

RESOLUTION NO. 15-067

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, APPROVING A ONE-YEAR EXTENSION OF THE CONTRACT BETWEEN THE CITY AND DOUGLAS N. HIGGINS, INC., FOR THE ASPHALT PAVING PROJECT (PROJECT #GN-1202); PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in Resolution No. 13-051, the City Commission approved a two-year contract with up to three one-year renewal options with Douglas N. Higgins, Inc. for asphalt paving; and

WHEREAS, City staff and the vendor have determined that it would be mutually beneficial to exercise a one-year extension of the contract, incorporating a negotiated unit price increase of 3.2%;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That a one year extension to the contract between the City and Douglas N. Higgins, for asphalt paving is hereby approved and the City Manager is authorized to execute an extension, including a 3.2% unit price increase, upon the advice and consent of the City Attorney.

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 18 day of February, 2015.

Authenticated by the Presiding Officer and Clerk of the
Commission on 19 day of February, 2015.

Filed with the Clerk on February 19, 2015.

Mayor Craig Cates	<u>No</u>
Vice Mayor Mark Rossi	<u>Yes</u>
Commissioner Teri Johnston	<u>No</u>
Commissioner Clayton Lopez	<u>Yes</u>
Commissioner Billy Wardlow	<u>Yes</u>
Commissioner Jimmy Weekley	<u>Absent</u>
Commissioner Tony Yaniz	<u>Yes</u>

ATTEST



CHERYL SMITH, CITY CLERK



CRAIG CATES, MAYOR



THE CITY OF KEY WEST

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

EXECUTIVE SUMMARY

Date: January 26, 2015

To: Jim Scholl, City Manager

From: Gary Volenec, P.E., Engineering Department

Cc: Greg Veliz, Assistant City Manager
Sarah Spuriocck, Assistant City Manager
James Bouquet, P.E., Director of Engineering

Subject: Approve a one (1) year extension to the Asphalt Paving Contract as allowed by the current agreement. Authorize the City Manager to execute the contract extension.

Action Statement

This resolution will extend the Asphalt Paving Contract agreement between D.N. Higgins, Inc. and the City of Key West (City) for one (1) year. This extension includes a 3.2 percent (%) increase in unit prices as allowed by the current agreement. This resolution authorizes the City Manager to execute the contract extension.

Background

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 provide continued maintenance and improvement to the existing street network. (Strategic Plan "Infrastructure" Goal 4).

The City of Key West *Pavement Management Analysis Report* dated June 15, 2012 ranked/prioritized City streets in need of repair. To date, under the City-Wide Paving Program (Project Numbers GN 1202, 1301 & 1401), approximately \$2,308,946 has been allocated towards milling and paving or reconstruction of streets throughout the City. The current budget funding for Fiscal Year 2015 paving projects as approved by the City Commission is \$1,000,000.

To implement the City-Wide Paving Program, the City originally bid the Asphalt Paving Contract in 2012. D.N. Higgins, Inc., the sole bidder, was awarded the two (2) year contract by Resolution 13-057 on February 21, 2013 (Exhibit A). The contract was executed on February 25, 2013, with an option for three (3) one-year mutually agreed upon extensions.

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

MEMORANDUM

Purpose and Justification

This resolution provides for exercising a one-year mutually agreed to extension to the existing contract. D.N. Higgins has completed paving Work Orders in an efficient, cost effective manner under the direction of City staff. Utilization of this Asphalt Paving Contract allows for timely repair of City streets, including fast-track repairs as necessary.

D.N. Higgins expressed interest in extend the existing contract in a letter to the City dated November 5, 2014 (Exhibit B) and requested a 5% increase to unit costs as allowed for under the current contract (Resolution 13-057). However, after negotiations with the City, D.N. Higgins agreed to reduce the requested increase in unit costs to 3.2% to better reflect market inflation experienced from the time of the original bid (Exhibit C).

Options

Option #1 Approve extending the Asphalt Paving Contract and authorize the City Manager to execute a one-year contract extension.

Option #2 Do not approve extending the Asphalt Paving Contract with the resulting potential to significantly delay much needed roadway repairs.

Financial Issues

The current budget funding for Fiscal Year 2015 paving projects as approved by the City Commission is \$1,000,000 under Internal Improvements Fund Account 102-4102-541-6300. Work will be performed under individual Work Orders in accordance with the approved City-Wide Paving Program project list (Resolution 14-6894). Prior to the execution of each Work Order, the City and the Contractor will negotiate specific line item quantities which will be used with the approved contract unit costs to develop the Work Order price. Negotiated pricing shall not exceed contracted unit bid prices and must be mutually agreed upon by both parties.

Recommendation

Staff recommends extending the Asphalt Paving Contract for one-year including a 3.2% increase in unit prices as allowed by the current contract, and authorizing the City Manager to execute the extension.



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City of Key West Paving Program Contract Extension Agreement

The implemented "City-Wide Paving Program", was originally bid in 2012. D.N. Higgins, Inc. was awarded the two (2) year contract by Resolution 13-057 on February 21, 2013. The contract was executed on February 25, 2013, with an option for three (3) one-year mutually agreed upon extensions.

Douglas N. Higgins, Inc. has agreed to extend our current Asphalt Paving Contract with the City of Key West that would have expired February 25, 2015 for an additional six (6) month with a 3.2% increase to all unit prices.

Additionally, Douglas N. Higgins would be interested in negotiating additional extensions at the end of this current proposal schedule to expire August 25, 2015.


Paul R. Waters
Regional Manager - Florida Keys

2-20-15
Date


Jim Scholl
City Manager - Key West

23 FEB 2015
Date