



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

MEMORANDUM

EXECUTIVE SUMMARY

TO: Jim Scholl, City Manager
Sarah Spurlock, Assistant City Manager
Greg Veliz, Assistant City Manager

FROM: Carolyn Sheldon, Senior Grants Administrator

DATE: September 26, 2014

RE: **Approval and authorization for City Manager to execute the attached "Modification to Subgrant Agreement between the Division of Emergency Management and City of Key West" Contract No. 14HM-1F-11-54-02-453 (Project No. 4084-06-R) to increase the Phase I federal share to 75% or an additional \$71,979.00 (increasing the amount of federal funding from the previously approved \$12,109.00 to \$84,088.00 total in federal funding) and to withdraw from Phase II funding for the Simonton Street Emergency Outfall Project. Authorization of necessary budget amendments or transfers for the increase in federal funding. Acknowledgement of new contract number 14HM-1F-11-54-02-453 from previous contract number 14HM-6B-11-54-02-XXX.**

ACTION STATEMENT:

This resolution will approve and authorize the City Manager to execute the attached Modification Number One to the Subgrant Agreement between the Florida Division of Emergency Management (FDEM) and the City of Key West Contract No. 14HM-1F-11-54-02-453 (Project No. 4084-06-R) to increase the Phase I federal share to 75% or an additional \$71,979.00 (increasing the amount of federal funding from the previously approved \$12,109.00 to \$84,088.00 total in federal funding) and to withdraw from Phase II funding for the Simonton Street Emergency Outfall Project. This resolution will also authorize necessary budget amendments or transfers for the increase in federal funding of \$71,979.00 and acknowledge the new contract number 14HM-1F-11-54-02-453 from previous contract number 14HM-6B-11-54-02-xxx.

Key to the Caribbean – Average yearly temperature 77° F.

BACKGROUND:

The Simonton Street Emergency Outfall Project is a project City Staff places a high priority on due to the repeated flooding the surrounding Front Street stormwater basin suffers from. Repeated flooding on Front Street is a public safety concern for the City and a frequent threat to local businesses. Repeated flooding in the early half of 2013 prompted a Declaration of Emergency Procurement in Excess of \$20,000.00 to fund a task order for the design, permitting and bid phase services of this project. The design includes a new emergency stormwater outfall and generator at the existing Simonton Street Pump Station.

The Phase I agreement for the design of the Simonton Street Emergency Outfall Project was approved by the City Commission on March 18, 2014 (Resolution 14-081) with a cost share of \$12,109.00 Federal and \$100,008.00 City. Typically the cost share is 75% Federal / 25% Local, but due to the limited Hurricane Isaac funding available the Federal share for this project was 10.8006% when the agreement was executed. The period of performance for this agreement began on June 6, 2013 and has an end date of October 16, 2014. With completing this project a high priority, Phase I deliverables were submitted March 19, 2014, the same date the bid for construction was advertised. FDEM review of the Phase I deliverables required several additional submittals from the City with the final document necessary to complete FDEM's Phase I review submitted on July 15, 2014. FDEM requested Phase II funding approval from FEMA for construction on August 13, 2014. Prior to and around this time, the City opened bids (April 16, 2014), awarded the bid (June 17, 2014) at an amount not to exceed \$1,029,227.50, and held a pre-construction conference (July 21, 2014) to keep the project moving forward. The construction contract was signed August 19, 2014 which, at this point, the decision of whether to move forward with construction or wait for Phase II funding approval from FEMA was crucial to the project's critical path.

After discussion by City Staff, moving forward with construction was deemed necessary to keep the project on a critical path with the knowledge that Phase II federal funding, approximately \$79,450.00, would be lost. The urgency of moving forward with the project outweighed the loss of Federal funding (7.72% of the awarded construction contract amount of \$1,029,227.50). The contractor was issued the Notice to Proceed dated August 20, 2014, making the City ineligible for Phase II funding. As a result, the City was required to submit a formal request to FDEM to withdraw from Phase II funding. FDEM, in turn, submitted a request to FEMA to withdraw from Phase II funding on August 28, 2014.

However, also included with FDEM's request to withdraw from Phase II funding was a request to increase the Phase I federal share to 75%. To FDEM's credit, the project manager at FDEM was determined to help the City capture as much of the grant funding as possible and suggested the City include the increase in Phase I federal share to 75% in the City's formal request to withdraw from Phase II funding.

PURPOSE AND JUSTIFICATION:

Although the City's request to withdraw from Phase II funding was approved by FEMA, the request to increase the Phase I federal share to 75% was also approved. The increase in Phase I federal share to 75% provides an additional \$71,979.00 in federal funding that would have otherwise been lost.

The City of Key West's Stormwater fund is heavily grant-dependent. The fund has been very aggressive and successful at pursuing state and federal grants over time, and many of our improvements would not be possible without grant assistance.

OPTIONS / ADVANTAGES / DISADVANTAGES:

1. The City Commission can approve and authorize the City Manager to execute Modification Number One to Contract No. 14HM-1F-11-54-02-453 with the Florida Division of Emergency Management (FDEM) to increase the Phase I federal share to 75% or an additional \$71,979.00 (increasing the amount of federal funding from the previously approved \$12,109.00 to \$84,088.00 total in federal funding) and to withdraw from Phase II funding for the Simonton Street Emergency Outfall Project.
2. The City Commission can reject the approval and authorization to execute Modification Number One. With this option, federal funding will be limited to \$12,109.00.

FINANCIAL IMPACT:

Modification Number One, if approved, will increase the Phase I federal share to 75% or an additional \$71,979.00 (increasing the amount of federal funding from the previously approved \$12,109.00 to \$84,088.00 total in federal funding).

Funds will be deposited into Stormwater fund revenue account 402-0000-331-50-01 / ST1302. Project costs are budgeted in expense account 402-3802-538-65-00 / ST1302.

RECOMMENDATION:

Staff recommends that the City Commission select Option 1, approve and authorize the City Manager to execute Modification Number One to Contract No. 14HM-1F-11-54-02-453 with the Florida Division of Emergency Management (FDEM) for the Simonton Street Emergency Outfall Project.