



## THE CITY OF KEY WEST

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

### **EXECUTIVE SUMMARY**

**Date:** December 11, 2017

**To:** Jim Scholl, City Manager

**From:** Kreed Howell, Senior Construction Manager

**Cc:** Greg Veliz, Assistant City Manager  
Mark Finigan, Finance Director

**Subject:** Approve the Award of ITB No. 17-021 *Bayview Park Boys and Girls Club Renovations* construction to Pedro Falcon Contractors, Inc., in the total amount of \$518,315.80

### **ACTION STATEMENT**

Approve a contract award of \$518,315.80 to Pedro Falcon Contractors Inc., for the renovation of a City owned structure located at 1313 Virginia Street adjacent to Bayview Park and accepting Deductive Alternate No. 3. Authorize the City Manager to execute this agreement and any necessary budget transfers/amendments. Approve the use of Owner Direct Purchase program via Key West Code Section 2-797 (4) Exempt Contractual Services to eliminate sales tax fee on selected materials.

### **BACKGROUND**

On September 15, 2015, the City Commission of Key West passed Resolution 15-279 directing the use of settlement proceeds from the BP Deepwater Horizon (BP) oil spill for youth and recreational activities. Subsequently, City Commission Resolution 16-160 requested the Monroe County School Board consider entering into negotiations with the City and the Boys and Girls Club of the Keys Area, Inc. (B&G Club) for the benefit of the youth of Key West. This Resolution stated that the City "would make available sufficient space at Bayview Park to accommodate the needs of the Boys and Girls Club".

The buildings located at Bayview Park are currently deteriorating and require renovation for any continued use. The Boys and Girls Club entered into an

MEMORANDUM

agreement with K2M Architects to design renovations to the existing structure. To support the renovation project, the City committed Community Services staff to perform interior demolition of the structure in preparation for construction. Additionally, and consistent with Resolution 15-279, the City proposed to contribute up to \$500,000 of BP settlement proceeds to assist the Boys and Girls Club with the construction cost.

On July 23, 2017, the Engineering Department advertised Invitation to Bid 17-021. Bids were opened August 23, 2017 at 3:00 pm, three (3) bids were received consisting of D.L. Porter Constructors Inc., (Porter), Pedro Falcon Contractors Inc., (Pedro Falcon) and Burke Construction Group Inc., (Burke). Burke Construction's proposal arrived at 3:07 pm, seven minutes past the 3:00 pm deadline and deemed non-responsive by the City Clerk. The bid tabulation are as follows:

Bidder	Base Bid	Alt 1	Alt 2	Alt 3
<b>D.L. Porter</b>	<b>\$746,564.00</b>	\$178,485.00	\$106,536.00	<b>(\$161,711.00)</b>
Pedro Falcon	\$797,956.41	\$185,055.50	\$49,436.12	<b>(\$279,640.61)</b>
<i>*Burke Construction</i>	<i>\$718,992.00</i>	<i>\$225,588.00</i>	<i>\$44,735.00</i>	<b><i>(\$383,769.00)</i></b>

Additive bid alternate 1, increases the scope of work to include Phase 2 of the renovation. Additive bid alternate 2, would complete the buildout of the northern most structure defined in the documents as Phase 3. Deductive Alternate 3, reduces the scope of work to stabilize/white box both structures.

Currently, available funding for project number CP72011702 (B&G Club Renovation) is \$499,910.60, resulting in a shortfall of \$246,653.40 (from Porter's apparent low base bid). Subsequently, B&G Club pursued private bank financing to fund the shortfall and construct the base bid. The Contract Documents stipulate that *'Within sixty (60) calendar days after the opening of Proposals, the CITY will accept one of the Proposals.....The award will be made by the Owner on the basis of the Total BID (Lump Sum Base Bid plus Owner Selected Additive or Deductive Bid Alternates, if any) from the lowest, responsive, responsible BIDDER which, in the Owner's sole and absolute judgment will best serve the interest of the Owner'*. Engineering staff requested from the 2 responsive bidders that they extend their proposals for an additional sixty (60) days to facilitate B&G Club's financing requirements.

As B&G Club has yet to secure additional financing, Staff is recommending Pedro Falcon the award of the Contract, inclusive of Deductive Bid Alternate 3. The tabulation for exercising Deductive Alternate 3 are as follows:

Bidder	Base Bid	Alt 3	Final Bid
<b>Pedro Falcon</b>	\$797,956.41	(\$279,640.61)	<b>\$518,315.80</b>
D.L. Porter	\$746,564.00	(\$161,711.00)	\$584,853.00

Acceptance of Pedro Falcon's lump sum base bid of \$797,956.41 and deductive bid alternate No. 3 (\$279,640.61) results in a total contract award amount of \$518,315.80.

### **PURPOSE AND JUSTIFICATION**

This resolution supports Key West Strategic Plan Infrastructure Goal #3, *Parks and recreation areas are accessible to all residents and visitors* and the Key West Strategic Plan including meeting Infrastructure Goal #4 *Long term sustainability of the City's hard assets* and Culture Goals #1, 2 and 3.

### **FINANCIAL**

The project lump sum cost of \$518,315.80 is primarily funded from budget account 3037201 5726200 Project # CP72011702 (*Bayview Park Boys and Girls Club Renovations*) and currently available in the FY2017 budget. The additional funding required to make up the shortfall of \$18,405.20 will require a budget transfer from Infrastructure Reserves.

### **RECOMMENDATION**

Engineering staff recommends approving the contract award of \$518,315.80 to Pedro Falcon for the renovation to City owned structures at Bayview Park and authorizing the City Manager to execute this agreement and any necessary budget transfers/amendments. Staff also recommends approving the use of Owner Direct Purchase program via Key West Code Section 2-797 (4) Exempt Contractual Services to eliminate sales tax fee on selected materials.