



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

MEMORANDUM

EXECUTIVE SUMMARY

Date: November 17, 2016

To: Jim Scholl, City Manager

From: Terrence Justice, Construction Coordinator

CC: Jim Bouquet, Director of Engineering
Greg Veliz, Assistant City Manager

Subject: **Reject Bids received for Mole Pier Boat Washdown Facility
ITB #17-006**

Action Statement

This Resolution would reject the Bid received for *Mole Pier Boat Washdown Facility* Invitation to Bid (ITB) #17-006. Both bids received significantly exceeded the Navy-provided cost estimate and the authorized in-kind expenditure for this project.

Background

The City of Key West issued ITB #17-006 for a Design-Build delivery of *Mole Pier Boat Washdown Facility* on October 2, 2016. Two bids were received on November 2, 2016. Douglas N. Higgins, Inc. submitted a bid of \$983,800 and SeaTech, Inc. submitted a bid for \$817,114. A copy of both bid submittals are attached. As indicated in the attached Navy authorization letter, in-kind expenditure limit for the project is \$254,705.

Purpose and Justification

City Staff and Navy representatives reviewed the two bids received and found the low bid to significantly exceed (by approximately 220%) the Navy's estimate and expenditure authorization. After discussions, the Navy rejected both bids.

The intent is to re-package the *Mole Pier Boat Washdown Facility* as a bid-build solicitation after procuring design services for delivery of a completed

design package including drawings, specifications, engineering cost estimate and bid documents. The design consultant will be instructed to design within the budget constraint of the existing Navy funding approval.

Financial Issues

Account 602-1900-519-4600 (OM19001601) has a balance of \$254,705 to fund *Mole Pier Boat Washdown Facility*.

Recommendation

Staff recommends rejection of the two bids received for *Mole Pier Boat Washdown Facility ITB 17-006*.