




MEMORANDUM

Date: September 14, 2023

To: Honorable Mayor and Commissioners

Via: Albert P. Childress 
City Manager

From: Gary Volenec, P.E.
Engineering Director

Subject: **Awarding the construction contract for the Navy Exchange HVAC Upgrades Project to Air Mechanical & Service Corp. in response to the bid proposal received for Invitation To Bid No. 23-020**

Introduction

Staff recommends that the Mayor and City Commission award a construction contract to Air Mechanical & Services Corp. for the bid proposal received in response to Invitation to Bid (ITB) 23-020 and authorize the City Manager to execute a contract in substantial conformance with the bid documents upon consent of the City Attorney and execute any necessary budget transfers.

Background

In lieu of rent payments to the Navy for the use of the Mole pier, the City of Key West (City) has agreed to facilitate authorized In-Kind Projects per the terms of Public Benefit Lease (PBL) N69450-12-RP-00166, approved by Resolution 14-034. In accordance with this lease, the Navy has issued the attached in-kind request letter 11000 RE1/00032 dated January 25, 2023, authorizing use of in-kind funds to procure and install replacement air conditioning units for the Navy Exchange located at Sigsbee Annex.

The purpose of the Navy Exchange HVAC Upgrades project, project OM19002301, is to replace four existing air conditioning units which serve the Navy Exchange Facility, Building V-4111, at Sigbsee Annex in Key West. Of the four units currently installed, only one unit is operational, which is significantly deteriorated and past expected useful service life. The Navy has a critical need for these units, as all existing units are past their life expectancy and are no longer repairable.

Procurement

The project was competitively bid in conformance with our Code of Ordinances through ITB 23-020. Three bids were received on July 19, 2023. Proposals received are as follows:

Gulf-Atlantic Construction Group Inc.	\$527,298.00
Air Mechanical & Service Corp.	\$442,000.00
Debonair Mechanical Inc.	\$523,358.00

The Navy Exchange HVAC Upgrades project is identified as project No. OM19002301 and is budgeted under 602-1900-519-4600. The Navy authorized not-to-exceed amount per in-kind request letter 11000 RE1/00032 is \$462,000.00. The lowest bidder, Air Mechanical & Service Corp. submitted a proposal within the Navy authorized amount.

Funds in the amount of \$442,000.00 will be transferred from the Navy Reserves Account No. 602-1900-519-9800 to Navy Repairs and Maintenance Account No. 602-1900-519-4600 and used to fund the construction of OM19002301.

Recommendation

The City Manager’s Office recommends the Mayor and Commission approve the award of the construction contract to Air Mechanical & Service Corp. for the bid proposal received in response to Invitation to Bid (ITB) 23-020 in the amount of \$442,000.00 and authorize the City Manager to execute a contract in substantial conformance with the bid documents upon consent of the City Attorney. Staff also recommends authorizing the City Manager to execute any necessary budget transfers.