



## THE CITY OF KEY WEST

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MEMORANDUM

### EXECUTIVE SUMMARY

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

**FROM:** Jay Gewin, Utilities Manager

**DATE:** January 25, 2012

**SUBJECT:** **Extending the Contract for Lanzo Construction Co. for the Patricia and Ashby Streets Stormwater Emergency Outfall Project to January 25, 2013 on a No-Cost Basis**

#### ACTION STATEMENT:

This resolution will extend the contract of with Lanzo Construction for the Patricia and Ashby Streets Stormwater Emergency Outfall project to a substantial completion date of November 15, 2012 with a final completion date of January 25, 2013. The City will be billed no extra cost for this extension.

#### BACKGROUND:

The City Commission awarded a contract for the Patricia and Ashby Streets Stormwater Emergency Outfall Project to Lanzo Construction Co. in the amount of \$1,485,580 at its meeting on December 6, 2011. (Resolution 11-347) 75% of the costs of this project are being funded through a FEMA grant.

The project consists of the construction of an emergency discharge pipeline to the Atlantic Ocean that connects the existing Patricia and Ashby Pump Station to a new outfall structure at the end of Bertha St. A generator and elevated concrete platform have been constructed at the Ashby St./Patricia St. site. All stormwater will be treated with existing vortex sediment separator prior to discharging to the outfall. The emergency outfall will only be utilized during tropical storm/hurricanes or during severe rain events where homes could be under immediate threat of flooding. It has been tested successfully during a severe rain event.

At the August 22, 2012 City Commission meeting, a 60-day extension to December 7, 2012 was given to the contractor due to delays in receiving key

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

equipment from suppliers. (Resolution 12-247)

## **PURPOSE & JUSTIFICATION:**

The reason for the project delay is due to problems that were experienced in delivering closeout documentation and final closure of minor punch list items. None of these delays have any cost impact.

Despite the delays, this project was quite successful as it was completed \$234,845.58 below the bid amount. Therefore staff will not be seeking liquidated damages from the delays.

The pump station generator and outfall has been tested and is fully operational. Therefore the City issued a notice of completion to the contractor dated January 22, 2013. Substantial completion was achieved on November 15, 2012.

This extension will not inhibit the City's ability to utilize the full 75% share of FEMA funding of the project. This extension would be at no additional cost to the City. The Commission needs to officially extend the project completion date, even though it has already passed, so that FEMA grant documentation and the construction contract can be complete and accurate.

## **OPTIONS:**

1. Approve the contract extension with Lanzo Construction on the Patricia and Ashby Street Stormwater Emergency Outfall project to January 25, 2013. This will allow the City to officially designate project completion while utilizing the full share of FEMA funding.
2. Do not approve the contract extension. This option is not recommended, because it could result in the City being at risk of not obtaining FEMA reimbursement.

## **FINANCIAL IMPACT:**

There will be no financial impact to this no-cost contract extension. Additionally, this contract extension will not impact our ability to receive the grant funding for the project as per the City's agreement with the FEMA. In fact, the extension is needed for grant closeout.

The final project construction cost to the City from Lanzo is \$1,250,734.62. This is \$234,845.38 below the bid price of \$1,485,580. The money saved from this project will revert to stormwater fund reserves.

## **RECOMMENDATION:**

Staff recommends option # 1, that the City Commission approves an extension to the Lanzo Construction Co. contract for the Patricia and Ashby Street Stormwater Emergency Outfall project to January 25, 2013.