



THE CITY OF KEY WEST

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EXECUTIVE SUMMARY

TO: Jim Scholl, City Manager
E. David Fernandez, Asst. City Manager – Operations
Mark Finigan, Asst. City Manager - Administration

FROM: Jay Gewin, Utilities Manager

DATE: August 20, 2010

RE: **Approval of a 2-Year Extension to the City's Contract for General and Utility Engineering Services with Chen and Associates**

ACTION STATEMENT:

This resolution will approve a 2-Year Extension as stipulated within the City's contract with Chen and Associates to provide general and utility engineering services.

BACKGROUND:

The City has need of engineering firms of many different disciplines to help design, permit, repair, analyze, and construct facilities of all types. These firms help staff prepare numerous types of projects including stormwater design, underground utilities, facilities design, dock/pier design and maintenance, sewer facilities design/upgrades, construction management and inspection, informational studies, etc.

As the City has multiple departments that manage projects of all sizes and disciplines simultaneously, the City typically contracts with multiple engineering firms to handle the workload. For instance historically, the General Services Department can keep two large engineering firms busy with design just to meet that department's project needs.

In 2007, the City issued a request for qualifications for engineering services. Staff ranked the submittals at a publicly-advertised meeting, and the City Commission approved staff's ranking of the top six firms. Contracts were then negotiated with these firms for a three-year term with one additional two-year option to extend the contract. The City Commission approved its contract with Chen and Associates on September 19, 2007 (Resolution 07-330).

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

PURPOSE AND JUSTIFICATION

The City has been satisfied with the services it has received from Chen and Associates. They have been very responsive to City staff. The firm is currently involved in the design of the new Transit Facility that will be located at the former Waste-to-Energy facility on Stock Island. It also provided 3rd party oversight during the construction of the Navy bridge at the Truman Waterfront.

At its September 21st City Commission meeting, the City Commission directed staff to request that the consultant lower its rates for the contract extension period. In response, Chen & Associates have proposed to roll back its rates to 2005 figures that were part of a prior contract with the City. These rates will remain in effect for the entire term of the two-year extension.

City Staff has analyzed the consultant hourly wages established in this contract, and finds them to be acceptable and comparable to other engineering firms.

OPTIONS / ADVANTAGES / DISADVANTAGES:

1. The City Commission can decline extending the contract with Chen and Associates. This option is not recommended by staff. Utilizing consulting contracts with various firms has been one of the key ingredients in the City's ability to manage projects simultaneously, and benefit from a level of expertise that is not available within City staff. Without the assistance of engineering consultants, it would be tremendously difficult for the City to meet its capital improvement schedule. The City is satisfied with the performance and responsiveness of Chen and Associates.
2. The City can go out for RFQ for engineering services. This option is not recommended due to Staff's satisfaction with the terms of the existing contracts. The City would plan on going to RFQ in two years once this 2-year extension expires.
3. The City Commission can approve this 2-year contract extension with Chen and Associates. Retaining this firm under contract will enable the City to proceed with its capital improvement schedule and will utilize a tremendous amount of expertise this firm has in various disciplines of engineering work. It will also allow the City to continue the use of a contract whose terms are acceptable to Staff.

FINANCIAL IMPACT:

There is no direct cost related to extending this contract. However, the cost of services for any particular project will be established through a task order. As per the City's purchasing code, any task order exceeding \$20,000 will be brought to the City Commission for approval.

RECOMMENDATION:

Staff recommends that the City Commission select option 3, the approval of a 2-year contract extension with Chen and Associates.