



THE CITY OF KEY WEST

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EXECUTIVE SUMMARY

TO: Jim Scholl, City Manager
E. David Fernandez, Asst. City Manager

FROM: Jay Gewin, Utilities Manager

DATE: September 25, 2010

SUBJECT: **Awarding the Bid of Douglas N. Higgins in the Amount of \$198,900 for Construction of a Stormwater Gravity Well at the Intersection of Elizabeth St. and Olivia St.**

ACTION STATEMENT:

This resolution will approve the low bid of \$198,900 from Douglas N. Higgins to construct a stormwater gravity well at the intersection of Elizabeth St. and Olivia St. The bid includes a \$30,000 allowance.

The City will be reimbursed for 90.965% of this project from a Florida Dept. of Transportation LAP Grant.

BACKGROUND:

The City Commission accepted a LAP grant from FDOT to fund a majority of the construction and construction management cost for a stormwater gravity well at the intersection of Elizabeth St. and Olivia St. at its March 4, 2008 meeting (Resolution 08-068).

The anticipated environmental results include reducing stormwater discharges to nearshore waters which may carry bacterial or other contamination, including nutrients, metals, hydro-carbons, and other stormwater pollutants. Additionally, this gravity well will help mitigate flooding in the neighborhood where it will be constructed.

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

PURPOSE & JUSTIFICATION:

The City must demonstrate we are committed to implement and ready to construct drainage improvements in order to obtain the greatest amount of state and federal grant funds. To expedite implementation and to maximize use of the stormwater utility fees collected, receipt of grant funds is extremely critical. FDOT LAP grant funding will reimburse the City for 90.965% of the costs of this project.

The City will be constructing separate stormwater gravity well projects at 20th St./Duck Ave., 17th St./17th Terrace, and Elizabeth St./Olivia St. simultaneously. Because FDOT required it, we were instructed to bid these three projects separately rather than combining them all into one bid.

Recognizing the vast amount of ongoing construction of stormwater gravity wells during the US Army Corps of Engineers federal stimulus projects, the City postponed construction of these three FDOT-funded wells until after the stimulus-funded wells were completed.

The FDOT has contacted the City and indicated that we needed to move forward on the construction of the three LAP-funded gravity wells or else we would lose grant funding. The City then put these projects out to bid.

Bids for the Elizabeth St./Olivia St. stormwater gravity well project were opened on September 15, 2010. DN Higgins was the lowest bidder at \$198,900.

OPTIONS:

1. Approve the contract authorizing the low bid of DN Higgins to construct the stormwater gravity well project at Elizabeth St./Olivia St... This will allow City to receive the environmental and flooding mitigation benefits of this project while utilizing FDOT grant funds..
2. The City can decline the bids received and reissue the Invitation to Bid, or place the project on hold until the City decides it is ready to proceed with the project. The grants received for this project have deadlines associated with them, and delays will jeopardize these funds. This option will forego potential improvements to mitigate neighborhood flooding and improve nearshore water quality.

FINANCIAL IMPACT:

The fees for this project will be funded through stormwater budget line item 402-3802-538-65. The Elizabeth St./Olivia St. gravity well project is included in the FY 2011 stormwater capital improvement plan (Project # GN 0715).

FDOT will reimburse the City 90.965% of the cost of this project through state grant funding. The City will pay the remaining share.

Funds for this project are budgeted as follows:

FDOT LAP Funds (90.965%)	\$180,929.39
<u>City Stormwater Utility Funds (9.035%)(account # 402 3802 538 65).....</u>	<u>\$ 17,970.61</u>

Total	\$ 198,900.00
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In the event the City decides to postpone the project, grant funding would be lost resulting in the City funding 100% of the project costs.

RECOMMENDATION:

The staff recommends option # 1, that the City awards the construction contract to the low bid of \$198,900 from DN Higgins to construct a stormwater gravity well at Elizabeth St./Olivia St..