

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.

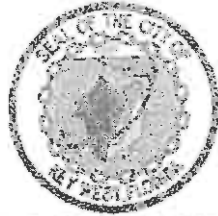
Filed with the Clerk on December 4, 2013.

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

City Office Box 1409 Key West, FL 33041-1409 (305) 809-1700

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.

MEMORANDUM

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

Post Office Box 1409 Key West, FL 33941-1409 (305) 804-3700

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.