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July 7, 2011

Mr. James LaRue LaRue Planning and Management Services, Inc. 1375 Jackson Street, Suite 206 Fort Myers, Florida 33901

Subject: City of Key West RFP 005-11 Addendum No.1 - Correspondence of June 23, 2011

Dear Mr. LaRue:

The City has received your letter of June 23 written in response to my letter to you of June 14, 2011. City Administrative staff, the City Attorney and I met to consider the points you raised in your letter.

In brief the City takes the following position:

1. The consultant and any of his sub-consultants must sign the Addendum No. 1 as written by the City and distributed to all the prospective proposers, with no modifications, conditions, additions, deletions and or qualifications.

2. The City was quite deliberate in writing the addendum in order to clarify the intent of the same restriction as more generally stated in the RFP, which was discussed with all potential proposers at the mandatory pre-submittal meeting. More importantly you acknowledged the addendum No.1 as written by signing a copy and attaching it to you proposal.

3. The City's best interests are served when there is the highest level of transparency in the selection of consultants and the placing of reasonable and effective and technically feasible restrictions on consultants and their team members to assure those conflicts of interest, or the appearance thereof do not arise during the course of the work performed by the consultant. The City is firm in its position that the Addendum No. 1 as written serves this purpose.

4. The specific language of the Addendum No. 1 was chosen to be broad in its intent and meaning. The words "planning related" was intended to take into account the broadest application of that term and in the City's perspective includes engineering expertise applied to the formation of suggested

Comprehensive Plan policies.

Therefore, please be aware that in order for the City to conclude meaningful contract negotiations with you, the remaining member of your team, Perez Engineering and Consulting must sign and acknowledge Addendum No. 1 as written, and return it to the City not later than July 15, 2011.

If Mr. Perez fails to sign addendum No.1 as written, the City Attorney has opined that there will occur a material change in the structure of the consulting team, and your RFP response will not be responsive to the solicitation. The substitution of another engineering team for Perez is not allowed by the RFP process, and it is apparent to City staff that the Commission's selection of your team was in part dependent on the team structure and the inclusion of the local firms you identified.

Please call me if you have any questions about this letter and its requirements.

Very truly yours,

Donald Leland Craig, AICP

Planning Director

cc: Jim Scholl, City Manager

Shawn Smith, City Attorney

Mark Finigan, Assistant City Manager David Fernandez, Assistant City Manager