



February 9, 2023

Rashida Francis
Project Manager/Bureau of Mitigation
Florida Division of Emergency Management
Rashida.Francis@em.myflorida.com

RE: Proposed Budget Increase

On November 3, 2022, City of Ocala – Procurement Department opened the public bids for Project# 4337-424-R Generator and Utility Protection. Three (3) companies submitted bids and the results are as follows.

- Project Budget: \$1,939,009.00
- Lowest Bidder plus Contingency/New Total Cost: \$2,469,210.00
- Over Budget Amount/Additional Requested: \$530,201.00

As per the Florida Department of Transportation (FDOT), in 2022, inflation caused cost increases due to material and labor shortages, premium pricing for certain materials, including electrical components and augmented project unknowns. The result that FDOT experienced was an average increase in project cost of approximately 24%. As the low bid for this project was approximately 23% higher than the project cost estimate performed in 2020, we feel that it agrees with the cost escalation that FDOT has seen in their sector of the public works infrastructure construction market and therefore we request a budget increase for the increased cost and approval of award to the lowest bidder.

If additional information is needed, please contact me at 352-351-6772, or SLanier@Ocalafl.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sean Lanier".

Sean Lanier, P.E.
City Engineer/Director
Engineering & Water Resources Department