



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

MEMORANDUM

EXECUTIVE SUMMARY

Date: October 23, 2013

To: Bob Vitas, City Manager

From: Karen Olson, Special Projects Designer

CC: David Fernandez, ACM
Mark Finigan, ACM
Doug Bradshaw, Senior Project Manager

Subject: **Approving a two year extension for the General Services Contract (ITB #10-015) to DN Higgins, Inc.**

Action Statement

This Resolution would approve a two (2) year extension for the General Services Contract to DN Higgins, Inc.

Background

The General Services Contract has been an ongoing contract, under various names, since 1992. The City maintains this Contract which is competitively bid for the purpose of general installation, repair and replacement of storm and sanitary sewer systems, installation of storm water gravity injection wells, paving, sidewalks and other miscellaneous municipal work. As the City establishes locations and scopes of work, where repairs are necessary, Work orders are issued

Resolutions 10-319 and 10-320, dated November 3, 2010, awarded DN Higgins, Inc. and Charley Toppino & Sons, Inc. three year General Services Contracts.

The improvement and maintenance of City infrastructure is critical to meeting the current and future needs of the citizens of Key West. The City's goal is to maintain the City's hard assets. (Strategic Plan "Infrastructure" goal 4)

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

Purpose and Justification

The General Services Contract (ITB #10-015) is set to expire on December 1, 2013. Within the contract documents is the option of a two year extension at the unit prices stated in the Bid plus annual CPI-U US increases.

Based on the most current CPI-U US chart there has been an increase of 3% from effective bid prices. Per the Contract Documents the bid prices were to remain in effect for a period of twelve months from bid opening date.

DN Higgins, Inc. has agreed to extend their General Services Contract for the additional two year period allowed under the contract. Charley Toppino & Sons, Inc. declined to extend their contract.

Over the past three years DN Higgins, Inc. has been issued over 95% of the task orders under the General Services Contract due to their favorable pricing. Engineering staff have solicited quotes from other contractors with prices coming in as much as 40% higher than the existing contract.

It is in the best interest of the City to extend DN Higgins, Inc. contract for the additional two year period based on original bid prices plus 3% CPI-U US. The new pricing must remain in effect for ordering up to twelve (12) months from contract extension. At which time the contractor may request an additional CPI-U US increase.

Options

Option #1 Approve a two (2) year extension for the General Services Contract (ITB #10-15) to DN Higgins, Inc.

Option #2 Do not approve a two (2) year extension for the General Services Contract (ITB #10-15) to DN Higgins, Inc. and solicit bids for a new General Services Contract.

Financial Issues

Extension of the General Services Contract (ITB #10-015) has no financial impact to the City until a Work Order is issued.

Recommendation

Approve a two (2) year extension for the General Services Contract (ITB #10-15) to DN Higgins, Inc.