



Memorandum

To: Samantha D. Abell, City Manager
From: Craig Chamberlin, Neighborhood Services & CRA Manager
Thru: C. Shane Carmichael, Director of Community Services
Date: November 6, 2025
Subject: Authorization to Enter into Agreements with NGM Insurance Company and 5M Construction Resources, Inc. for Complete Boardwalk Deck Board Replacement on the Wetlands Trail Boardwalk

REQUEST:

That the City Council authorize the Mayor to execute upon review and approval by the City Attorney as to final form and content a Tender and Release Agreement between the City and NGM Insurance Company (“NGM”) and a Completion Agreement between the City, NGM, and 5M Construction Resources, Inc., to facilitate the full replacement of all decking boards on the Wetlands Trail Boardwalk (WTB).

BACKGROUND:

The Wetlands Trail Boardwalk was completed in 2022 by Custom Built Marine Construction, Inc. (CBMC) under the City’s original construction contract and performance bond issued by NGM Insurance Company. During the warranty period, the City observed widespread cracking and splitting of deck boards manufactured by DuxxBak Composite Decking. Although the precise cause of failure was not conclusively identified, both the original installer and the manufacturer have cooperatively worked with the City toward resolution.

Initial inspections in 2023 and 2024 identified isolated cracking; however, follow-up inspections in early 2025 revealed that approximately 87 percent of the boards had developed similar defects. The City initiated a warranty claim with DuxxBak and a bond claim with NGM.

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DISCUSSION:

Through extensive negotiations, the City, NGM, and Duxxbak have reached a comprehensive resolution:

- **Manufacturer Commitment:** DuxxBak has agreed to furnish all replacement decking boards at no cost to the City or NGM, in full satisfaction of the manufacturer's warranty claim.
- **Contractor Selection:** NGM conducted a competitive procurement process and identified 5M Construction Resources, Inc.(5M) as the lowest responsive bidder for the replacement work. The City will contract directly with 5M for construction under the attached Completion Agreement.
- **Surety Commitment:** Through the Tender Agreement, NGM will "tender" the selected contractor (5M) to the City for performance of the work. NGM will also pay the City the amount of the 5M bid for performance of the work [approximately \$184,621.25 (\$179,621.25 for the labor necessary to remove and replace all boards plus \$5,000 for correction of any unlevel joists required to properly install the replacement boards)].
- **Liability and Release:** Execution of the Tender and Release Agreement will release NGM from any future liability under the original performance bond while ensuring complete restoration of the boardwalk at no cost to the City.

Construction is expected to take approximately 90 days once a Notice to Proceed is issued. Staff will coordinate efforts to maintain public access to certain boardwalk sections during replacement as safety allows.

FINANCIAL IMPACT:

There will be no cost to the City, other than the cost of staff and the project engineer for oversight and project management. All labor costs will be funded by NGM Insurance Company under the performance bond settlement, and all replacement decking materials will be provided by DuxxBak Composite Decking at no charge.

RECOMMENDATION:

That the City Council authorize the Mayor to execute, upon review and approval by the City Attorney as to final form and content: 1. A tender and Release Agreement between the City of Gulf Breeze and NGM Insurance Company; and 2. A completion Agreement between the City of Gulf Breeze, NGM Insurance Company, and 5M Construction Resources, Inc. to facilitate the complete replacement of all decking boards on the Wetlands Trail Boardwalk and to settle the associated warranty and bond claims. The final form of both agreements is currently under review by all parties and will be approved by the City Attorney and City Manager prior to execution.

ATTACHED:

[5M Construction Resources Inc. Completion Contract \(Final\) \(GB redlines 11.5.2025\)](#)
[Tender and Release Agreement \(Final\) \(GB redlines 11.5.2025\)](#)

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