

From: [City of Ocala - Contracting Officer](#)
To: [Hector Colon](#); [Daphne Robinson](#); [Nelson Delcasio](#)
Subject: Your policy exception has been approved.
Date: Friday, April 7, 2023 3:08:07 PM

Your policy exception has been **approved**.

Approval Comments: On April 27, 2022, the Florida Department of Environmental Protection (FDEP) issued grant funding in the amount of \$1,750,000 for the City's Citywide Wastewater System Improvements Project under FDEP Grant No. WG093. The project is for the installation of gravity sewer mains at three locations and the grant funding is due to expire January 31, 2024. On August 22, 2022, CIP issued its Solicitation Request form for construction services related to the Water Resources Improvement Program with an estimated value of \$4,000,000. The Request did not indicate that it was subject to grant funding and no grant terms were added to the solicitation. Two bidders responded to the solicitation and Miller Pipeline, Inc. was found to be the lowest responsible bidder. On January 8, 2023, the City's Agreement for Water Resources Improvement Program Projects, CIP/220762, was approved by Council in the amount of \$4,000,000 for a term of two years with two additional one year renewals. This agreement did not contain any FDEP grant terms or conditions. In order for the City to remain eligible for reimbursement under Grant No. WG093, costs for all services rendered must be incurred in compliance with laws, rules, and regulations applicable to the expenditure of state funds, to include, the Reference Guide for State Expenditures. The Reference Guide and the express terms of Grant No. WG093 require certain language and attachments to be expressly incorporated into subcontracts issued under the Grant related to audit requirements, costs and invoicing, insurance, and indemnification. Additionally, where the award of a subcontract for services specific to the Grant results from an alternative procurement method, the City is obligated to request advance written approval from the Department's Grant Manager of the fixed price negotiated between the City and the awarded vendor. The request is required to be supported by a detailed budget and Scope of Services to be performed by the subcontractor. Once the City has received approval of the fixed-price amount, the City can proceed with finalizing the fixed-price subcontract. On January 3, 2023, Water Resources reached out to FDEP to obtain permission to utilize Miller Pipeline and City Contract No. CIP/220762 for the completion of the Wastewater System Improvements Project under FDEP Grant No. WG093. The undersigned has verified by telephone with the Department that Alexander Robson, Environmental Specialist III with the FDEP, is the Department's Grant Manager for Grant No. WG093. On February 21, 2023, Mr. Robson verified that so long as local procurement requirements were met, the City could proceed with utilizing Miller Pipeline and Contract CIP/220762 for the Project. Based on the foregoing facts, this exception request is approved. In order to facilitate the use of Miller Pipeline for work under FDEP Grant No. WG093, the Department will need to request that a First Amendment to the Agreement for Water Resources Improvement Program Projects be prepared. This Amendment will need to incorporate the terms and conditions required to be included in subcontracts issued under WG093. The aggregate compensation will need to be increased from \$4,000,000 to \$7,500,000. Miller Pipeline will also need to amend its Certificate of Insurance to comply with the provisions of WG093. This Agreement will need to be placed on the next available Council agenda after the Department's Contracting request is issued and processed.



Procurement/Contract/P-Card Exception

Select exception type:

Contract

Reason for contract exception:

Pricing Change

Enter a brief description of your exception request:

Requesting an exception to utilize Miller Pipeline's contract (#CIP/220762) for the WG093 agreement. We would like to utilize Miller Pipeline services to complete the Citywide Wastewater System Improvements project. The exception is to increase the amount on the contract from \$2M to \$5.5M. The budget is available and was approved by city council. FDEP allowed to use the annual contractor instead of bidding the project.

Attach all documents related to the exception that can assist the Contracting Officer's decision.

[RE_WG093 - Agreement.pdf](#)
[FULLY EXECUTED - Construction Services Agreement for Water Resources Improvement Program Projects \(CIP_220762\).pdf](#)
[Grant Agreement_WG093.Executed.pdf](#)

Department

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Who authorized requesting this exception?

Sean Lanier