



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: November 13, 2013

RE: **Approval and Authorization to Execute Modification Number Two to Contract No. 13HM-3B-11-54-02-136 with the Florida Division of Emergency Management to Reinstate and Extend the Terms of the George Street Stormwater Pump Assisted Outfall Project Phase II Agreement to April 22, 2014.**

ACTION STATEMENT:

This resolution will approve Modification Number Two to reinstate and extend the terms of the Phase II Agreement for the construction of the George Street Stormwater Pump Assisted Outfall Project (Contract number 13HM-3B-11-54-02-136) to April 22, 2014.

Actual construction is not expected to continue past December. The extra time allotted in this grant extension will allow the City, State, and FEMA to close out all administrative portions of this grant.

BACKGROUND:

The George Street Drainage Project consists of the construction of two pump-assisted wells located at Catherine and Ashby St., an elevated generator platform, and an emergency outfall pipeline running from the wells to the retention pond located off of Jose Marti Dr. between the Police Station and Bayview Park.

The City entered into a grant agreement with the State of Florida Division of Emergency Management/FEMA on July 16, 2012 (Resolution 12-201, June 19, 2012) for the construction of the George Street Drainage Project. The agreement amount is \$2,577,951.00 (75% Federal) with a 25% City match of \$859,317.00. In addition, \$32,853.00 is available for reimbursement at 100% Federal share for eligible administrative costs. The period of performance started July 16, 2012 and ended October 22, 2013.

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

Modification Number One (Resolution 12-295, October 16, 2012) amended the commencement date of the Phase II agreement to September 1, 2011 in order to incorporate costs associated with the re-design of certain portions of the project making these costs eligible for reimbursement.

PURPOSE AND JUSTIFICATION

City Staff is requesting approval of Modification Number Two to reinstate the Phase II agreement which expired on October 22, 2013 and extend the period of performance to April 22, 2014. Construction is still in progress, but should not extend beyond December. Redesign was necessary for some of the sidewalks to address ADA compliance issues and parking needs. In addition, a number of additional drainage structures and piping needed to be ordered to construct the redesigned sidewalks. Project substantial completion has been reached and the contractor is requesting additional contract days (a separate agenda item will go before the City Commission to address the contractor's request).

The majority of this grant extension request is to allow sufficient time to complete the administrative portions of the grant. Final as-built drawings need to be completed, and the City needs additional time to close out the project so that all documents can be submitted to FDEM with ample time for their review process with FEMA.

OPTIONS / ADVANTAGES / DISADVANTAGES:

1. The City Commission can approve and authorize the execution of Modification Number Two. This will allow the terms of the Phase II agreement to be reinstated and extended so that construction can be completed and additional time is allowed for the close out of this grant.
2. The City Commission can reject Modification Number Two. With this option, the terms of the Phase II agreement will not be reinstated and extended leaving no valid grant agreement in place for the time needed to complete construction. The City would be unable to meet the deliverables on time as described in the "1st Revised Attachment A" (included with Modification Number Two). As a consequence, the City will be required to refund \$2,136,490.45 already reimbursed by the grant.

FINANCIAL IMPACT:

No financial impacts are associated with the approval of Modification Number Two, reinstating and extending the terms of the Phase II agreement.

RECOMMENDATION:

Staff recommends that the City Commission select option 1, approving Modification Number Two to reinstate and extend the terms of the Phase II agreement to April 22, 2014.

JG/cds