



THE CITY OF KEY WEST

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EXECUTIVE SUMMARY

TO: Bogdan Vitas, City Manager
E. David Fernandez, Asst. City Manager- Operations

FROM: Jay Gewin, Utilities Manager

DATE: March 4, 2013

SUBJECT: **Approval of a Task Order from Black & Veatch Corp. to Assist the City in the Process of Developing a Request for Qualifications for the Operation and Maintenance of the City's Wastewater Treatment Plant, Sewer and Stormwater Collection Systems in the Amount of \$67,545.**

Action statement:

This request is to approve Black & Veatch, Corp. to furnish consulting services to the City of Key West for the development of a request for qualifications (RFQ) for the operation and maintenance of the City's wastewater treatment plant, and sewer and stormwater collection systems in the amount of \$67,545.

The agreement is executed pursuant to F.S. 287.055 (CCNA), City Code 2-841, and the City's contract with Black & Veatch, Corp. for Engineering Services approved through Resolution 12-280.

Background:

The City owns the Richard A. Heyman Environmental Protection Facility, the City's Wastewater Treatment Plant, under FDEP permit number FLA147222-011 issued on June 18, 2009. The City also owns the sewer collection system that consists of 29 lift stations, over 50 miles of pipe, and back-up power generators (both portable and permanently mounted).

On the stormwater side, the City owns over 120 drainage wells, four pump-assisted well sites, and numerous outfalls, pollution control devices, and miles of stormwater pipe.

Since March 1, 1999 the City has contracted with Operations Management International (OMI) for the operation and maintenance of the City's sewer and

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

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stormwater system. The contract was a five-year contract with two additional five-year options. The City has utilized both options, and the contract is slated to expire March 1, 2004. There are no additional options provided in the existing contract, therefore the City needs to prepare a bid for the services that OMI is providing.

OMI is being paid a total of \$5,488,953 to provide these services for FY 2013. (\$626,883 for stormwater, \$4,862,070 for sewer) This is one, if not the largest contract the City maintains.

Purpose and Justification:

The City has requested that Black & Veatch provide engineering services for preparing an updated RFQ to bid the operation and maintenance of the wastewater treatment plant, and sewer and stormwater collection systems.

The permit renewal scope of work includes:

- Creation of a RFQ
- Creation a new updated contract
- Drafting addendums and responding to requests for additional information during bid
- Bid recommendation to City
- Contract negotiation support

The City does not have the staff available with the time and technical expertise required to perform this work independently. Staff has reviewed this submittal and found it consistent with the new hourly rates established in the City's contract extension with Black & Veatch. Additionally, City staff believes that Black & Veatch is best situated to draft a bid because they have not done performed any recent work for the City sewer or stormwater utility (other than annual utility rate models 3 years ago), and will not bid for this RFQ themselves.

Further, City staff does not feel that the hours that will be billed under this task order are disproportionately allotted to higher-wage management staff. In fact, the Technical Specialist and Sr. Project Manager positions combined account for approximately 7.9% of the hours allotted in this task order.

The task order also includes Black & Veatch's staff's trips to Key West over the course of the project. City staff feels that this number of trips, and the associated costs, are reasonable to assure that the consultant staff has sufficient oversight for the completion of the project. Their estimated cost is included in this task order, and will be billed to the City for the actual costs incurred.

Options:

1. The City Commission could choose not to award this task order. This is not a viable alternative for the timely creation of an RFQ. City Staff does not have the time and resources available to complete this detailed bid document and contract.
2. The City could choose not to bid the OMI contract, thereby negating the need for this task order. Despite the fact that the City is very satisfied with OMI's performance, City staff believes that bidding a contract after it has run 15 years is sound fiscal procedure

and policy. It assures that other firms have had an opportunity to bid, and that the management fee that OMI currently charges the City remains competitive for this contract worth approximately \$5.5 million annually.

3. The City Commission could choose to execute this task order with Black & Veatch. This alternative will allow the City to submit on time the thorough bid package for this comprehensive utility contract.

Financial Impact:

The cost for this task order is \$67,545. It will be charged to the City's budget for line item 401-3501-535-31. The City budgeted \$80,000 for this task in the FY 2013 sewer budget.

Recommendation:

Staff recommends option #3, the hiring of Black & Veatch Corp to assist the City in creating a RFQ for the operation of the wastewater treatment plant, sewer and stormwater collection system in the amount of \$67,545.