

RESOLUTION NO. 13-314

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA EXERCISING THE TWO-YEAR RENEWAL OPTION CONTAINED IN THE CONTRACT FOR GENERAL SERVICES BETWEEN THE CITY AND DOUGLAS N. HIGGINS, INC., APPROVED IN RESOLUTION 10-319 IN RESPONSE TO INVITATION TO BID (ITB) #10-015; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in Resolution No. 10-319, the City Commission approved a three-year contract with a two-year renewal option with DN Higgins, Inc. in accordance with ITB 10-015; and

WHEREAS, the City Commission, having considered staff recommendations, has chosen to renew the contract, for the two year extension period.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the contract is hereby extended for two years, pursuant to the contract documents approved in Resolution No. 10-319;

Section 2: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 3rd day of December, 2013.


Authenticated by the Presiding Officer and Clerk of the Commission on 4th day of December, 2013.

Filed with the Clerk on December 4, 2013.

Mayor Craig Cates	<u>Yes</u>
Vice Mayor Mark Rossi	<u>Absent</u>
Commissioner Teri Johnston	<u>Yes</u>
Commissioner Clayton Lopez	<u>Yes</u>
Commissioner Billy Wardlow	<u>Yes</u>
Commissioner Jimmy Weekley	<u>Yes</u>
Commissioner Tony Yaniz	<u>Yes</u>

  
\_\_\_\_\_  
CRAIG CATES, MAYOR

ATTEST:

  
\_\_\_\_\_  
CHERYL SMITH, CITY CLERK



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-(409) (305) 809-3700

MEMORANDUM

**EXECUTIVE SUMMARY**

**Date:** October 23, 2013  
**To:** Bob Vitas, City Manager  
**From:** Karen Olson, Special Projects Designer  
**CC:** David Fernandez, ACM  
Mark Finigan, ACM  
Doug Bradshaw, Senior Project Manager  
**Subject:** **Approving a two year extension for the General Services Contract (ITB #10-015) to DN Higgins, Inc.**

**Action Statement**

This Resolution would approve a two (2) year extension for the General Services Contract to DN Higgins, Inc.

**Background**

The General Services Contract has been an ongoing contract, under various names, since 1992. The City maintains this Contract which is competitively bid for the purpose of general installation, repair and replacement of storm and sanitary sewer systems, installation of storm water gravity injection wells, paving, sidewalks and other miscellaneous municipal work. As the City establishes locations and scopes of work, where repairs are necessary, Work orders are issued

Resolutions 10-319 and 10-320, dated November 3, 2010, awarded DN Higgins, Inc. and Charley Toppino & Sons, Inc. three year General Services Contracts.

The improvement and maintenance of City infrastructure is critical to meeting the current and future needs of the citizens of Key West. The City's goal is to maintain the City's hard assets. (Strategic Plan "Infrastructure" goal 4)

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

### **Purpose and Justification**

The General Services Contract (ITB #10-015) is set to expire on December 1, 2013. Within the contract documents is the option of a two year extension at the unit prices stated in the Bid plus annual CPI-U US increases.

Based on the most current CPI-U US chart there has been an increase of 3% from effective bid prices. Per the Contract Documents the bid prices were to remain in effect for a period of twelve months from bid opening date.

DN Higgins, Inc. has agreed to extend their General Services Contract for the additional two year period allowed under the contract. Charley Toppino & Sons, Inc. declined to extend their contract.

Over the past three years DN Higgins, Inc. has been issued over 95% of the task orders under the General Services Contract due to their favorable pricing. Engineering staff have solicited quotes from other contractors with prices coming in as much as 40% higher than the existing contract.

It is in the best interest of the City to extend DN Higgins, Inc. contract for the additional two year period based on original bid prices plus 3% CPI-U US. The new pricing must remain in effect for ordering up to twelve (12) months from contract extension. At which time the contractor may request an additional CPI-U US increase.

### **Options**

- Option #1** Approve a two (2) year extension for the General Services Contract (ITB #10-15) to DN Higgins, Inc.
- Option #2** Do not approve a two (2) year extension for the General Services Contract (ITB #10-15) to DN Higgins, Inc. and solicit bids for a new General Services Contract.

### **Financial Issues**

Extension of the General Services Contract (ITB #10-015) has no financial impact to the City until a Work Order is issued.

### **Recommendation**

Approve a two (2) year extension for the General Services Contract (ITB #10-15) to DN Higgins, Inc.



THE CITY OF KEY WEST

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CONTRACT EXTENSION

**To:** Mr. Dan Higgins, D.N. Higgins, Inc.  
**From:** Karen Olson, Special Projects Designer  
**Date:** September 3, 2013  
**Reference:** General Services Contract Extension


The General Services Contract (ITB #10-015) is set to expire on December 1, 2013. Within the contract documents is the option of a two year extension at the unit prices stated in your Bid plus annual CPI-U US increases.

Based on the most current CPI-U US chart there has been an increase of 3% from effective bid prices. Per the Contract Documents the bid prices were to remain in effect for a period of twelve months from bid opening date.

The City of Key West would like to extend your contract for the additional two year period based on original bid prices plus 3% CPI-U US. The new pricing must remain in effect for ordering up to twelve (12) months from contract extension. At which time you may request an additional CPI-U US increase.

If you are in agreement with the above terms of this contract extension please sign and date this document below.

This extension will not be valid until ratified by the City Commission.

  
\_\_\_\_\_  
Dan Higgins, Vice President  
D.N. Higgins, Inc.

  
\_\_\_\_\_  
Date

*Key to the Caribbean – average yearly temperature 77 ° Fahrenheit.*

## CONTRACT

This Contract, made and entered into this 1st day of Dec. 2010, by and between the **CITY OF KEY WEST**, hereinafter called the "Owner", and **DOUGLAS N. HIGGINS** hereinafter called the "Contractor";

WITNESSETH:

The Contractor, in consideration of the sum to be paid him by the Owner and of the covenants and agreements herein contained, hereby agrees at his own proper cost and expense to do all the work and furnish all the materials, tools, labor, and all appliances, machinery, and appurtenances for each issued Work Order, to the extent of the BID made by the Contractor, dated this 29<sup>th</sup> day of September 2010, all in full compliance with the Contract Documents referred to herein:

BIDDING REQUIREMENTS, CONTRACT FORMS, CONDITIONS OF THE CONTRACT, TECHNICAL SPECIFICATIONS, AND DRAWINGS, are hereby referred to and by reference made a part of this Contract as fully and completely as if the same were fully set forth herein and are mutually cooperative therewith.

In consideration of the performance of the work as set forth in these Contract Documents and per each issued Work Order, the Owner agrees to pay to the Contractor the unit prices amount in the Bid as adjusted in accordance with the Contract Documents, or as otherwise herein provided, and to make such payments in the manner and at the times provided in the Contract Documents.

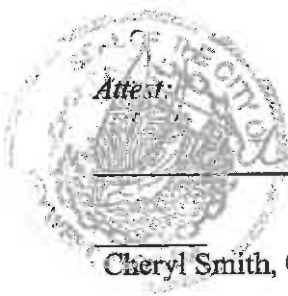
The Contractor agrees to complete the work within the time specified in the Work Order, and to accept as full payment hereunder the amounts as determined by the Contract Documents and based on the said Bid.

The Contractor agrees to remedy all defects appearing in the work or developing in the materials furnished and the workmanship performed under this Contract during the required two (2) year warranty period after the date of final acceptance of the work by the Owner, and further agrees to indemnify and hold harmless the Owner from any costs encountered in remedying such defects.

In the event that the Contractor shall fail to complete the work within the time limit or the

extended time limit agreed upon, as more particularly set forth in the Work Order, liquidated damages shall be paid at the rate of five hundred dollars (\$500.00) per calendar day. Sundays and legal holidays shall be included in determining days in default.

IN WITNESS WHEREOF, we, the parties hereto, each herewith subscribe the same, this 15<sup>th</sup> day of Dec 2010.



Attest: Cheryl Smith

Cheryl Smith, City Clerk

By: Jim Scholl

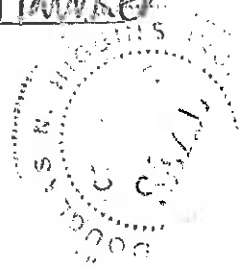
Jim Scholl, City Manager

Contractor: Douglas N. Higgins, Inc. Witness: R. Suzanne Hawker

By: Kelly A. Wilkie Print Name: R. Suzanne Hawker

Print Name: Kelly A. Wilkie

Title: Vice - President





Karen Olson <kolson@keywestcity.com>

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**RE: General Services Contract**

1 message

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**Ron Armstrong** <ronaldj@toppkw.com>

Wed, Sep 18, 2013 at 2:42 PM

To: Karen Olson <kolson@keywestcity.com>

Cc: Doug Bradshaw <dbradsha@keywestcity.com>, Paul Toppino <pault@toppkw.com>, Richard Toppino <richardjtoppino@aol.com>

KAREN;

MANAGEMENT AT CTS HAS ASKED THAT I INFORM THE CITY OF KEY WEST THAT WE ARE UNABLE TO SIGN THE EXTENSION AGREEMENT FOR THE GENERAL SERVICES CONTRACT. DUE TO PRICE INCREASES ON ALL COMMODITIES UTILIZED IN THE PRODUCTION OF OUR CONCRETE, THE COSTS OF ASPHALT, SIGNAGE, ECT. THE 3% INCREASE IN THE GS CONTRACT WOULD NOT EVEN COME CLOSE TO COVERING OUR DOUBLE DIGIT COST INCREASES.

THANK YOU VERY MUCH FOR THE OPPORTUNITY.

RONALD J. ARMSTRONG

CHARLEY TOPPINO & SONS, INC.

PROJECT/SAFETY MANAGER

305 296-5606

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**From:** Karen Olson [mailto:kolson@keywestcity.com]

**Sent:** Thursday, September 12, 2013 1:36 PM

**To:** Ron Armstrong; Richard Toppino

**Subject:** General Services Contract

Ron -

This contract is set to expire in December 2013. The City would like to extend this contract for a period of two years. Please review the attached and have signed if you are in agreement with the terms of the extension.

Once signed it will be brought in front of the City Commission for approval.



Thanks

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***Karen M Olson***

**Special Projects Designer**

**City of Key West**

**Engineering Services**

**305-809-3963 (t)**

**305-809-3739 (f)**