



THE CITY OF KEY WEST

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MEMORANDUM

EXECUTIVE SUMMARY

TO: Jim Scholl, City Manager
E. David Fernandez, Asst. City Manager – Operations

FROM: Jay Gewin, Utilities Manager

DATE: Jun3 28, 2011

RE: **Acceptance and execution of Revised Contract No. 11HM-3B-11-54-02-002 with the Florida Division of Emergency Management for \$730,490 (25% match) Phase II FEMA funding for Patricia/Ashby Street Drainage Project.**

ACTION STATEMENT:

This resolution will accept and authorize the execution of a revised grant agreement with the Florida Division of Emergency Management (FDEM) to accept a \$730,490 FEMA grant that requires a 25% match (\$730,490 FEMA / \$243,496 City of Key West) for the construction of the Patricia/Ashby Street Drainage Project (Contract number 11HM-3B-11-54-02-002), Phase II.

BACKGROUND:

Resolution 11-076 approved and authorized the execution of Contract No. 11HM-3B-11-54-02-002 on March 15, 2011. Mayor Craig Cates executed four original contracts and the contracts were then sent to FDEM for their execution. Upon receipt of the contracts, FDEM staff noticed two corrections that needed to be made prior to the contracts being fully executed. The funding amount in two different places within the contract was incorrect:

Page 9, FUNDING/CONSIDERATION, Paragraph 17(a), the amount was changed to \$743,568

Page 14, EXHIBIT-1, "Amount of Federal Funding," the amount was changed to \$743,568

The amount should be \$743,568 not \$743,430 as currently approved by the City Commission.

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

The \$743,568 amount includes a \$13,078 administrative allowance (no match required).

Phase I FEMA funding was approved with Resolution 08-323 on December 2, 2008, which provided funding for the design of a pump assisted stormwater system to reduce flooding on Ashby Street and other areas of the Kamien Subdivision.

With the approval of Task Order 1-09STM (Resolution 09-083, April 7, 2009), CH2M Hill designed a pump-assisted outfall system for the intersection of Patricia and Ashby Streets. This design was reviewed and approved by FEMA resulting in the obligation of Phase II funding for the construction of the approved project. The Patricia/Ashby project is designed to pump water from the existing well pump station to the ocean out-falling at the end of Bertha Street eliminating the need for bypass pumping during hurricane storm surge events. The project also includes a generator that will be installed on site and available for immediate use as opposed to one being brought on site as it currently is.

PURPOSE AND JUSTIFICATION

The revised contract corrects an error in the funding amount in the contract previously approved by the City Commission with Resolution 11-076.

With Phase I design now complete, FEMA has approved Phase II funding for construction. The Patricia/Ashby Drainage Project will provide protection against a 25 year rain event for 50 years for approximately 30 homes. The benefit-to-cost ratio is over 2.0 saving the taxpayer an estimated \$4,000,000 for a \$2,000,000 lifecycle cost (including maintenance).

The City of Key West's Stormwater fund is heavily grant-dependent. The fund has been very aggressive and successful at pursuing state and federal grants over time, and many of our improvements would not be possible without grant assistance.

OPTIONS / ADVANTAGES / DISADVANTAGES:

1. The City Commission can accept and authorize the execution of the revised contract. This will allow FDEM to fully execute the contract resulting in the availability of \$730,490 in FEMA funding to the City. Without the grant funding, the proposed project cannot be accomplished with available resources unless other projects are set aside. If the revised contract is accepted, the Patricia/Ashby Drainage Project can be constructed and approximately 30 homes will be provided protection against flooding.
2. The City Commission can reject the revised contract. With this option, FDEM will not fully execute the contract. No grant funding will be available for this project. In addition, the Patricia/Ashby Drainage project will not be constructed and no protection against flooding provided.

FINANCIAL IMPACT:

The corrections made to the amounts listed on page 9 and page 14 of Revised Contract No. 11HM-3B-11-54-02-002 have no impact on the 75% FEMA funding amount of \$730,490. The City is still required to provide a 25% match of \$243,496 as previously approved in Resolution 11-076.

RECOMMENDATION:

Staff recommends that the City Commission select option 1, accepting the revised contract for the \$730,490 FEMA grant from the Florida Division of Emergency Management.

JG/cds