



## 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 CH2M Hill**

#### **ACTION STATEMENT:**

This resolution will approve a 2-Year Extension as stipulated within the City's contract with CH2M Hill 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 CH2M Hill on September 19, 2007 (Resolution 07-331).

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

## **PURPOSE AND JUSTIFICATION**

The City has been satisfied with the services it has received from CH2M Hill. They are very accessible and responsive to staff, with an office conveniently located on Stock Island. The firm has successfully completed numerous task orders from the City, including the design of stormwater gravity wells, environmental consulting at the Truman Waterfront, the design of the generator system for the sewer lift stations, and the landfill repair oversight. They are currently assisting with several ongoing projects including the White St. Pump Station, and the WWTP Headworks/Capacity Expansion project.

At its September 21<sup>st</sup> City Commission meeting, the City Commission directed staff to request that the consultant lower its rates for the contract extension period. In response, CH2M Hill has proposed to roll back its rates to the original 2007 figures that were part of the initial contract terms with the City. 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 CH2M Hill. 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 CH2M Hill.
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 CH2M Hill. Retaining CH2M Hill 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 CH2M Hill.