



MEMORANDUM

Date: August 6, 2025

To: Honorable Mayor and Commissioners

Via: Brian L. Barroso
City Manager

CC: Christina Bervaldi
Director of Finance

From: Lucas Torres-Bull
Procurement Manager

Subject: **File ID 25-3927– Consideration of Staff Recommendation Regarding RFP 25-005 – Historic Rehabilitation, Lease, and Adaptive Use of the Cable Hut(s) at 10 Mallory Square**

Introduction

City staff respectfully submits this memorandum for the City Commission's review and action concerning the disposition of proposals received in response to Request for Proposals (RFP) No. 25-005.

Background

On April 3, 2025, the City of Key West issued RFP No. 25-005 seeking proposals from qualified and experienced firms for the rehabilitation, lease, and adaptive reuse of the historic Cable Hut(s), located at 10 Mallory Square, Key West, Florida 33040. The purpose of the solicitation was to identify a capable partner who could preserve the historical character of the site while implementing a viable and sustainable reuse plan.

The RFP was publicly advertised via the City's established procurement platforms and remained open for a period of forty (40) calendar days to ensure sufficient time for interested firms to evaluate the opportunity, perform due diligence, and submit a complete proposal package.

To facilitate transparency and offer proposers a fair understanding of the site conditions, a mandatory site walkthrough was conducted on April 16, 2025, at 9:00 AM. During this walkthrough, attendees were permitted to observe and assess the facility, take measurements, and pose questions for formal clarification. Both firms that ultimately submitted proposals participated in this walkthrough, as documented in the official sign-in sheet available on DemandStar.

Upon the close of the submission window, the City Clerk's Office held a public bid opening on May 12,

2025, at 3:00 p.m. EDT. Two (2) proposals were received, submitted by:

1. Hayes Robertson Group
2. Tropical Shell & Gift, Inc.

Following a thorough administrative and technical review, only the proposal submitted by Hayes Robertson Group was deemed responsive. The proposal from Tropical Shell & Gift, Inc. was disqualified as non-responsive due to its failure to include a required addendum issued during the solicitation period. Addenda are integral to the solicitation process as they communicate critical amendments and clarifications, ensuring a level playing field and consistent understanding among all proposers. In addition to the missing addendum, the digital copy of the proposal on the flash drive did not match the submitted paper documentation and was missing five (5) required affidavits.

The Evaluation Committee subsequently conducted its review and confirmed that Hayes Robertson Group met all required qualifications, submitted a complete and compliant proposal, and demonstrated the technical capacity, financial stability, and historical rehabilitation experience necessary for project success.

While Hayes Robertson Group's proposal is responsive, it must be noted that the receipt of only one qualifying submission inherently limits the competitive nature of the procurement. The absence of multiple responsive proposals prevents the City from conducting a comparative analysis and reduces the opportunity to negotiate more favorable terms or added value through competition.

Cost

The proposed project is structured as a lease opportunity, and its acceptance would not impose a direct financial obligation on the City. Any agreement resulting from the solicitation would be structured to generate lease revenue while preserving public interest and the historic integrity of the site.

Recommendation

City staff respectfully recommends that the City Commission take the following actions:

1. Reject all proposals received in response to RFP 25-005 in accordance with City Ordinance Sec. 2-834(4), which permits the rejection of bids, statements of qualifications, or proposals when deemed in the City's best interest.
2. Authorize the City Manager to revise and reissue the solicitation, incorporating adjustments as needed to encourage broader competition and clearer alignment with the City's project objectives.
3. Direct City staff to re-evaluate outreach methods, scope clarity, and industry engagement strategies to ensure expanded participation and enhanced responsiveness in any future reissuance.

Attachments:

Resolution

Cover Memorandum

Original RFQ

Proposals Submitted:

1. Tropical Shell & Gift
2. Hayes Robertson Group

1. YC Group, LLC