



## INVITATION FOR BIDS

### **AN ORDINANCE GRANTING A FRANCHISE AGREEMENT FOR THE NON-EXCLUSIVE RIGHT AND PRIVILEGE TO USE THE STREETS, ALLEYS, AND PUBLIC PLACES OF THE CITY OF SUFFOLK FOR THE CONSTRUCTION, MAINTENANCE, AND OPERATION OF A NATURAL GAS DISTRIBUTION SYSTEM WITHIN AND THROUGH THE CORPORATE LIMITS OF THE CITY OF SUFFOLK, VIRGINIA**

The City of Suffolk is considering granting a franchise agreement (Franchise) to use and occupy the streets, alleys, and other public places of the City of Suffolk as the same now exist, or may hereafter be laid out, for the construction, maintenance and operation of a system of pipes and other equipment, facilities and appliances ("Facilities") necessary or convenient for the maintenance, distribution, and transmission of natural gas. Because the Franchise will be in excess of five (5) years, the City is advertising bids in accordance with Section 15.2-2101 of the Code of Virginia (1950), as amended.

Interested parties should submit ten (10) complete copies of their bid, in writing, addressed to the City of Suffolk, ATTENTION: FRANCHISE BID, PURCHASING DIVISION, Post Office Box 1858 Suffolk, Virginia 23439. Bids, addressed as indicated above, may be hand-delivered to the City of Suffolk Purchasing Department at 442 West Washington Street, Suite 1086 Suffolk, Virginia 23434. **ALL BIDS ARE DUE ON OR BEFORE 12:00 P.M., NOON, Tuesday, February 16, 2016.** Bids shall also be received by the Mayor of the City of Suffolk at the regular meeting of the City Council, which will be held in the City Council Chambers located in the City Hall Building at 442 West Washington Street, Suffolk, Virginia on **Wednesday, February 17, 2016 at 7:00 p.m.**

After the receiving and opening of bids, the City Council, after consideration of the bids, will make a determination of which, if any, of the bids to accept, at which time the City Council may hold a public hearing to adopt an ordinance granting such franchise to the selected bidder. The City reserves the right to reject any and all bids. **The bid instructions are available from the City of Suffolk Department of Purchasing at the address listed above and may be obtained online from the City's website: <http://apps.suffolkva.us/bids/>.**

**A copy of the full text of the proposed ordinance is on file in the office of the City Clerk.**



## **BID INSTRUCTIONS**

**AN ORDINANCE GRANTING A FRANCHISE AGREEMENT FOR THE NON-EXCLUSIVE RIGHT AND PRIVILEGE TO USE THE STREETS, ALLEYS, AND PUBLIC PLACES OF THE CITY OF SUFFOLK FOR THE CONSTRUCTION, MAINTENANCE, AND OPERATION OF A NATURAL GAS DISTRIBUTION SYSTEM WITHIN AND THROUGH THE CORPORATE LIMITS OF THE CITY OF SUFFOLK, VIRGINIA**

### **CONTENT OF BID PACKAGE**

Each bid package must contain, at a minimum, the following written information with documentation suitable for evaluation:

1. **Completed Bid Form.** The respondent shall complete the Bid Form, attached hereto as Exhibit A, setting forth the information requested for the respondent's offer, including the proposal for the use of the franchise area. Completion of the Bid Form signifies acceptance of the terms outlined in the General Terms of the Franchise set forth in Exhibit B.

### **SCOPE OF SERVICES/ QUALIFICATIONS**

The successful bidder shall demonstrate that it is authorized to transact business in the Commonwealth of Virginia and is duly authorized to transmit and distribute natural gas in the Commonwealth.

The successful bidder shall demonstrate through current and past similar projects, the professional, financial, and technical ability to install and maintain the Facilities. The successful bidder must also demonstrate that installation of the Facilities will serve the public interest.

The successful bidder shall be solely responsible for obtaining consent from the Virginia Department of Transportation for any Facilities to be located on right of way subject to its jurisdiction.

As a precondition to the grant, the successful bidder shall enter into a franchise agreement prepared by the City, which sets forth the conditions for the construction, maintenance, and operation of the Facilities. The franchise agreement further sets forth, among other things, that the franchise is non-exclusive, subject to the City's prior rights, and the successful bidder must maintain liability insurance and hold harmless and indemnify the City.

## **CONSTRUCTION, OPERATION, AND MAINTENANCE OF FACILITIES**

In connection with the above, the successful bidder shall be solely responsible for furnishing all capital, labor, materials, equipment, appurtenances, incidentals, and all other items necessary to construct, operate, and maintain the Facilities.

All engineering and all other costs, fees or other expenses, including, but not limited to necessary permits related to installing and maintaining the Facilities and any costs for advertising the notice of the public hearing for the franchise agreement shall be the sole responsibility of the successful bidder.

The successful bidder shall develop construction plans showing the location of the Facilities and indicate the depth at which the Facilities are to be buried. The plans shall be submitted to the City of Suffolk for approval. Franchisee shall not construct or install the Facilities without first obtaining the City of Suffolk's approval of the plans. Franchisee shall construct and install the Facilities in strict accordance with the plans approved by the City of Suffolk. Franchisee shall make available to the City of Suffolk, at no cost, a copy of any applicable construction plans for the Facilities.

## **OTHER INFORMATION**

### **Bond.**

The successful respondent shall be required to execute a bond, with good and sufficient security, in a sum to be determined by the City, pursuant to Section 15.2-2104 of the Code of Virginia (1950), as amended.

## **PAYMENT FOR ADVERTISEMENT**

The successful respondent shall be required to reimburse the City for the cost of the advertisement inviting bids and proposing to make the grant of the franchise, pursuant to Section 15.2-2101 of the Code of Virginia (1950), as amended.

## **PROCESS**

All proposals must be submitted to the City's Purchasing Department by **12:00 noon, Tuesday, February 16, 2016**. All proposals received after **12:00 noon, Tuesday, February 16, 2016** shall not be received by the City's Purchasing Department, but may be offered to the Mayor of the City of Suffolk at the regular meeting of the City Council, which will be held in the City Council Chambers located in the City Hall Building at 442 West Washington Street, Suffolk, Virginia on **Wednesday, February 17, 2016 at 7:00 p.m.**

The City of Suffolk reserves the right to reject any and all proposals, to proceed with a specific respondent or respondents, or to take any action that the City of Suffolk determines to be in the best interest of the City of Suffolk. The City of Suffolk also reserves the right to abandon the proposed franchise after the award of the bid to the selected respondent but before entering into a franchise, in the event the City elects for any reason whatsoever not to grant the franchise upon the property shown on the attached Exhibit C (the "Franchise Area").

**ATTACHMENTS:**

Exhibit A: Bid Form

Exhibit B: General Terms of Franchise

Exhibit C: Franchise Area

**EXHIBIT A**

**BID FORM**

In compliance with and subject to this Invitation for Bids, which is made pursuant to Virginia Code § 15.2-2101, and the documents herein specified, all of which are incorporated herein by reference, the undersigned bidder agrees to furnish all expertise, labor, equipment, materials, and professional services necessary to construct, operate, and maintain the Facilities.

Failure to complete all parts of this Bid Form and furnish Bid Submittals A and B as requested, may result in rejection of said bid. One (1) original, so marked, and ten (10) copies of the entire bid must be submitted. Completion of this Bid Form signifies acceptance of the terms outlined in the General Terms of the Franchise set forth in Exhibit B.

**1. BIDDER INFORMATION:**

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_

**I certify that the information provided herein is true and complete and that the bidder is legally qualified to perform the work and services included in this bid.**

**Bidder:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**2. BID SUBMITTALS**

Bidder shall complete and enclose with its Bid, the following bid submittals. Failure to do so may result in rejection of bid in its entirety:

Submittal A - Statement of Qualifications: Proof that the respondent is authorized to transact business in the Commonwealth of Virginia and is duly authorized to transmit and distribute natural gas in the Commonwealth.

Submittal B - Plan for Improvements: A written plan for the construction, maintenance, and operation of a natural gas distribution system upon the Franchise Area.

----- **END OF BID FORM** -----

**EXHIBIT B**

**GENERAL TERMS OF FRANCHISE**

It is anticipated that the successful respondent will enter into a forty (40) year franchise term with the City. The franchise may not be renewed after the expiration of the forty (40) year term; a new franchise agreement will have to be negotiated and entered into between the parties upon the expiration of the forty (40) year term, in accordance with applicable law. The successful respondent shall be responsible for the construction, operation, and maintenance of its facilities within the Franchise Area, which area is described on Exhibit C. Neither the City nor the successful bidder will be obligated to satisfy the terms set forth herein unless the successful bidder files its unconditional acceptance of the terms and provisions of the Ordinance upon its passage, which shall include additional terms or conditions deemed necessary by the City and other necessary and/or appropriate definitive agreements executed in the furtherance thereof.

**FRANCHISOR:** The City of Suffolk

**FRANCHISEE:** To be determined

**FRANCHISE AREA:** See Exhibit C, attached

**TERM:** 40 years

**USE OF FRANCHISE AREA:** The Franchise Area shall be used only for the purpose of the construction, maintenance and operation of a system of pipes and other equipment, facilities and appliances ("Facilities") necessary or convenient for the maintenance, distribution, and transmission of natural gas.

**ASSIGNMENT AND SUBLETTING:** The Franchisee shall not assign or sublet any of its rights or duties under the franchise agreement or any interest it may have herein without the prior written consent of the City.

**INSURANCE:** The Franchisee shall obtain and maintain, or cause to be maintained, at all times from the effective date of the Franchise, insurance coverage(s) in the type(s) and amount(s) as shall be determined by the City. In addition to workers' compensation insurance, the insurance coverage required to be maintained pursuant to the Franchise, shall include, **but not be limited to:** commercial general liability insurance and employers' liability insurance.

**AMENDMENTS:** Pursuant to Section 15.2-2105 of the Code of Virginia (1950), as amended, the City shall not grant any modification to the Franchise which shall extend the time or territory of such Franchise until the provisions of §§ 15.2-2101 through 15.2-2104 have been followed.

**SITE INSPECTION:** Submission of a bid on this project shall imply that the bidder has

examined the sites of work upon which it is bidding, has verified any measurements herein, and has satisfied itself as to existing and probable conditions under which it will be obligated to perform its work.

**SUPERVISION** : Franchisee shall supervise and direct the work, using its best skill and attention. The successful bidder shall be solely responsible for all work means, methods, techniques, sequences and procedures and for coordinating all portions of the work subject to the franchise agreement.

**GOVERNING LAW**: The franchise agreement shall be governed, interpreted and enforced by the laws of the Commonwealth of Virginia without regard to its conflict of laws principles.

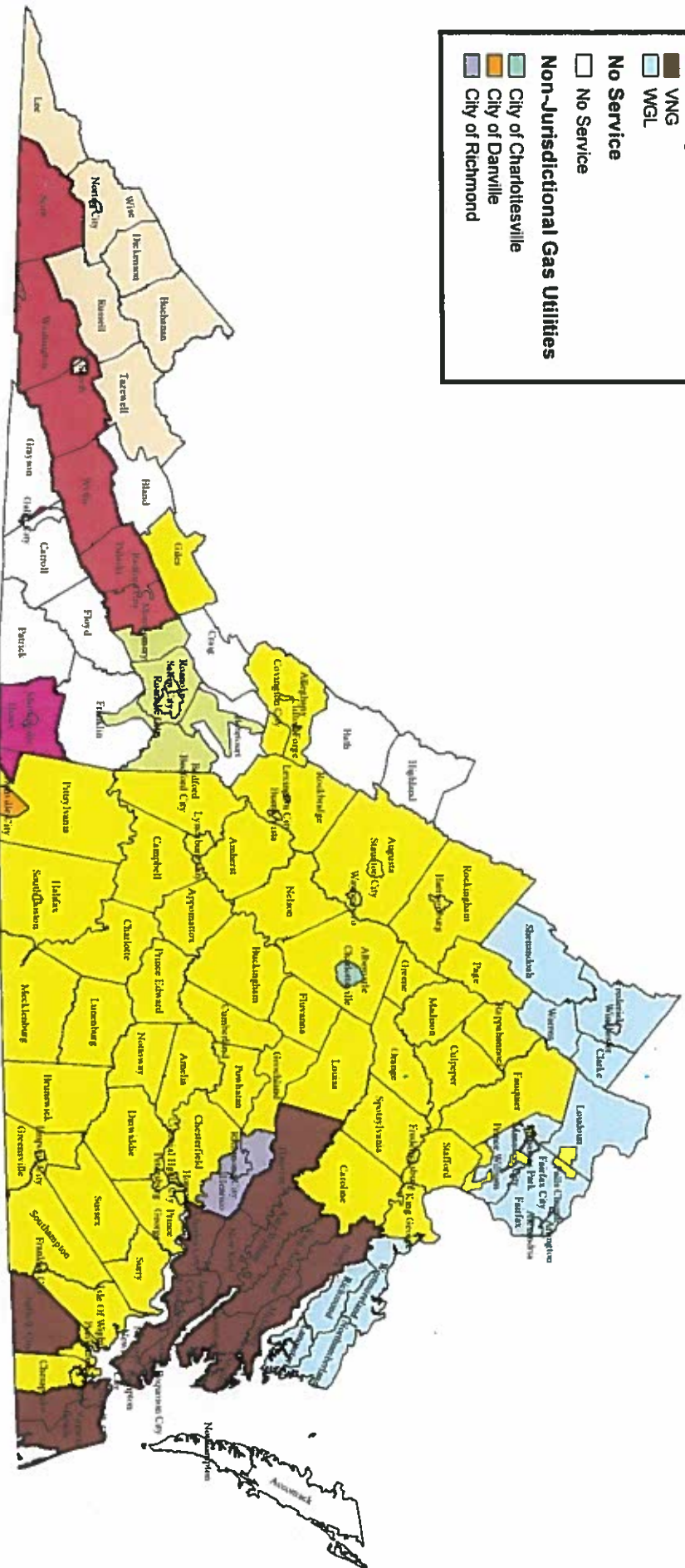
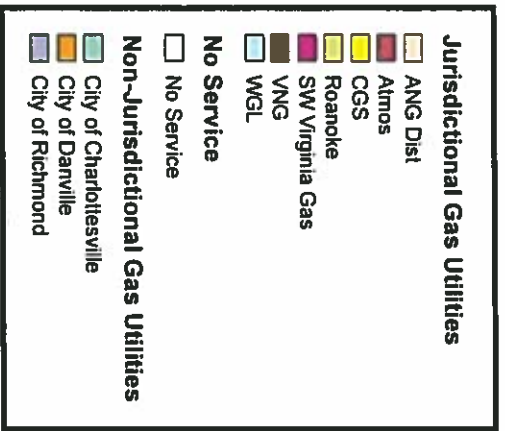
**VENUE**: Unless otherwise required by law, any action arising out of or related to the franchise agreement or the performance obligations thereunder shall be brought in the Circuit Court for the City of Suffolk, Virginia or, if applicable, the United States District Court for the Eastern District of Virginia, Norfolk Division.

**ACCESS TO WORKSITE**: The City, its officials, agents, employees and representatives shall at all times have access to the property subject to the franchise agreement, regardless of whether the Franchisee is in preparation or progress of the permitted use, and the successful bidder shall provide safe facilities for such access and inspection by the City.

**INDEMNIFICATION/HOLD HARMLESS CLAUSE**: The successful bidder, its agents, representatives, affiliates, subsidiaries, and assigns shall indemnify, defend and hold the City, its departments, its officials, employees, agents and representatives harmless against any and all claims under any theory of liability, including but not limited to, third- party claims, expenses, costs, losses, and damages, reasonable attorney fees, personal injury, property damage or death which arises out of or in connection with the franchise agreement or the successful bidder's shared use of the property subject to the franchise agreement.



# Natural Gas Service Territories



Source: State Corporation Commission, 2014  
 Created by: Division of Energy Regulation, 2014

Disclaimer: This is an approximation, please contact the Division of Energy Regulation for an official natural gas territory map.