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October 18, 2019

Mayor and City Commissioners
City of Panama City
501 Harrison Avenue
P.O. Box 1880
Panama City, Florida

Re: Bids for the demolition of the former Buccaneer Hotel site at 711 West Beach Drive

Dear Mayor and Commissioners:

Attached is the Staff Report in which Staff recommends the Commission accept the matching low bid of Sikes Concrete Inc. ("Sikes") for the demolition of the remaining structures at the former Buccaneer Hotel site. The basis for the award is that Sikes, after application of the City's local preference, is the low bid at \$228,244.

Local Preference Ordinance. The City adopted on May 12, 2015 a Local Preference Ordinance that provides that if a "Local County Based Vendor" (a business entity that has maintained for at least one year its permanent place of business and principal office with full-time employees outside the municipal limits of the City but within Bay County) is within 5% of a low bidder that is not a local company, then such Local County Based Vendor may submit another bid within three business days that is at least equal to the low bid.

The low bidder is not a local company. Sikes is a Local County Based Vendor and has its principal place of business in the Southport area of Bay County. The bid submitted by Sikes was within 1% of the low bidder. Upon notification of the low bid, Sikes submitted another or a second bid that matched the low bid and provided information establishing that it is a Local County Based Vendor.

Payment and Performance Bonds. This project is a public works project and requires the bidder to supply a Payment and Performance Bond pursuant to s.255.05, Florida Statutes, since the public works project (demolition costs) exceeds \$200,000. The bidders did not supply a statutory payment and performance bond since it was not required in the bid specs; however, now that the City knows the public works project exceeds the \$200,000 threshold (it is \$228,244)

and requires a payment and performance bond, the City Staff has requested and Sikes has agreed to supply such statutory payment and performance bond to the City.

Recoupment of Demolition Costs. The City obtained an order from the Magistrate that allowed the City to demolish the structures at 711 West Beach Drive. The westerly building has already been removed and a lien exists for those costs. This public works project will remove all buildings off of 711 West Beach Drive. The cost for all removals will be a lien on the real property, and, if not paid by the time the 2020 Tax Bills are sent out, will also be assessed on the tax bill in November 2020.

Sincerely yours,

Nevin J. Zimmerman

cc: Darlene Hachmeister, City Clerk-Treasurer
Mark McQueen, City Manager