



THE CITY OF KEY WEST

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EXECUTIVE SUMMARY

TO: Jim Scholl, City Manager
E. David Fernandez, Asst. City Manager – Operations
Mark Finigan, Asst. City Manager - Administration

FROM: Jay Gewin, Utilities Manager

DATE: August 20, 2010

RE: **Approval of a 2-Year Extension to the City's Contract for General and Utility Engineering Services with Perez Engineering and Development**

ACTION STATEMENT:

This resolution will approve a 2-Year Extension as stipulated within the City's contract with Perez Engineering and Development to provide general and utility engineering services.

BACKGROUND:

The City has need of engineering firms of many different disciplines to help design, permit, repair, analyze, and construct facilities of all types. These firms help staff prepare numerous types of projects including stormwater design, underground utilities, facilities design, dock/pier design and maintenance, sewer facilities design/upgrades, construction management and inspection, informational studies, etc.

As the City has multiple departments that manage projects of all sizes and disciplines simultaneously, the City typically contracts with multiple engineering firms to handle the workload. For instance historically, the General Services Department can keep two large engineering firms busy with design just to meet that department's project needs.

In 2007, the City issued a request for qualifications for engineering services. Staff ranked the submittals at a publicly-advertised meeting, and the City Commission approved staff's ranking of the top six firms. Contracts were then negotiated with these firms for a three-year term with one additional two-year option to extend the contract. The City Commission approved its contract with Perez Engineering on September 19, 2007 (Resolution 07-332).

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

PURPOSE AND JUSTIFICATION

The City has been satisfied with the services it has received from Perez Engineering and Development. They are very accessible and responsive to staff, with an office conveniently located on Kennedy Dr. in Key West. The firm has successfully completed numerous task orders from the City, including the design of stormwater gravity wells, permitting work for the WWTP and related infrastructure, the design of street and sidewalk projects, and project management for numerous projects including the stormwater mitigation flow improvement project. They are currently assisting with several ongoing projects including project management for the stormwater gravity well and pump-assisted well projects, the United St. Mill and Pave project, and the Diffused Aeration project.

At its September 21st City Commission meeting, the City Commission directed staff to request that the consultant lower its rates for the contract extension period. In response, Perez Engineering has proposed to decrease its rates for all disciplines/positions (see Attachment A for the revised rates). These rates will remain in effect for the entire term of the two-year extension.

City Staff has analyzed the consultant hourly wages established in this contract, and finds them to be acceptable and comparable to other engineering firms.

OPTIONS / ADVANTAGES / DISADVANTAGES:

1. The City Commission can decline extending the contract with Perez Engineering and Development. This option is not recommended by staff. Utilizing consulting contracts with various firms has been one of the key ingredients in the City's ability to manage projects simultaneously, and benefit from a level of expertise that is not available within City staff. Without the assistance of engineering consultants, it would be tremendously difficult for the City to meet its capital improvement schedule. The City is satisfied with the performance and responsiveness of Perez Engineering and Development.
2. The City can go out for RFQ for engineering services. This option is not recommended due to Staff's satisfaction with the terms of the existing contracts. The City would plan on going to RFQ in two years once this 2-year extension expires.
3. The City Commission can approve this 2-year contract extension with Perez Engineering and Development. Retaining Perez Engineering under contract will enable the City to proceed with its capital improvement schedule and will utilize a tremendous amount of expertise this firm has in engineering, sewer, stormwater, solid waste/landfills, and marine/port work. It will also allow the City to continue the use of a contract whose terms are acceptable to Staff.

FINANCIAL IMPACT:

There is no direct cost related to extending this contract. However, the cost of services for any particular project will be established through a task order. As per the City's purchasing code, any task order exceeding \$20,000 will be brought to the City Commission for approval.

RECOMMENDATION:

Staff recommends that the City Commission select option 3, the approval of a 2-year contract extension with Perez Engineering and Development.