



THE CITY OF KEY WEST

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MEMORANDUM

EXECUTIVE SUMMARY

TO: Key West Bight Board

FROM: Karen Olson, Deputy Port & Marine Services Director

DATE: April 16, 2015

RE: **Awarding of Project #KB1205 – Turtle Kraals Wall Rebuild to DN Higgins, Inc. in the amount of \$67,000 and authorizing necessary budget transfer .**

ACTION STATEMENT:

Resolution approving the low bidder, DN Higgins Inc., for Project #KB1205 – Turtle Kraals Wall Rebuild and authorize the City Manager to enter into a contract in the amount of \$67,000 and approval of a 10% allowance. This resolution will also authorize the necessary budget transfer.

BACKGROUND:

In 2011 City staff engaged Chen Moore and Associates to evaluate the exterior wall where the Turtle Kraals Restaurant offices and storage are located behind the kitchen. Their evaluation concluded that the CMU wall had significant settling resulting in both vertical and “stair step” cracks and replacement was required.

In September of 2012 Chen Moore and Associates was tasked to provide bid/permitting documents to replace the deteriorating wall.

The Bight Board approved this item during their April 15, 2015 meeting.

PURPOSE AND JUSTIFICATION:

ITB #15-015 was advertised in February, and no bids were received. City staff then solicited three local contractors to provide pricing for the rebuild as follows:

DN Higgins, Inc.
\$67,000

Mingo and Company, LLC
\$159,296.48.

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

Shaw Construction, Inc.
Declined to bid

The City has recently approved rent credits in excess of \$17,800 for the tenant's loss of use of this space within their lease limits. In addition rent credits in the monthly amount of \$584.76 are being issued. If this project was re-advertised it could cost the City a substantial amount of money in rent credits alone.

OPTIONS:

Option #1 Approve the low bidder, DN Higgins Inc., for Project #KB1205 – Turtle Kraals Wall Rebuild and authorize the City Manager to enter into a contract in the amount of \$67,000 and approval of a 10% allowance.

Option #2 Do not approve the low bidder, DN Higgins Inc., for Project #KB1205 – Turtle Kraals Wall Rebuild.

Financial Issues

The Seaport estimated the project at \$55,000. Design documents cost \$6,965 leaving a balance of \$48,035 for this project in account 405-7504-575-6200 Project #KB1205. A budget transfer from 405 Reserves Fund in the amount \$25,665 will be required to complete this project. Upon approval, a purchase order will be issued to DN Higgins, Inc. in the amount of \$67,000.

Recommendation

Staff recommends awarding DN Higgins, Inc. Project #KB1205 – Turtle Kraals Wall Rebuild in the amount of \$67,000 and approval of a 10% allowance. The additional \$6,700 allowance will not be paid out unless unforeseen conditions are encountered. Construction is to start immediately.