

EXECUTIVE SUMMARY



TO: Jim Scholl, City Manager

COPIES: David Fernandez, Assistant City Manager
Mark Finigan, Assistant City Manager
Greg Veliz, Director Community Services
Rod Delostrinos, Deputy Director Community Services

FROM: Eduardo Herrera, Fleet Management Admin

DATE: March 16th, 2011

SUBJECT: Rejecting all bids in response to ITB # 11-009 (Unleaded fuel tank replacement) for changes in circumstances.

Action statement:

This resolution authorizes staff to exercise the option to reject all bids in response to ITB # 11-009 in accordance with Sec. 2-834(4) of the code of ordinances. After receiving the bids, staff became aware of an option to improve the specification which is in the best interest of the City.

Strategic Plan/Business Plan:

Staff has researched options that they were not aware of prior to the bid that can offer a superior solution to the fuel tank replacement project being proposed.

Background:

The existing unleaded fuel tanks located at 627 Palm Ave. have reached their life expectancy and have rapidly deteriorated in the last year. Staff has been exploring options to replace the tanks and developed a bid specification to offer two different options to choose from. One option provided for a single tank replacement, the lowest cost solution; however, staff also explored an option that would give the city the ability to fuel capable vehicles with E85 ethanol. This option provides an environmental benefit and the flexibility of redundancy for emergency events.

This second option was specified in the bid documents to be designed as a two (2) tank option; however, it was later discovered that it was possible to subdivide a single tank and still house two (2) fuel products. This option would allow for the two (2) product capability and backup redundancy while still only occupying a single tanks footprint at our facility.

Purpose and Justification:

Staff would like the opportunity to provide the new specifications and submit a new invitation to bid.

Options:

- 1) An option is to approve the rejection of the bids. This would allow the City of Key West to obtain the best fueling configuration.
- 2) The commission could decline the rejection of bids and direct staff to select the lowest responsive bidder from the original invitation to bid (#11-009).

Financial Impact:

Approving the rejection of the bids (Option #1) would allow staff the opportunity to provide updated specifications and submit a new invitation to bid. This would result in the most effective solution to the fuel tank replacement project.

Declining the rejection of bids (Option #2) would give staff an option to request the selection of the lowest responsive bidder; however, this option might not provide the most effective solution to the fuel tank replacement project.

Recommendation:

Staff recommends option #1, approval of rejection of bids.