



MEMORANDUM

Date: April 1, 2026

To: Honorable Mayor and Commissioners

Via: Brian Barroso
City Manager

CC: Christina Bervaldi
Director of Finance

From: Lucas Torres-Bull
Procurement Manager

Subject: **File ID 26-5244 – Approving the award of Request for Proposal (RFP) No. 26-001 to Tropical Shell & Gift. for the Re-Bid Historic Building Rehabilitation Lease and Adaptive Use Cable Hut(s); and authorizing the City Manager, or designee, to negotiate and execute a contract in accordance with RFP No. 26-003, and to execute any necessary related documents and associated budget transfers or adjustments, subject to review and approval by the City Attorney.**

Introduction

Staff recommends that the Mayor and City Commission adopt a resolution authorizing the City Manager, or designee, to enter into negotiations with Tropical Shell & Gift for the provisions described in Request for Proposals (RFP) No. 26-003 and, upon successful completion of those negotiations, execute an agreement.

This recommendation follows the completion of a competitive solicitation process and is based on the evaluation and scoring conducted by the City's Evaluation Committee. City staff has determined that Tropical Shell & Gift is the most qualified proposer and that proceeding with negotiations is in the best interest of the City, considering the firm's demonstrated experience, past performance, and ability to meet the City's operational needs.

Background

On April 3, 2025, at 8:00 a.m. (Eastern Daylight Time), the City of Key West publicly advertised Request for Proposals (RFP) No. 25-007 in The Key West Citizen and posted the solicitation on DemandStar in accordance with City procurement requirements. The RFP sought proposals from qualified firms or individuals to provide for the historic rehabilitation, lease, and adaptive reuse of the

City-owned property known as “Cable Hut(s).”

Sealed proposals were due and publicly opened on May 12, 2025, at 3:00 p.m. (Eastern Daylight Time) in the Office of the City Clerk. The City received two (2) proposals from the following firms: Hayes Robertson Group and Tropical Shell & Gift, Inc.

Following the proposal opening, the City publicly noticed the Selection Committee meeting in The Key West Citizen. The notice indicated that the Evaluation Committee would convene on May 27, 2025, at 10:00 a.m. in the first-floor City Commission Conference Room at City Hall, located at 1300 White Street, Key West, Florida.

Upon completion of the administrative and technical review, only the proposal submitted by Hayes Robertson Group was deemed responsive. The proposal submitted by Tropical Shell & Gift, Inc. was determined to be non-responsive due to its failure to acknowledge and include a required addendum issued during the solicitation period. Addenda are critical to the solicitation process, as they communicate revisions and clarifications necessary to ensure consistency and fairness among all proposers. Additionally, discrepancies were identified between the digital submission provided on the flash drive and the submitted hard copy.

The Evaluation Committee subsequently confirmed that Hayes Robertson Group met all minimum qualifications, submitted a complete and compliant proposal, and demonstrated the technical capability, financial capacity, and relevant experience necessary to successfully perform the project.

However, the receipt of only one (1) responsive proposal limited the competitive nature of the procurement process. The absence of multiple responsive submissions restricted the City’s ability to conduct a comparative evaluation and reduced opportunities to achieve more favorable terms through competition. Pursuant to Section 2-834(4) of the City Code, staff recommended revising and reissuing the solicitation.

Accordingly, through Resolution No. 25-208, the City Commission directed staff to revise and reissue the solicitation for the Cable Hut(s) project, incorporating such changes as necessary to enhance competition and better align with the City’s objectives.

On February 19, 2026, at 8:00 a.m. (Eastern Standard Time), the City re-advertised the project as RFP No. 26-003 in The Key West Citizen and on DemandStar. The revised solicitation again sought proposals for the historic rehabilitation, lease, and adaptive reuse of the Cable Hut(s) property.

Sealed proposals were due and publicly opened on March 12, 2026, at 3:00 p.m. (Eastern Daylight Time) in the Office of the City Clerk. The City received two (2) proposals from the following firms: Hayes Robertson Group and Tropical Shell & Gift, Inc.

Following the proposal opening, the City publicly noticed the Evaluation Committee meeting in The Key West Citizen, with the meeting held on March 16, 2026, at 3:00 p.m. (Eastern Daylight Time) in the City Commission Conference Room at City Hall, located at 1300 White Street, Key West, Florida.

The Evaluation Committee convened as scheduled and conducted a comprehensive review, scoring, and ranking of both proposals in accordance with the criteria established in the RFP. Based on the results of the evaluation process, Tropical Shell & Gift, Inc. received the highest overall score. Accordingly, staff recommends award of RFP No. 26-003 to Tropical Shell & Gift, Inc., as the proposal determined to be most advantageous to the City based on the Evaluation Committee’s scoring and findings.

Procurement

There is no direct financial impact to the City associated with the award of RFP No. 26-003 for the historic rehabilitation, lease, and adaptive reuse of the Cable Hut(s) property. The selected proposer shall

be responsible for all costs associated with the design, permitting, rehabilitation, operation, and ongoing maintenance of the facility in accordance with the terms of the agreement, to be negotiated.

The project is structured as a lease and redevelopment opportunity whereby the City will not incur any upfront capital expenditures or ongoing operational costs related to the improvements. All financial obligations necessary to successfully complete and operate the project shall be borne solely by the selected proposer.

Recommendation

Staff recommends that the Mayor and City Commission adopt a resolution authorizing the City Manager, or designee, to enter into negotiations with Tropical Shell & Gift for the provisions described in Request for Proposals (RFP) No. 26-003 and, upon successful completion of those negotiations, execute an agreement.