. This was the last interchange on I-4 to be upgraded.
- Staff continued to look for additional funding.
- The interchange will be redesigned by 4-laning SR33 and building round abouts on either side of I-4.

Action: Upon roll call vote Commissioners Samuel Simmons, Mike Musick, Stephanie Madden, Bill Read, Chad McLeod, and Mayor Pro Tem Sara McCarley voted aye. Ayes-six. Nays-zero. The motion carried unanimously.

Resolution 5822; Proposed 23-027; Approving an Amendment to the Traffic Signal Maintenance and Compensation Agreement with the Florida Department of Transportation

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF LAKELAND, FLORIDA RELATING TO TRANSPORTATION; APPROVING AND AUTHORIZING EXECUTION OF AN AMENDMENT TO THE TRAFFIC SIGNAL MAINTENANCE AND COMPENSATION AGREEMENT WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION; DESIGNATING THE PUBLIC WORKS DIRECTOR TO EXECUTE ANNUAL AMENDMENTS; ADOPTING FINDINGS; PROVIDING AN EFFECTIVE DATE.

Palmer Davis read the short title.

Motion: Commissioner Mike Musick moved to approve the resolution. Commissioner Samuel Simmons seconded.

Mayor Pro Tem Sara McCarley asked for comments from the Commission and the audience. There were no comments.

Action: Upon roll call vote Commissioners Chad McLeod, Bill Read, Stephanie Madden, Mike Musick, Samuel Simmons, and Mayor Pro Tem Sara McCarley voted aye. Ayes – six. Nays – zero. The motion carried unanimously.

Resolution 5823; Proposed 23-028; Vacating Public Utility Easements Located within the Villages at Bridgewater - Village 14

A RESOLUTION RELATING TO PUBLIC UTILITY EASEMENTS; MAKING FINDINGS; VACATING EXISTING PUBLIC UTILITY EASEMENTS LOCATED WITHIN THE VILLAGES AT BRIDGEWATER – VILLAGE 14; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

Palmer Davis read the short title.

Motion: Commissioner Mike Musick moved to approve the resolution. Commissioner Samuel Simmons seconded.

Mayor Pro Tem Sara McCarley asked for comments from the Commission and the audience. There were no comments.

Action: Upon roll call vote Commissioners Samuel Simmons, Mike Musick, Stephanie Madden, Bill Read, Chad McLeod, and Mayor Pro Tem Sara McCarley voted aye. Ayes-sis. Nays-zero. The motion carried unanimously.

Resolution 5824; Proposed 23-029; Authorizing the Execution of a Grant Agreement with the Florida Department of Transportation for Financial Project No. 453094-1-94-01 for Security Enhancements and Upgrades at Lakeland Linder International Airport

A RESOLUTION AUTHORIZING EXECUTION OF A GRANT AGREEMENT WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION TO ADD FUNDING FOR THE SECURITY ENHANCEMENTS & UPGRADES PROJECT AT LAKELAND LINDER INTERNATIONAL AIRPORT; ADOPTING FINDINGS; PROVIDING AN EFFECTIVE DATE.

Palmer Davis read the short title.

Motion: Commissioner Chad McLeod moved to approve the resolution. Commissioner Mike Musick seconded.

Mayor Pro Tem Sara McCarley asked for comments from the Commission and the audience. There were no comments.

Action: Upon roll call vote Commissioners Chad McLeod, Bill Read, Stephanie Madden, Mike Musick, Samuel Simmons, and Mayor Pro Tem Sara McCarley voted aye. Ayes – six. Nays – zero. The motion carried unanimously.

Proposed 23-030; Designating Property Located at 2030-2035 Griffin Road a Brownfield Area

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF LAKELAND, FLORIDA, DESIGNATING PROPERTY LOCATED AT 2030-2035 GRIFFIN ROAD AS A BROWNFIELD AREA; AUTHORIZING THE CITY ATTORNEY TO NOTIFY THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION OF SAID DESIGNATION; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE

Palmer Davis read the short title and explained this was a public hearing but the first of two. The resolution would return for the second public hearing on June 19, 2023.

Mayor Pro Tem Sara McCarley asked for comments from the Commission and the audience. There were no comments from the audience.

The Commission heard from Brett Brumund, the applicant's attorney. The property was 11.72 acres. This was Phase II of Swan Lake Village. A small area of contaminate was found on the NE corner. They addressed that during the redevelopment process. This designation would provide reimbursement of sales tax.

Mayor Pro Tem Sara McCarley closed the public hearing.

COMMUNITY REDEVELOPMENT AGENCY – None

CITY MANAGER

Verbal Report: Deputy City Manager Emily Colon was recognized with the Rising Star Award from the International City/County Managers Association. She was one of two to receive the award this year.

CITY ATTORNEY

Ordinances (First Reading)

Proposed 23-025; Approving a Conditional Use to Allow for the Replacement of Mobile Homes Within an Existing Nonconforming Mobile Home Park on Property Located at 405 Union Drive

> AN ORDINANCE RELATING TO ZONING; MAKING FINDINGS; APPROVING A CONDITIONAL USE TO ALLOW FOR THE REPLACEMENT OF MOBILE HOMES WITHIN AN EXISTING NONCONFORMING MOBILE HOME PARK ON PROPERTY LOCATED AT 405 UNION DRIVE; FINDING CONFORMITY WITH THE COMPREHENSIVE PLAN; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

The foregoing is the title of an ordinance read for the first time by short title only. The Commission will hold the second reading and public hearing on June 19, 2023.

Proposed 23-026; Amending Ordinance 4358; Major Modification of a Conditional Use to Allow a Preschool with a Maximum Enrollment of 67 Students as an Accessory Use to an Existing Church on Property Located at 411 W. Robson Street

> AN ORDINANCE RELATING TO ZONING; MAKING FINDINGS; AMENDING ORDINANCE 4358 TO MODIFY AN EXISTING CONDITIONAL USE TO ALLOW A PRESCHOOL WITH A MAXIMUM ENROLLMENT OF 67 STUDENTS AS AN ACCESSORY USE TO AN EXISTING CHURCH ON PROPERTY LOCATED AT 411 W. ROBSON STREET; FINDING CONFORMITY WITH THE COMPREHENSIVE PLAN; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

The foregoing is the title of an ordinance read for the first time by short title only. The Commission will hold the second reading and public hearing on June 19, 2023.

Miscellaneous Reports

* **Memo re: 5:01 P.M. Hearing Waiver**

During the month of June, the City Commission will be presented a Brownfield Designation Resolution which will require at least one hearing after 5:00 p.m.

Staff requested that the Commission waive the statutory requirement that at least one of the hearings on this matter be held after 5:00 p.m.

Action: The Commission approved this item as part of the Consent Agenda.

Memo re: Contract with Garney Companies, Inc. for Progressive Design Build Services Associated with the Western Trunk Gravity Sewer Replacement - Phase 2

This proposed engineering and design services contract with Garney Companies, Inc. ("Garney"), was for the planned replacement of the existing 36" Western Trunk Gravity Sewer Line ("Western Trunk").

The Western Trunk is approximately 12,800 linear feet with 43 manholes and 47 branches that flow into the manholes along the sewer line's route. The existing line is responsible for an average flow of approximately 3.5 million gallons per day through a gravity sewer line that terminates at the City's Southwest Pump Station. The original reinforced concrete pipe gravity sewer and manholes were lined in the late 1980's, which reduced the inside diameter of the pipe from 36 inches to approximately 30 inches. The Western Trunk has since reached its capacity, which significantly limits development along the alignment of the route. The line has started to show numerous maintenance and reliability concerns which further justify replacement of this critical infrastructure asset in lieu of short-term, localized repairs.

This Western Trunk project utilizes a Progressive Design-Build delivery process, in which the City progresses from preliminary route evaluation to engineering/design to construction in three (3) separate phases. The intent is to structure these phases to provide the City with a more accurate scope and cost for Phase 3 and to authorize Garney to perform its services while each subsequent phase is negotiated.

On November 7, 2022, the City approved Phase 1 services with Garney, which subsequently completed branch verification, surveys of existing manholes, route study, hydraulic modeling, and subsurface engineering of the selected route.

The scope of Phase 2 services is summarized in the table below and Garney will be compensated based upon a fixed fee arrangement in accordance with the following fee schedule:

TASK	DESCRIPTION	FEE
1	General Project Management & Design Project Execution	$ 348,280.00
2	30% Design Phase $ 527,076.00 Additional Lateral CCTV Allowance	$ 27,200.00
3	60% Design Phase $ 335,352.00 Permitting – Pre-application	$ 13,540.00
4	90% Design Phase	$ 256,415.00
5	GMP Development	$ 84,976.00
	TOTAL	$ 1,592,839.00

Although this contract is limited to Phase 2 services, one of Garney's primary tasks will be the development of a proposed guaranteed maximum price ("GMP") for Phase 3 construction. City staff will review the GMP and negotiate with Garney as to an agreement for Phase 3 construction. However, this contract provides the City with an "off ramp" at the completion of Phase 2, as the City is not obligated to accept the GMP or to contract with Garney for Phase 3. If the GMP and additional terms applicable for Phase 3 construction are acceptable to both parties, a proposed amendment to this contract will be presented to the City Commission at such time. All services pursuant to this contract will be performed in accordance with the terms and conditions set forth in the proposed contract between the City and Garney. The total not-to-exceed cost associated with this Phase 2 contract is $1,592,839.00. This project has been approved and budgeted in the Water Utilities FY2023 budget and is also partially funded by American Rescue Plan Act (ARPA), which will provide $17.8 million toward the entire project. All Work associated with Phase 2 will be completed on or before March 24, 2024, and the City intends to complete the entire Western Trunk replacement no later than December 31, 2026.

Staff recommended that the City Commission approve and authorize the appropriate City officials to execute the attached Progressive Design-Build contract with Garney Companies, Inc., for Phase 2 design services

Alex Landback presented this item to the Commission.

Motion: Commissioner Mike Musick moved to approve the recommendation. Commissioner Bill Read seconded.

Mayor Pro Tem Sara McCarley asked for comments from the Commission and the audience. There were no comments from the audience.

The Commission discussed:
- The route study picked the route and created the engineering study. Now they will move forward to obtain easements.
- The original estimate of $30 Million did not include everything. The route study indicated $50 Million but staff hoped to do some value engineering.

Action: Mayor Pro Tem Sara McCarley called for the vote and the motion carried unanimously.

FINANCE DIRECTOR - None

UTILITY

Ordinances - None

Resolutions

Resolution 5825; Proposed 23-031; Establishing Fuel Charge Effective July 1, 2023

> A RESOLUTION RELATING TO THE ELECTRIC UTILITY; MAKING FINDINGS; ESTABLISHING THE FUEL CHARGE FOR ALL CUSTOMER CLASSES FOR METERS READ ON OR AFTER JULY 1, 2023; AMENDING TIME OF DAY FUEL CHARGE FOR APPLICABLE RATE CLASSES; REPEALING RESOLUTION 5802; PROVIDING AN EFFECTIVE DATE.

Palmer Davis read the short title.

Motion: Commissioner Chad McLeod moved to approve the resolution. Commissioner Mike Musick seconded.

Mayor Pro Tem Sara McCarley asked for comments from the Commission and the audience. There were no comments from the audience.

The Commission discussed the fuel budget and issues expected to impact the rate over the next year. LE's fuel charge was the 2nd lowest of all municipal owned utilities in the area.

Action: Upon roll call vote Commissioners Samuel Simmons, Mike Musick, Stephanie Madden, Bill Read, Chad McLeod, and Mayor Pro Tem Sara McCarley voted aye. Ayes-six. Nays-zero. The motion carried unanimously.

Miscellaneous

Memo re: Amendment No. 1 and Change Order with Sargent & Lundy, LLC for Peaking Power Generation Professional Engineering Services

This is proposed Amendment No. 1 and a corresponding Change Order with Sargent & Lundy, LLC (Sargent & Lundy) for peaking power generation professional engineering services. On October 5, 2020, the City Commission approved an Agreement with Sargent & Lundy for professional engineering services to assist Lakeland Electric in adding approximately 100 megawatts of additional peaking power generation capacity at the McIntosh Power Plant. The initial estimated total cost of the work for the three (3) year period of the Agreement was $4,983,232. However, once the full scope of the project was further evaluated, an initial Change Order was issued increasing the total cost to $6,503,919, which was approved by the City Commission on December 20, 2021.

Pursuant to the Agreement, the initial and updated estimated cost for Sargent & Lundy's engineering services was for an estimated three (3) year period through May 31, 2023, or upon completion of the commissioning of the peaking power capacity, whichever occurs first. Due to significant delays with the Project, the commissioning of the peaking power plant is now projected to occur in the Fall of 2024. Accordingly, Lakeland Electric staff is seeking to amend the Agreement with Sargent & Lundy to extend the contract term through May 31, 2025, or upon completion of the commissioning of the peaking power capacity, whichever occurs first.

In addition, City staff is seeking approval to issue a Change Order to the Agreement in the amount of $1,877,000. The increased cost stems from delays in vendor design input and procurement and multiple scope changes resulting in additional engineering costs that were not originally anticipated. Significant delays can further be attributed to the availability of personnel and supply chain disruption during the recent pandemic, as well as the ongoing war in the Ukraine. While most engineering for the Project has been completed, the additional cost will cover a modified scope of work that will provide for on-site construction support, as well as design clarifications specifically requested by the City. A summary of the associated cost of the engineering services pursuant to the Agreement are set forth below:

- October 5, 2020 - Initial Estimated Cost $ 4,983,232
- December 20, 2021 – Updated Cost $ 6,503,919
- Amendment No. 1 – Additional funds requested $ 1,877,000
- Total Estimated Project Cost $ 8,380,919

Sargent & Lundy will perform all engineering services in accordance with the terms and conditions set forth in the Agreement as well as the modified scope of work set forth in its proposal dated April 20, 2023. The updated total estimated cost of the work is $8,380,919 and is included in Lakeland Electric's budget for RICE Generation, which is funded through the City's Energy System Revenue Bond.

Staff recommended that the City Commission approve this Amendment No. 1 to extend the contract term and Change Order in the amount of $1,877,000 with Sargent & Lundy for professional engineering services and authorize the appropriate City officials to execute all corresponding documents on behalf of the City.

Ramona Sirianni presented this item to the Commission.

Motion: Commissioner Samuel Simmons moved to approve the recommendation. Commissioner Chad McLeod seconded.

Mayor Pro Tem Sara McCarley asked for comments from the Commission and the audience. There were no comments from the audience.

The Commission discussed the fact that no one wants to pay more but it is not a result of poor planning. Everyone's expenses are going up and LE has to get this project completed.

Action: Mayor Pro Tem Sara McCarley called for the vote and the motion carried unanimously.

Memo re: Change Order No. 2 with Electro Design Engineering, Inc. for Annual Electrical Construction Services at McIntosh, Larsen and Winston Power Plants

This proposed Change Order No. 2 with Electro Design Engineering, Inc. (EDE) was for Annual Electrical Construction Services at McIntosh, Larsen and Winston Power Plants. On February 7, 2022, the City Commission approved an Agreement with EDE, along with three (3) other contractors, for annual electrical construction services at the McIntosh, Larsen and Winston Power Plants. The Agreement was for the repowering of services at McIntosh and to provide alternate power sources in preparation of the demolition of McIntosh Unit 3. Accordingly, upon approval by the City Commission, the City issued a purchase order for the initial scope of work totaling $1,250,000. On October 3, 2022, the City Commission approved Change Order No.1 with EDE for $750,000 for additional work, in part, due to the demolition of McIntosh Units 1 and 2, which was not included in the original scope of work.

As time progressed and the repowering work continued, City staff identified additional required services that would increase EDE's scope of work since EDE already maintained a crew of industrial electricians on site for the project. Pursuant to Change Order No. 2, EDE's additional scope of work will include:

- Separation and isolation of Unit 3 medium and low voltage power distribution systems to ensure the continued safe demolition of Unit 3.
- Isolation of Unit 3's Coal Yard power systems for continuing operation of de-watering and sump pumps.
- Provide power to McIntosh temporary administration offices.
- Provide temporary power for RICE Project construction office trailers and other Rice Project support as directed.
- Provide power distribution for new McIntosh parking lot lights.
- Assist with installation of the new Circuit Breaker for MGT2.
- Upgrade Unit 8 Steam Turbine Distribution System.
- Provide Unit 5 Temporary Power Distribution.

Upon approval by the City Commission of Change Order No. 2, City staff will issue a purchase order to EDE to continue work, which is anticipated to be completed by June 2024. Change Order No. 2 will be governed by the terms and conditions set forth in the City's original Bid Documents. The total estimated cost associated with Change Order No. 2 is $500,000 and is included in Lakeland Electric's FY23 budget.

Staff recommended that the City Commission approve Change Order No.2 with EDE for Annual Electrical Construction Services and authorize the appropriate City officials to issue a purchase order and execute all corresponding documents for the additional work

Ramona Sirianni presented this item to the Commission.

Motion: Commissioner Mike Musick moved to approve the recommendation. Commissioner Stephanie Madden seconded.

Mayor Pro Tem Sara McCarley asked for comments from the Commission and the audience. There were no comments from the audience.

The Commission discussed the total costs of the project.

Action: Mayor Pro Tem Sara McCarley called for the vote and the motion carried unanimously.

Memo re: Agreement with Valmont Industries, Inc. for Steel Line Terminal Structures for Drane Field Substation

This proposed agreement with Valmont Industries, Inc. (Valmont) was for steel line terminal structures for the Drane Field Substation located on Old Medulla Road. These structures will be added to the Drane Field Substation to allow the high voltage transmission lines to make a connection to the Hamilton Substation, Lakeland Electric's newest substation located on Drane Field Road. The main structure is an H-frame approximately 60 feet high, similar in size to the existing A-frame structure at the substation. The other supporting structures are significantly smaller.

On April 5, 2023, the City's Purchasing Department issued Invitation to Bid No. 2023-ITB-015 seeking qualified vendors to provide fabrication of steel line terminal structures for the Drane Field Substation. The City did not receive any responses to its initial Bid. As such, the Bid Specifications were then sent back out for quote by the City's Purchasing Department on May 4, 2023, to three (3) companies specifically known for this type of work. The City received three (3) responses from this quote solicitation.

Contractor	Location	Bid Price
Grid Structures, LLC	Amite City, LA	$58,149.00
Valmont Industries, Inc.	Monterrey, Mexico	$84,193.49
DIS-TRAN Steel, LLC	Pineville, LA	$133,351.00

Upon evaluation by City staff, Valmont was selected as the most responsive responsible bidder capable of providing the structures in accordance with the City's Bid Specifications. The apparent low bidder, Grid Structures, LLC was required to revise its initial bid due to errors discovered in its engineering calculations. While Grid Structures, LLC's revised bid of $68,300.00 was still lower than Valmont's bid price, Grid Structures, LLC was disqualified due to the repeated errors in its calculations. Alternatively, Valmont's initial bid price decreased during the evaluation process by $44.76 due to minor adjustments in steel prices.

Upon City Commission approval, the City will issue a Purchase Order for the structures, which are scheduled to be delivered in March 2024 and erected by City staff shortly thereafter. Valmont will perform all services pursuant to the terms and conditions set forth in the City's Bid Specifications and Valmont's submittal to the City's Bid dated May 26, 2023. The total cost for the structures is $84,148.73 and is funded through Lakeland Electric's Energy System Revenue Bond budget.

Staff recommended that the City Commission approve this Agreement with Valmont for steel line terminal structures for the Drane Field Substation and authorize the appropriate City officials to issue a Purchase Order and execute all corresponding documents on behalf of the City

Ramona Sirianni presented this item to the Commission.

Motion: Commissioner Mike Musick moved to approve the recommendation. Commissioner Samuel Simmons seconded.

Mayor Pro Tem Sara McCarley asked for comments from the Commission and the audience. There were no comments from the audience.

The Commission discussed how the building would be used.

Action: Mayor Pro Tem Sara McCarley called for the vote and the motion carried unanimously.

Memo re: Agreement with Rayco Industrial, Inc. for Above Grade General Work for McIntosh Reciprocating Internal Combustion Engine Project

This proposed Agreement with Rayco Industrial, Inc. (Rayco) was for above grade general work for the McIntosh Reciprocating Internal Combustion Engine (RICE) Project. On September 7, 2021, the City Commission approved an Agreement with MAN Energy Solutions USA, Inc. (MAN) for the purchase of six (6) RICE generators that will produce approximately 120.2 net megawatts (MW) of generation capacity for Lakeland Electric.

In addition to the City Commission's approval of the Long-Term Maintenance Agreement with MAN on April 3, 2023, completion of the RICE Project encompasses a number of project phases, including the installation and construction of Lakeland Electric's new electric generation facility. Significant underground work is nearly complete in preparation of the area for the RICE generators. As such, the above grade work on the facilities to house the engines is ready to begin. The above grade scope of work will include, but not be limited to unloading, receiving, inspecting and storage of deliveries;

coordinating installation of the engines and generators; construction of OEM and City received equipment; manufacturing of duct work and structural steel to support the equipment; completing mechanical and electrical connections; startup testing and commissioning support.

Accordingly, on December 21, 2022, the City's Purchasing Department issued Invitation to Bid (Bid) No. 3059 seeking qualified contractors for the design, material procurement, material fabrication, delivery, storage and construction/installation for the above grade general work specified above. The City received responses from the three (3) companies listed below.

Contractor	Location	Bid Price
Rayco Industrial, Inc.	Selma, AL	$53,999,295.71
Casey Industrial, Inc.	Louisville, CO	$72,949,759.00
Fagen, Inc.	Granite Falls, MN	$74,088,455.00

Upon evaluation by Lakeland Electric staff and Sargent & Lundy, LLC, the City's consulting engineer for the RICE Project, Rayco was selected as the most qualified responsive, responsible, cost-effective bidder capable of best meeting Lakeland Electric's needs in accordance with the City's Bid Specifications and timeline.

The term of the Agreement, effective June 5, 2023, subject to City Commission approval, shall continue through the completion of services which are anticipated to be completed in October 2024, unless otherwise terminated or extended in accordance with the Agreement. Rayco will commence work and begin the design and procurement upon City Commission approval.

Pursuant to the Agreement, Rayco is required to provide a performance bond in the total amount of the contract price, as required by Florida Statute, that will remain in effect through the entire contract term to ensure satisfactory completion of the Project. Given the importance of meeting the schedule for commissioning of the RICE generators, provisions for liquidated damages resulting from delays have been incorporated into the Agreement. Liquidated damages in the Agreement are capped at $1,500,000.00 representing approximately 2.5% of the contract price, excluding the contingency amount being requested.

Rayco is required to maintain general liability insurance for bodily injury/property damage in the amount of $5,000,000.00 for each occurrence, workers compensation and excess liability coverage in the amount of $20,000,000.00. The City is also requiring additional insurance coverage for pollution liability, environmental liability, and crane and/or riggers liability during the term of the Agreement.

The warranty on the work performed by Rayco will be for a period of one (1) year from Substantial Completion. If any work performed requires repair, replacement or modification, that work will be subject to a new warranty period from completion, which will not exceed a period of twenty-four (24) months from Substantial Completion. In addition, Rayco is required to indemnify and hold the City harmless for any property damage or bodily injury arising from Rayco or any of its subcontractors' negligent performance pursuant to the Agreement.

Rayco will perform all services in accordance with the terms and conditions set forth in the Agreement and the City's conformed Bid Spec M8538. Rayco's total initial bid price has been modified to include an additional $4,798,079.29 based on scope of work clarification and increases in cost related to materials and subcontractors since the time of the initial bid submittal. The total contract price for services is $58,797,375.00. In addition, City staff is requesting a contingency in the amount of $4,000,000.00 which will cover minor modifications related to the Project scope that may occur. As such, the total cost for the work, as well as the contract contingency is $62,797,375.00. This above grade work is included in Lakeland Electric's budget for the RICE Project, a portion of which will be funded through the City's Energy System Revenue Bond and some of which will be covered by the issuance of a new bond.

Staff recommended that the City Commission approve this Agreement with Rayco for the Above Grade General Work for the RICE Project and authorize the appropriate City officials to execute all corresponding documents related to the Agreement.

Ramona Sirianni presented this item to the Commission.

Motion: Commissioner Samuel Simmons moved to approve the recommendation. Commissioner Chad McLeod seconded.

Mayor Pro Tem Sara McCarley asked for comments from the Commission and the audience. There were no comments from the audience.

The Commission discussed:
LE's past experience with Rayco. They relocated and built MacGT2 and were more than capable. They have been on site for two months building the required buildings. They listen and do quality work.
Above ground work is one of the phases of the RICE project. Phase one was construction work below ground. Now that the foundations are laid, it is time to build above grade.

Action: Mayor Pro Tem Sara McCarley called for the vote and the motion carried unanimously.

AUDIENCE

Carol Castagnero 4119 Glissen Dr., came forward about problems at her property. The Commission referred the matter to the City Manager's Office.

MAYOR AND MEMBERS OF THE CITY COMMISSION

Commissioner Mike Musick encouraged his colleagues to tour the block energy neighborhood with Cindy Clemmons.

Commissioner Stephanie Madden:

1. Natural Gas Downtown: She had heard from small business that it was difficult to get natural gas downtown because of streetscaping.
2. Memorial Day Event: Shout out to the NAACP for their Memorial Day Event. It was a somber way to remember the sacrifice.
3. Polk County Schools are out for the summer.

Commissioner Chad McLeod gave a shout out to Parks & Recreation staff for their summer programs. There are kids and families everywhere at our facilities.

Commissioner Sara McCarley:

1. Lakeland was hosting Ridge League of Cities on Thursday at the RP Funding Center. She encouraged her fellow commissioners to join.
2. Announced Red White & Kaboom coming up July 3rd.

CALL FOR ADJOURNMENT - 11:24 a.m.

Sara Roberts McCarley, Mayor Pro Tem

CITY OF LAKELAND, FLORIDA
INCORPORATED
JAN. 1, 1885

Kelly Koos, City Clerk