



THE CITY OF KEY WEST

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

MEMORANDUM

EXECUTIVE SUMMARY

Date: September 19, 2014

To: Jim Scholl, City Manager

From: Jim Bouquet, Director of Engineering

CC: Sarah Spurlock, Assistant City Manager (ACM)
Greg Veliz, ACM

Subject: **Reject Bid received for Seawall Repairs at Zero Duval
ITB #14-019**

Action Statement

This Resolution would reject the Bid received for *Seawall Repairs at Zero Duval* Invitation to Bid (ITB) #14-019. The single bid received significantly exceeded Engineer's estimate.

Background

The City of Key West issued ITB #14-019 for construction of *Seawall Repairs at Zero Duval*. Only one bid was received on July 17, 2014. Douglas N. Higgins, Inc. (Higgins) submitted a bid of \$984,000. A copy of this bid submittal is attached. The Engineer's (CH2M Hill) estimate was \$840,000.

Purpose and Justification

City Staff and CH2M Hill reviewed the single bid received and found the bid to significantly exceed (by approximately 17%) the Engineer's estimate. CH2M Hill subsequently conducted value-engineering evaluations with Higgins in an effort to reduce overall project cost. After discussions, it was decided the best course of action was to reject the single bid received. Refer to attached CH2M Hill Contactor Recommendation letter dated September 18, 2014.

The intent is to re-package the *Seawall Repairs at Zero Duval* with the *Mallory Square T-Pier Construction*. Combining the projects will result in a larger

overall cost and economy of scale, with the intent of attracting additional contractors with marine specific experience to submit competitive bids.

Note that available funding for the Mallory Square T-Pier construction has, per City Commission Resolution 14-266, been increased by a recent grant award of \$762,000 from the Florida Department of Transportation. These Transportation Joint Participation Agreement (JPA) grant funds become available to City on July 1, 2015.

Options

Option #1: Reject the single bid received for *Seawall Repairs at Zero Duval* ITB# 14-019.

Option #2: Accept the single bid from Douglas N. Higgins, Inc. (Higgins) of \$984,000 and direct the City Manager to find the additional funds needed for construction.

Financial Issues

Account 101-1900-519-6300 (EN1002) has a balance of \$1,749,191 (including the JPA grant of \$762,000) to fund both the *Seawall Repairs at Zero Duval* and the *Mallory Square T-Pier Construction*.

Recommendation

Staff recommends Option #1 to reject the single bid received for *Seawall Repairs at Zero Duval* ITB# 14-019.