



THE CITY OF KEY WEST

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MEMORANDUM

TO: Patti McLauchlin, City Manager

Cc: Todd Stoughton, Interim Asst. City Manager
John Paul Castro, Utilities Director

FROM: Matt Willman, Utility Administrator/GIS

DATE: July 15, 2021

SUBJECT: Amending Sections 3.2.8.c, 3.2.8.d and Exhibit B Facilities in the Agreement between the City of Key West and Operations Management International to increase procurement limits.

Action statement:

Staff suggests amending the agreement between the City of Key West (City) and Operations Management International Inc. (OMI) to raise the procurement level from \$5000 to \$10,000 for Corrective Maintenance & Repair, and Capital Expenditure & Replacements. The Amendment also adds two newer lift stations to the Exhibit B Facilities list

Background:

The City entered into an Agreement (Agreement) with OMI on March 1, 2014, for a period of five years upon certain terms and conditions. Said agreement was amended and renewed for an additional 5 years (First Amendment, Res 18-366) on December 5, 2018, and is now being considered for a second amendment to said agreement. The procurement amounts for Corrective Maintenance & Repair, and Capital Expenditure & Replacements were established at \$5000 in the initial Agreement and First Amendment.

Purpose and Justification:

It has become necessary to raise the spending limit to \$10,000 to provide timely and efficient repair & maintenance to the wastewater and stormwater facilities and equipment. This will be for corrective, and capital repair & replacements up to said amount. Although the limit will be adjusted, OMI will still be required to follow the City's procurement process, pursuant to the contract. This will also allow for quicker response times to repairs and alleviate staff time processing purchase orders.

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

Financial Impact:

Staff estimates less than \$10,000 annually in contractual cost-plus fees from additional purchases.

Options:

1. Approve Second Amendment to the Agreement with OMI.
2. Deny approval and leave procurement amount as set in 1st Amendment.

Recommendation:

Approve Second Amendment to Agreement with OMI