



THE CITY OF KEY WEST

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MEMORANDUM

TO: Jim Scholl, City Manager

Cc: Greg Veliz, Asst. City Manager

FROM: John Paul Castro, Utilities Director

DATE: September 20, 2018

SUBJECT: Extending the General Utility Contracts for Douglas N. Higgins, Inc. and Charley Toppino and Sons, Inc. for 2 years

Action statement:

This resolution would extend the General Utility Services contracts for both Douglas N. Higgins, Inc. and Charley Toppino and Sons, Inc. for 2 years, per the current contract.

Background:

City Staff requested bids for general utility services in 2015. The basis of the contract is to task contractors for utility related work per a pre-negotiated price schedule for labor and materials. This saves considerable time and money by eliminating bid packages and advertising for each individual task while maintaining competitive pricing.

Charley Toppino and Sons, Inc. and Douglas N. Higgins, Inc. were the only 2 respondents to the general utility services request for bids. The bids were approved by the commission by resolution 15-292.

The general utilities contracts are used by Engineering, Utilities, Port and Marine Services, and Community Services departments.

Purpose and Justification:

The current general utilities contract expires on December 21st, 2018 for Douglas N. Higgins, Inc. and December 7th, 2018 for Charley Toppino and Sons, Inc.

Article 4 of the contract allows for one (1) two (two) year extension to the original 3 (three) year term at the discretion of the City. Both firms have written letters of support for the extension (attached).

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

The general utilities services contracts are used extensively to repair utilities and infrastructure. Having these contracts in place allows staff to utilize competitive pricing in a manner that saves months of time which is crucial to public safety and health.

Options:

Option 1: The commission can approve the 2 year extension to both contracts.

Option 2: The commission can decide not to approve the contracts. Staff can be directed to bid for new contracts or the commission could elect to eliminate the general utilities services contracts all together. This is not recommended.

Financial Impact:

There is no financial impact to extending these contracts. The projects are approved on a task order basis following the City's standard procurement process for approvals.

Recommendation:

Staff recommends extending both general utilities services contracts for 2 years per article 4 of the contract documents.