



THE CITY OF KEY WEST

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MEMORANDUM

EXECUTIVE SUMMARY

TO: Bogdan Vitas, City Manager
E. David Fernandez, Asst. City Manager - Operations

FROM: Jay Gewin, Utilities Manager

DATE: May 10, 2014

RE: **Approval of a Task Order 3-14-STM from CH2M Hill in the Amount of \$96,212 for Construction Phase Engineering Services for the North Simonton Stormwater Emergency Outfall Project. Approving Appropriate Budget Transfers from Stormwater Fund Reserves to Facilitate the Task Order Approval.**

ACTION STATEMENT:

This resolution will approve task order 3-14-STM from CH2M Hill in the amount of \$96,212 for construction phase engineering services for the North Simonton Stormwater Emergency Outfall Project. This project will construct a new emergency outfall and generator at the Stormwater Pump Station at Simonton Beach. (SWS - #5) This resolution will also approve appropriate budget transfers from stormwater fund reserves to facilitate the approval of the task order..

The agreement will be executed pursuant to F.S. 287.055 (CCNA), City Code 2-841, and the City's contract with CH2M Hill approved by Resolution # 12-280.

BACKGROUND:

City Staff believes that the businesses of the Front Street stormwater basin would be better served during torrential rains by an emergency stormwater outfall at the Simonton Street Pump Station. This busy pedestrian and traffic corridor suffers from repeated flooding during heavy storms, with floodwaters inundating the area and overwhelming the Simonton Street Pump Station's

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

ability to keep up with the flooding. Repeated flooding on Front Street is a public safety concern for the City and a frequent threat to local businesses. Repeated flooding in the early half of 2013 prompted a Declaration of Emergency Procurement in Excess of \$20,000 to fund a task order for the design, permitting and bid phase services for an emergency outfall and generator for the Simonton Street Stormwater Pump Station. The City Manager's approval of CH2M Hill Task Order 4-13-STM in the amount of \$112,117 was ratified by the City Commission on June 18, 2013, Resolution 13-166.

In June 2013, City Staff was notified of Hurricane Isaac funding (FEMA-4084-DR-FL) that was available through the Monroe County Local Mitigation Strategy Working Group Ranking Subcommittee (LMSWGRS) process. At the time, Federal funding available to Monroe County was estimated to be \$134,218. The City of Key West and the City of Marathon were the only two applicants for the funding. The ranking subcommittee selected the City of Key West's project, Simonton Street Emergency Outfall, as the top-ranked project for Monroe County. Unfortunately, as the application process continued, the amount of Federal funding available was reduced to \$91,558.90. \$79,449.90 of this sum will be used to reimburse a small share of construction, with the remainder of the grant funding part of the design.

PURPOSE AND JUSTIFICATION:

The North Simonton St. Emergency Outfall Project involves many technical components that require the assistance of an engineer during construction. This task order will include project management, engineering services to review RFI, RFQ's and project correspondence, project meetings, start-up, and field services to monitor the progress and performance of construction that will make sure the project drawings and terms of the construction contract are followed.

The scope of work within the task order includes the following:

- *Technical Interpretation* – CH2M Hill will provide up to 48 hours to assist in the technical interpretations of the drawings, specifications, and contract documents, and evaluate requested deviations from the approved design or specifications.
- *Monthly Meetings* – CH2M Hill will coordinate 9 project meetings over the term of the project. They will also coordinate the pre-construction meeting.
- *Review of Shop Drawings and Other Materials* – CH2M Hill will review up to 48 shop drawings and other construction materials
- *Specialty Inspections on Site* – CH2M Hill will be on-site to conduct 2 specialty inspections by the engineer, and specialty inspections by a Sr. Construction Inspector.
- *Final Inspections and Start-Up* – CH2M Hill will prepare a punch-list, substantial and final completion inspection, and will provide on-site start-up assistance. This will include a total of two two-day visits. They will also provide record drawings incorporating the mark-ups of the construction contractor.

The City or OMI does not have the staff available with the technical expertise required to perform this work independently. Staff has reviewed this submittal and found it consistent with the new hourly rates established in the City's contract with CH2M Hill.

Further, Staff does not feel that the hours that will be billed under this task order are disproportionately allotted to higher-wage management staff. In fact, the Principal Project Manager and Sr. Project Manager combined only account for approximately 15.3% of the hours allotted in this task order.

The task order also includes CH2M Hill staff's trips to Key West over the course of the project. City staff feels that this number of trips, and the associated costs, are reasonable to assure that the consultant staff has sufficient oversight for the completion of the project.

OPTIONS / ADVANTAGES / DISADVANTAGES:

1. The City Commission can award the task order to CH2M Hill and proceed with the North Simonton Street Stormwater Emergency Outfall Project on a timely basis. The firm has successful experience working with the City on other projects of a similar technical nature, and has very capable staff to ensure successful project completion. This option is recommended by City Staff, as the neither City nor OMI have the staff available with the ability to perform the scope of work included in this task order.
2. The City Commission can decline the task order from CH2M Hill. This option is not recommended by Staff, as the City will not be able to utilize the engineering services that are essential in completing the project. City Staff believes that CH2M Hill is the firm that can best manage the North Simonton Street Stormwater Emergency Outfall Project of the engineering firms we have under contract.

FINANCIAL IMPACT:

FEMA grant funding will cover \$79,449.90 of the construction expenses. An additional \$12,108.10 grant helped fund the design portion. The remainder will be paid by the stormwater utility.

Total Funds for the project are as follows:

Design – CH2M Hill	\$ 112,117
Construction – Charley Toppino and Sons	\$1,029,227.50
<i>CEI – CH2M Hill</i>	<u>\$ 96,212</u>
TOTAL	\$1,237,556.50

The project will be funded as follows:

City Stormwater Budgeted Funds	\$730,000
FEMA Grant	\$ 91,558
Stormwater Reserves	\$415,998.50

The City had budgeted \$730,000 for the project. The original City budget projection was low because it was performed prior to an engineer being engaged to design the project that was able to deliver a far more accurate projection. Anticipating such a possibility, the City transferred \$1,000,000 from the sales tax fund to assist the funding of essential flood relief projects such as this one. Upon analysis of the rate model, there are sufficient funds available in stormwater reserves to fund the project.

The grant funds will be deposited into Stormwater fund revenue account 402-0000-331-50-01 / ST1302. Project costs are budgeted in expense account 402-3802-538-65-00 / ST1302.

RECOMMENDATION:

Staff recommends that the City Commission select option 1, approving task order 3-14-STM from CH2M Hill in the amount of \$96,212 for engineering services during construction for the North Simonton Street Emergency Outfall Project.