



THE CITY OF KEY WEST

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

To: Jim Scholl, City Manager
From: Johnnie Yongue, Engineering Project Manager
Cc: Steve McAlearney, Director of Engineering
Date: April 01, 2019
Subject: Approval of Owner Direct Purchase for Smather's Beach Sand Re-nourishment

Action Statement

Ratify City Manager's approval of the use of the Owner Direct Purchase option to eliminate sales tax fee on selected project materials, beach sand, for Project FT19001801. Project savings is currently estimated at \$12,352.00.

Ordinance:

Pursuant to the City of Key West Code of Ordinances Sec. 2-797 Paragraph 4 (b), Exempt Contractual not subject to the competitive procurement requirement are as follows: "... *If in the opinion of the city manager exceptional circumstances exist to exempt a purchase from the competitive bid requirements of this subdivision for the best interests of the city, he shall place a resolution before the city commission for approval of such exemption.*"

Background

Resolution No. 18-197 accepted the proposal of Earth Tech Enterprises Inc. for Sand Re-nourishment of Smather's Beach with a base bid amount of \$1,236,160.00. The City of Key West (City) has a right to exercise Owner Direct Purchase (ODP) of materials and services to save cost of sales tax at a current sales tax rate of 7 percent (%), estimated savings to the project is itemized below:

7% Sales Tax on Total Estimated Cost of \$176,460.00

Estimated Project Savings to City: \$ 12,352.00

Financial Issues

Approval of the ODP for this project will reduce required funding by an estimated \$12,352.00 once fully implemented.

Project Timeline

Contractor will be required to proceed within 10 days of authorization. Re-nourishment project must occur on South Beach prior to expiration of Field Permit #8035297 on April 15, 2019 to accommodate the start of Turtle nesting season.

Recommendation

Staff recommends approving Owner Direct Purchase to eliminate sales tax fees on selected project materials for Project FT 19001801 – Smather's Beach re-nourishment prior to approval from the Commission due to time restraints on the project. Project savings is

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

MEMORANDUM



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currently estimated at approximately \$12,352.00. subject to timely approval of this option. Approval from Florida Department of Environmental Protection to re-nourish South Beach expires on April 15th 2019 via Field Permit 8035297.

ATTACHMENTS:

Requisition for Vulcan Construction Materials LLC in the amount of \$176,460.00
Change Order #01 Smather's Beach Re-nourishment.

ACCEPTANCE

City of Key West

Printed Name and Title: J. R. Scholl, City Manager

Signature: JRScholl

Date: 01 APR 2019