



## THE CITY OF KEY WEST

3140 Flagler Ave, Key West, FL 33040 (305) 809-3792

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# EXECUTIVE SUMMARY

**TO:** Jim Scholl, City Manager

**FROM:** James Bouquet, P.E., Director of Engineering

**DATE:** May 2, 2016

**SUBJECT:** Key West City Hall Solar Arrays

### **ACTION STATEMENT**

Authorize the City Manager to negotiate and approve a change order to Burke Construction Group, Inc. in the amount of \$343,300.00 to construct a second solar array at the New City Hall at Glynn Archer School subject to approval of a Memorandum of Understanding between the City of Key West and the Utility Board of the City of Key West (Keys Energy) for Keys Energy to provide up to \$240,000.00 to assist the City with the cost of solar array installation.

### **BACKGROUND**

Resolution No. 14-348 accepted the bid proposal of Burke Construction Group Inc. (Burke) for construction of a New City Hall at Glynn Archer School. The proposal was based on construction documents prepared by Bender & Associates Architects (Bender) dated August 2014. Additional funding was provided for by Resolution 15-169. The original Burke bid proposal included Add Alternate No. 2 in the amount of \$340,000 for Solar Array 2. The first array (Solar Array 1) was included in the contractor's base bid. The proposed change order will direct Burke to construct/install both solar arrays and increase the total contract amount by \$343,300. Solar Array 2 construction costs consist of:

Add Alternate No. 2:	\$340,000.
Cutting, Repair and Patching of Installed Surface/Curbing:	<u>\$ 3,300.</u>
	\$343,300.

To enhance the overall energy efficiency of the new City Hall, staff is recommending installation of a second solar array. In addition, the second array will increase the opportunity to sell excess electricity back to the "grid".

As a benefit to the Citizens of Key West, Keys Energy desires to assist the City with funding the two solar arrays. In accordance with the attached draft Memorandum of Understanding (MOU), Keys Energy shall provide the City up to \$240,000 to fund solar arrays. Keys Energy has scheduled a vote to approve the MOU on May 11, 2016. The Key West City Commission will vote whether to approve this MOU on May 17, 2016.

### **PURPOSE AND JUSTIFICATION**

Two solar arrays will enhance the overall energy efficiency of new City Hall and increase the amount of electricity for sale back to the “grid”.

Installation of solar arrays is consistent with the City of Key West’s Strategic Plan “The Environment” Goal #3, *The conservation and responsible consumption and disposal of all natural and manmade resources*, and Goal #4, *The City leads by example utilizing sustainable practices in city operations*.

### **FINANCIAL ISSUES**

The proposed change order for a second solar array in the amount of \$343,300 is funded as follows:

Account #303-1900-519-62-00 (Project GN 1302): \$103,300.00 (project contingency fund)  
Keys Energy via Memorandum of Understanding: \$240,000.00

<b>Total</b>	<b>\$343,300.00</b>
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### **RECOMMENDATION**

Staff recommends authorizing the City Manager to negotiate and approve a change order to Burke Construction Group, Inc. in the amount of \$343,300.00 to construct a second solar array at the New City Hall at Glynn Archer School subject to approval of a Memorandum of Understanding between the City of Key West and the Utility Board of the City of Key West (Keys Energy) for Keys Energy to provide up to \$240,000.00 to assist the City with the cost of solar array installation.