



THE CITY OF KEY WEST

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TO: Jim Scholl, City Manager

FROM: Doug Bradshaw, Director Port and Marine Services
Jim Bouquet, P.E., Director of Engineering

CC: Greg Veliz, Asst. City Manager

DATE: Revised August 15, 2016

SUBJECT: Change Order #2 in the amount of \$187,500.00 to Shoreline Foundation, Inc. for Repairs and Improvements at Zero Duval and Mallory Square

ACTION STATEMENT:

Authorize the City Manager to execute Change Order #2 for construction of *Repairs and Improvements at Zero Duval Seawall and the Mallory Square T-Pier* in the amount of \$187,500 to Shoreline Foundation, Inc., pursuant to Sec. 2-797(2) Emergency Procurement, and provide for any necessary budget transfers/amendments.

BACKGROUND:

Shoreline Foundation, Inc. (Shoreline) was awarded Invitation to Bid (ITB) #002-16 by Resolution #16-112 for repairs at Zero Duval and the Mallory Square T-Pier. The City has received a grant from the Florida Department of Transportation (FDOT) in the amount of up to \$762,000 or 75% of the cost for the Mallory Square T-Pier portion. The City is required to provide a 25% match. Shorelines bid of \$562,775 for Mallory was significantly less than the grant award.

In addition to the Mallory Square T-Pier capital project, the City has a planned FY2017 project which will repair the existing monopile berthing dolphin at the pier. Based on initial estimates which included a partial replacement of the top of the monopile and replacement of the line handler platform, it was anticipated that the project would cost approximately \$75,000. However, after additional engineering inspection it was determined that the best course of action was to sleeve the existing monopile, replace the bollard, and replace the line handler platform.

The City contacted Shoreline and obtained a cost proposal for the monopile berthing dolphin work in an amount of \$187,500. Staff reviewed the proposal and determined the cost reasonable for the work required. The City then approached FDOT concerning the extra dollars available in the grant and requested the Mallory Square T-Pier scope be expanded to include the monopile repair. FDOT has approved the request and recommends the City Commission issue a change order to Shoreline Foundation, Inc. for the additional work in

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

EXHIBIT SUMMARY

repairing the monopile.

To facilitate timely issuance of this change order and subsequent use of FDOT grant funding for the work, staff is requesting City Commission approval of a Competitive Bidding Exemption. Pursuant to City Code Ordinance Subpart A, Chapter 2, Article VII, Division 3, Subdivision 2, Sec. 2-797 (2), Emergency Procurement, *the City Manager may make emergency procurement of commodities or contractual services where the cost exceeds \$20,000 when there exists a ... substantial loss to the City (i.e., FDOT grant funding) ... All Emergency Procurements in excess of \$20,000 shall be ratified by the City Commission...* Obtaining additional proposals from other contractors would be problematic given the marine specialty of the work and may delay implementation of the repairs. Delay in repairs has the potential to impact the use of the Mallory T-Pier to dock cruise ships, resulting in significant revenue loss to the City.

PURPOSE & JUSTIFICATION:

This project supports Goal #4 of the 2011 Key West Strategic Plan, specifically: *Long term sustainability of the City's hard assets.*

The monopile has installed approximately 20-years ago and is used frequently for the docking of cruise ships. The existing casing and bollard are showing signs of deterioration. The line handler platform has been repaired over the years, but has reached the end of its useful life and needs to be replaced. In order to continue to utilize the monopile for the safe docking of ships, it must be repaired.

The ability to accelerate the monopile repairs because of the grant dollars that will pay for the additional work that was not anticipated and the availability of the current contractor already on site is a great opportunity for the City. If the City had to bid the monopile repair project the cost would be higher as the City would have to pay for a contractor to mobilize to the site with a crane and barge and the opportunity to utilize the grant dollars may expire.

FINANCIAL IMPACT:

Change Order #2 will be funded by a combination of Infrastructure surtax funding and the FDOT grant. The grant will fund up to 75% of the work or \$140,625. The City will be responsible for 25% of the project or \$46,875. This is a significant savings over the original \$75,000 budget that was inadequate to complete the project.

RECOMMENDATION:

Staff recommends authorizing the City Manager to execute Change Order #2 for construction of *Repairs and Improvements at Zero Duval Seawall and the Mallory Square T-Pier* in the amount of \$187,500 to Shoreline Foundation, Inc., approving a Competitive Bidding Exemption to facilitate use of FDOT grant funds, and provide for any necessary budget transfers/amendments.