



THE CITY OF KEY WEST

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EXECUTIVE SUMMARY

Date: December 28, 2016 – Rev. January 9, 2017

To: Jim Scholl, City Manager

From: James Bouquet, P.E., Director of Engineering

Cc: Greg Veliz, Assistant City Manager
Mark Finigan, Finance Director

Subject: Approve the Award of ITB#17-009 *Truman Waterfront Park Amphitheater* construction to D.L. Porter Constructors, Inc. in the total amount of \$3,664,721.00.

ACTION STATEMENT

Approve a contract award of \$3,664,721.00 to D.L. Porter Constructors, Inc. for construction of the Truman Waterfront Park Amphitheater including Utility Fee Allowance and accepting Additive Alternates Nos. 4, 5, 6 and 7. Authorize the City Manager to execute this agreement and any necessary budget transfers/amendments. Approve the use of Owner Direct Purchase program via Key West Code Section 2-797 (4) Exempt Contractual Services to eliminate sales tax fee on selected materials.

BACKGROUND

The City of Key West Naval Properties Local Redevelopment Authority (LRA) Resolution 15-344 Bermello Ajamil and Partners, Inc. (BA) to design and prepare construction drawings for bidding of the Truman Waterfront Amphitheater. The construction project was bid during November-December 2016 as ITB# 17-009 *Truman Waterfront Park Amphitheater* including Addenda 1 and 2. Bids were opened on December 14, 2016 and the responsive bidders consisted of:

MEMORANDUM

Biltmore Construction Co., Inc.
Burke Construction Group, Inc.
Charley Toppino & Sons, Inc. (Toppino)
D.N. Higgins, Constructors, Inc.
Pedro Falcon Contractors, Inc.
West Construction, Inc.

Respective bid proposals and bid tabulation are attached.

As indicated in the bid tabulation, D.L. Porter Constructors, Inc. (Porter) was the apparent low bidder, with Charley Toppino & Sons, Inc. (Toppino) as the second low bidder. Following review of the received bids against available funding, staff recommends contract award to Porter and acceptance of the following:

Utility Fee Allowance:	\$140,000.00
Add Alternate No. 4 - Sleeve for future gas line within Navy easement:	\$ 4,500.00
Add Alternate No. 5 – Restroom facility:	\$302,993.00
Add Alternate No. 5 – Builders Risk Insurance Flood Endorsement:	\$ 3,500.00
Add Alternate No. 6 – Builders Risk Insurance Wind Endorsement:	\$ 3,500.00

Acceptance of the Porter lump sum base bid of \$3,190,228.00, Utility Allowance (\$140,000.00) above Bid Alternates (\$314,493.00) results in a total contract award amount of \$3,664,721.00. Toppino's corresponding bid including these accepted bid alternatives exceeded the Porter bid by approximately 12%.

Acceptance of Deductive Alternate Nos. 1, 2 and 3 are not recommended as acceptance would result in a lower quality and less durable construction materials.

Addendum No. 2 includes procedures for the Owner Direct Purchase (ODP) of materials and services. The ODP program eliminates sales tax fees on selected project materials for construction of the Amphitheatre complex by allowing the City, an entity exempt from sales tax as per State statute, to purchase certain materials.

A Contingency and Unforeseen Condition Allowance of \$319,022.80 is funded to address previously unidentified project scope changes (contingency) and unforeseen conditions/conflicts (e.g., unsuitable soils, buried structures, petroleum contamination, underground utilities) encountered during construction. While not included in the contract award amount, these funds will be available and allocated (per City purchasing ordinances) as required to complete the project.

The total lump sum cost does not include procurement of up to 500 semi-permanent seats. Seats will be procured either directly by the City or through the contractor via ODP.

PURPOSE AND JUSTIFICATION

Development of the Truman Waterfront Property has been a priority of the City of Key West for over 15 years. City Commission Resolutions 12-129 and 12-285 accepted recommendations and a Master Plan for the Truman Waterfront Property process. Resolution #12-065 approved finalizing the Master Plan and a Major Development Agreement for the Truman Waterfront Park. Approval of the current resolution before the LRA will facilitate construction of the amphitheater component of the Master Plan including, but not limited to, covered stage, hard surface for 500 semi-permanent seats, grass seating/viewing berm, parking, walkways and utilities.

Implementation of the ODP program will reduce overall funding required for this project.

This resolution supports Key West Strategic Plan Infrastructure Goal #3, *Parks and recreation areas are accessible to all residents and visitors*, and Culture Goals #1, 2 and 3.

FINANCIAL

The project lump sum cost of \$3,664,721.00 is funded from budget account 101-4303-543-6300, Project # TR1502 (Truman Waterfront Amphitheater. Full funding is currently available for construction in the FY2016/17 budget.

Following completion of construction and acceptance of the project by the Tourist Development Council (TDC), 50% of the design and construction fees up to \$2,000,000 are eligible for reimbursement under TDC grant Contract #1212.

The total contract award cost of \$3,664,721.00 compares favorably with the construction estimate of \$3,621,740 provided by RIBU.S. Cost in June 2016 (see attached).

RECOMMENDATION

Engineering staff recommending approving a contract award of \$3,664,721.00 to D.L. Porter Constructors, Inc. for construction of the Truman Waterfront Park Amphitheater Base Bid including Utility Fee Allowance and Additive Alternates Nos. 4, 5, 6 and 7, and authorizing the City Manager to execute this agreement and any necessary budget transfers/amendments. Staff also recommends approving the use of Owner Direct Purchase program via Key West Code Section 2-797 (4) Exempt Contractual Services to eliminate sales tax fee on selected materials.