



THE CITY OF KEY WEST

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

MEMORANDUM

EXECUTIVE SUMMARY

TO: Bob Vitas, City Manager
Mark Z. Finigan, Asst. City Manager

FROM: Carolyn Sheldon, Senior Grants Administrator

DATE: February 20, 2014

RE: **Approval to extend the agreement for grant writing services with Langton Associates, Inc. and IN REM Solutions, Inc. for one additional year beginning March 6, 2014 and ending March 5, 2015 and approval of an increase in fees in the amount of \$500.00 per month effective October 1, 2014 through March 5, 2015 or an additional \$3,000.00 total.**

ACTION STATEMENT:

This resolution will approve an extension to the agreement for grant writing services with Langton Associates, Inc. and IN REM Solutions, Inc. for one additional year beginning March 6, 2014 and ending March 5, 2015 and will approve an increase in fees in the amount of \$500.00 per month effective October 1, 2014 through March 5, 2015 or \$3,000.00 total.

BACKGROUND:

The City entered into an agreement for grant writing services with Langton Associates, Inc. and IN REM Solutions, Inc. that was ratified by the City Commission at the May 7, 2013 meeting (Resolution 13-112). The 12-month term for this agreement began on March 6, 2013 and ends on March 5, 2014. There is a provision in the agreement to extend at the end of the term for two (2), one (1) year periods upon mutual agreement of the parties.

In a letter to City Manager Bob Vitas dated January 24, 2014 (attached), Michael Langton of Langton Associates expresses interest in continuing the grant writing services provided to the City. Also included in the previously mentioned letter is a request for an increase in monthly fees to be in effect during the newly extended agreement period, if approved. City Staff was able to negotiate with Michael Langton and both parties have mutually agreed to an increase in the latter half of the upcoming term to allow the City to include the increase in the Fiscal Year 2015 budget.

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

PURPOSE AND JUSTIFICATION

During the initial term of the grant writing services agreement, the following grant writing activity occurred:

Grant Writing Activity - Langton Associates and IN REM Solutions			
Project	Grant Funding Source	Amount Requested	Amount Funded
Truman Amphitheater, parking lot	Tourist Development Council	\$ 2,000,000.00	\$ 2,000,000.00
Mallory Square T-Pier	SeaCIP / Florida Seaport Transportation & Economic Development (FSTED)	\$ 762,000.00	\$ 762,000.00
School Resource Officer ¹	COPS Hiring Grant	\$ 250,000.00	\$ 250,000.00
Truman Waterfront, Phase I - Playground ²	Florida Recreation Development Assistance Program (FRDAP)	\$ 200,000.00	PENDING
Police boat purchase ³	Port Security Grant Program (PSGP)	\$ 286,895.00	\$ 54,033.00
Security Building - Truman Waterfront Navy Mole Gate	Port Security Grant Program (PSGP)	\$ 60,000.00	\$ 60,000.00
Keys Overnight Temporary Shelter (KOTS)	Emergency Solutions Grant (ESG)	\$ 76,298.00	\$ 54,442.00
Restoration and Revitalization of the Truman Waterfront	RESTORE	\$ 8,609,442.00	PENDING
City Marina Infrastructure Improvement	RESTORE	\$ 431,500.00	PENDING
Totals		\$ 12,676,135.00	\$ 3,180,475.00

Note 1 – This grant was awarded to the City and was ultimately declined due to a more in-depth financial analysis of accepting the award which showed a negative financial impact during the course of the grant performance period.

Note 2 – The City has received notification from the grantor of its priority ranking of 48 out of 166 applicants for this funding cycle. Funding is contingent on the Florida Legislature with award notifications possibly sometime in May 2014. If the project is funded, the earliest funding would be available is July 1, 2014.

Note 3 – The purchase of a new SAFE boat was not funded this grant cycle. However, the grantor has approved a change in scope to repower the current boat and will reimburse the City at a Federal cost share of 75% up to \$54,033.

As shown in the grant writing activity table, the City has been awarded \$3,180,475.00 in grant funding due to efforts put forth by Langton Associates and IN REM Solutions. An additional \$9,240,942 has been requested in applications that are still pending. While the City declined the COPS Hiring school resource officer grant and received a reduced amount of funding to repower the current KWPD SAFE boat rather than purchase a new SAFE boat, it can be said that at a cost of \$60,000.00 this past year for grant writing services, the benefits outweigh the cost.

For your consideration, Langton Associates and IN REM Solutions have requested an increase to their monthly fee. The original request was for \$1,000.00 but was reduced to \$500.00 for budgetary reasons. If approved, their monthly fee will be \$5,000.00 from March 6, 2014 to September 30, 2014 and will increase from \$5,000.00 to \$5,500.00 from October 1, 2014 to March 5, 2015 for a total cost of \$63,000.00 in the upcoming contract year. Several factors have contributed to the proposed increase: the level of grant writing activity has been considerable given our size with many of the grant applications requiring extensive time and effort, the success rate of the 9 grants submitted (6 of 9 awarded, 3 pending), the return on investment of a \$60,000 fee for nearly \$3.2 million in awarded grants and traveling to Key West for face-to-face involvement is costly but an integral part of the relationship between the grant writers and City Staff.

OPTIONS / ADVANTAGES / DISADVANTAGES:

1. The City Commission can approve both an extension to the agreement for grant writing services with Langton Associates, Inc. and IN REM Solutions, Inc. for one additional year and an increase in fees in the amount of \$500.00 per month effective October 1, 2014 to March 5, 2015 or \$3,000.00 total. This will allow the terms of the grant writing agreement to be extended to March 5, 2015 at a cost of \$63,000 for the year.
2. The City Commission can approve an extension to the grant writing services agreement and reject the increase in fees of \$500.00 per month effective October 1, 2014 to March 5, 2015 or \$3,000.00 total. With this option, the City risks Langton Associates and IN REM Solutions not mutually agreeing to the extension and possibly opting to not extend the grant writing services agreement.
3. The City Commission can reject both the extension and the increase in fees. This option would leave the City with no grant writing services agreement in place and could possibly lead to missed opportunities to apply for grant funding.

FINANCIAL IMPACT:

If the extension to the grant writing services agreement is approved, the original agreement amount of \$60,000 per year is budgeted in 1-1900-519-3100. The \$3,000 increase will need to be funded from the City Manager contingency fund.

RECOMMENDATION:

Staff recommends that the City Commission select option 1, approving both an extension to the agreement for grant writing services with Langton Associates, Inc. and IN REM Solutions, Inc. for one additional year and an increase in fees in the amount of \$500.00 per month effective October 1, 2014 to March 4, 2015 or \$3,000.00 total.