



THE CITY OF KEY WEST

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

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EXECUTIVE SUMMARY

TO: Jim Scholl, City Manager
E. David Fernandez, Assistant City Manager - Operations

FROM: Jay Gewin, Utilities Manager

DATE: August 13, 2010

SUBJECT: **Awarding the Bid of SeaTech, Inc. in the Amount of \$282,716 for a Generator Enclosure Replacement at the Wastewater Treatment Plant., and Waiving a Minor Bid Informality.**

ACTION STATEMENT:

This request is to award the low bid from SeaTech, Inc. in the Amount of \$282,716 for the demolition of the existing generator enclosure at the WWTP, and the installation of a new structure. It will also waive a minor bid informality.

BACKGROUND:

The City of Key West plans to replace the standby power generator enclosure at the Key West Wastewater Treatment Plant (WWTP) on Fleming Key. In recent years, the generator enclosure has experienced water intrusion and negative air pressure due to inadequate air flow openings.

This condition has caused deterioration of the interior equipment from exposure to outside elements and created a safety hazard to personnel entering or exiting the enclosure while the generator is in operation. Continued equipment exposure will result in severe deterioration, resulting in increased costs to replace the entire generator and related systems.

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



PURPOSE & JUSTIFICATION:

Design documents created by CH2M Hill call for a new enclosure to be designed for a 175 mph wind load and will be watertight.

Upon award of the contract, SeaTech will construct a new generator enclosure for the WWTP off-site. The existing generator will remain on location and will not be replaced.

Once hurricane season ends on December 1st., the existing structure will be demolished to be replaced by the new structure. All electrical wiring, lighting and panels will be replaced. The new structure will be in place prior to the following hurricane season.



There was a minor bid informality in the proposal from SeaTech. The \$10,000 cost of building permits was not included in their proposal. However, these permit costs would be the same for any bidder, and SeaTech's proposal was still lower than the only other proposal submitted by DN Higgins in the amount of \$336,960.

The SeaTech bid proposal includes an add-alternate option for a 10-year extended warranty on the structure in the amount of \$12,500. Staff will only implement this option if it feels the extended warranty would be beneficial to the City.

OPTIONS:

1. The City could elect to not to replace the generator enclosure; however, this leaves the WWTP at risk of potential failure during a power outage which could in turn disrupt the WWTP process or create a permit violation.
2. The City may elect to decline all proposals and re-bid the project. This option is not recommended, because the SeaTech bid is substantially below the engineer's estimate of \$359,000. A delay may also prevent completion prior to next year's hurricane season.
3. The City can award the low bid from SeaTech, Inc. in the amount of \$282,716 and proceed with replacing the WWTP generator enclosure.

FINANCIAL IMPACT:

The bid amount of \$282,716 is above the budgeted amount of \$185,000. However, it is below the Engineer's estimate of \$359,000.

Much of the cost of this structure will be spent in the FY 2011 budget. We have included this cost in the capital plan for next year's budget. It will be spent from budget line item 401-3503-535-65

RECOMMENDATION:

Staff recommends option # 3, to accept the low bid of SeaTech, Inc. in the amount of \$282,716 and waive the minor bid informality.