




MEMORANDUM

Date: March 14, 2024

To: Honorable Mayor and Commissioners

Via: Albert P. Childress 
City Manager

From: Kelly Crowe, P.E.
Utilities Director

Subject: **24-5512 Declaration of Emergency Procurement in Excess of \$50,000.00 for Mechanical Integrity Testing of Deep Injection Wells at the Richard A Heyman Environmental Protection Facility; and Approval of Budget Transfer Within the Sewer Fund; With Ratification of the Emergency Procurement and Budget Transfer to Occur at the March 14, 2024, City Commission Meeting.**

Introduction

Approve a contract for mechanical integrity testing with Florida Design Drilling LLC, in the amount of \$225,000 and approve a budget transfer from sewer fund 401-3501 535-9900 (Other Uses) to 401-3503 535-4600 Repairs and Maintenance, in the amount of \$101,000.00.

Background

The City of Key West operates two deep injection wells for disposal of treated effluent from the Richard A Heyman Environmental Protection Facility. Chapter 62-528, F.A.C. stipulates that each injection well must undergo mechanical integrity testing (MIT) every five years. MIT report must be completed and submitted to the Florida Department of Environmental Protection (DEP) no later than April 2, 2024.

The City issued an Invitation to Bid, 1TB 24-005 City of Key West WWTP Well System Mechanical Integrity Testing, on January 11, 2024. Bid proposals were received from A.C. Schultes of Florida, Inc., Florida Design Drilling, LLC, and Layne Christensen Company, in the amounts of \$274,7000.00, \$225,000.00, and \$254,000.00 respectively. Bid proposals were opened and read by the senior deputy city clerk on January 31, 2024. And are deemed to be responsive, reasonable, and fair.

\$150,000 is budgeted in account 4013503 5354600 Repairs and Maintenance for Mechanical Integrity Testing of Deep Injection Wells. The low bid exceeds amount budgeted for MIT and insufficient funds remain in account 401-3503 535-4600 to pay for MIT services.

Procurement

City of Key West Code of Ordinances Sec. 2-797(2) empowers the city manager to authorize contractual services, where the cost exceeds \$50,000.00 and when there exists a threat of substantial loss to the city. An emergency procurement for services to perform mechanical integrity testing is necessary to meet the deadline for submittal of the MIT report to the Florida Department of Environmental Protection (DEP). MIT report is due April 2, 2024. Failure to perform mechanical integrity testing, as required by the permit, will result in a significant penalty to the city.

Pursuant to Sections 2-739(b), the city manager may effect transfers within in a fund without limit, provided that the fund remains in balance.

Record of this emergency procurement, including selection of the contractor, amount of the contract services, and the budget transfer will be presented to the city commission for ratification.

Mechanical integrity testing has been budgeted in account 401-3503 535-4600 Repairs and Maintenance. \$101,000.00 will be transferred from sewer fund 401-3501 535-9900 Other Uses into account 401-3503 535-4600 Repairs and Maintenance.

Recommendation:

The City Manager's Office recommends that the Mayor and City Commission approve the contract with Florida Design Drilling in the amount of \$225,000 and any necessary budget transfers and authorize the City Manager to execute any necessary documents upon consent of the City Attorney.