



## THE CITY OF KEY WEST

1300 White Street Key West, FL 33040

August 18, 2021

Ms. Xiomara Nunez, MBA, PMP  
District VI Local Program Administrator  
Florida Department of Transportation  
1000 NW 111<sup>th</sup> Avenue  
Miami FL, 33172

### **Re: Southard Street Milling and Resurfacing, FM 435497-2-58 Request for Concurrence**

Ms. Nunez,

Pursuant to the Notice to Proceed the City of Key West received from the Florida Department of Transportation (FDOT) on June 3, 2021 to advertise and competitively bid the above referenced project, city staff duly advertised the project in accordance with the guidance provided in the Local Agency Program (LAP) Manual Chapter 21.

On July 8, 2021, the City Clerk opened two (2) bids: Charley Toppino and Sons, Inc and General Asphalt, Inc. It was discovered that there were two issues with the bids that needed to be addressed prior to soliciting concurrence from FDOT. The first issue was a significant error in the quantities for both 4-inch and 6-inch sidewalk. The second issue was in relation to both prime contractors acting as subcontractors on the others' proposal. City staff coordinated with our Legal Department and LAP staff to determine a reasonable path forward for the award of a construction contract.

With respect to the quantity error, we determined that it was reasonable to allow the contractors to revise their extended prices for the items in error and update the total price. They were asked to hold their original bid unit prices. In addition, the bidders were given the opportunity to adjust their mobilization cost, but only to the proportion of their original bid, i.e., if the original mobilization cost was 10% of the original bid, it could not be lower than 10% of the revised cost on the revised bid.

In regard to the second issue, after conferring with LAP staff, city staff coordinated with our Legal Department and determined that adding a Bid Certification Form that the contractors would execute and notarize would further support the Non-Collusion Affidavit that was part of the original bid package.

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

Both contractors agreed to update the Bid Proposal Form and execute the Bid Certification Form. City staff has reviewed the Bid Proposal Forms and determined that they were completed in accordance with the specified terms. In total, the City has analyzed the bids and determined the bidders were responsive and responsible. All required information was provided.

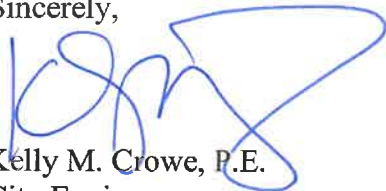
The City hereby requests concurrence to award the contract to the lowest responsive and responsible bidder; Charley Toppino and Sons, Inc. in the amount of \$669,940.90. City staff has reviewed the bids versus the Engineer's estimate and although the bids are approximately 40% higher than the Engineer's estimate, we believe the bids are within reason. It should be noted that the bids received were within 5.9% of each other.

There are several factors that contributed in the higher-than-expected prices including:

- Logistical Constraints. Key West is roughly 120 miles from the mainland where many of the construction materials are sourced. Material costs are generally higher down here due to transportation costs.
- Recent spikes of inflation in construction materials: Fuel and material costs have risen steadily since between the time the estimate was prepared and when the bids were received.
- Mobilization costs were a large factor on the price differences. The Engineer's estimate was only 5% of the total cost whereby industry standards are approximately 10% of the total costs. The mobilization costs from each contractor was determined to be reasonable and within industry standards.
- All of the work will be completed within the Historic District. Additional care and protection of historic resources is required per the contract which elevated the costs for sidewalk replacement. The contractors were cautioned during the mandatory pre-bid meeting of the care required adjacent to historic structures and that hand removal of concrete may be necessary.

As requested, we have prepared a bid analysis providing a comparison between both bidders and the Engineer's estimate. Please feel free to contact me by e-mail at [kcrowe@cityofkeywest-fl.gov](mailto:kcrowe@cityofkeywest-fl.gov) or by phone at (305) 809-3967 if you have any questions.

Sincerely,



Kelly M. Crowe, P.E.  
City Engineer

Cc: Alina Brito, FDOT, LAP Contract Coordinator  
Steve McAlearney, City of Key West, Director of Engineering  
Carolyn Sheldon, City of Key West, Senior Grants Manager