



THE CITY OF KEY WEST

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MEMORANDUM

EXECUTIVE SUMMARY

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

FROM: Jay Gewin, Utilities Manager

DATE: May 18, 2012

RE: **Awarding the Bid of Wharton Smith, Inc. in the Amount of \$3,242,000 for Construction of the Stormwater Pump Station and Outfall System for George St. Drainage Area**

ACTION STATEMENT:

This resolution will approve the low bid of \$3,242,000 from Wharton Smith, Inc. to construct a stormwater pump station, emergency stormwater outfall pipeline, and elevated generator platform and control panel. The bid includes a \$200,000 contingency allowance, a \$50,000 allowance for building permit fees, and a \$45,000 allowance for required work from Keys Energy to accommodate the project.

The City will be reimbursed for 75% of the costs of this project from FEMA. Contingency allowance expenditures can be applied for funding at the conclusion of the project.

BACKGROUND:

The George St. Pump Assisted Well and Outfall project will have a tremendous benefit for this neighborhood situated in one of the lowest-elevation areas in our city which has suffered through repeated flooding episodes in the past, particularly during the devastating hurricane season of 2005. The City had a very good public meeting with the residents of this neighborhood to discuss the project and received their support for moving forward on construction. We will have another public meeting after the construction contract is awarded.

The project consists of the construction of two pump-assisted wells located at Catherine and Ashby St., an elevated generator platform that will be located

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

within this easement, and an emergency outfall pipeline running from the wells down Catherine St., through the City right-of-way in the Horace O'Bryant Middle School parking lot, and ending at the retention pond located off of Jose Marti Dr. between the Police Station and Bayview Park.

A key component of this stormwater pump station project is the elevated generator platform. This is important because it will house a generator above flood plain elevation so the pump station can remain operational during an extended power outage. Additionally, the control panel for the pumps will be mounted on top of the platform so it also can be elevated.

The actual stormwater pumps will be located below ground in the street at the northern dead-end of Ashby St. next to Horace O'Bryant Middle School. This is a very short section of roadway that includes just two homes, one on either side of the road, with each having its own driveway on Ashby St. The fence to the middle school is at the north end of this street.

The City has received an easement from the Monroe County School District on Horace O'Bryant Middle School property for the generator platform and control panel to be situated. (Resolution # 12-126)

FEMA will be funding 75% of the construction and construction engineering costs of this project.

PURPOSE AND JUSTIFICATION

On November 29, 2011 the City opened the bids for this project. Wharton Smith, Inc. was the low-bidder at \$3,242,000 (including a \$200,000 contingency allowance, a \$50,000 building permit fee allowance and a \$45,000 allowance from Keys Energy Services). City Staff and the Engineer of Record (CH2M Hill) reviewed the bids and are recommending the lowest qualified bidder, Wharton Smith's bid be awarded.

The Engineer of Record has checked references, and Wharton Smith has previously performed other satisfactory work at the City's wastewater treatment plant. Therefore City Staff is comfortable awarding the project to Wharton Smith.

City staff has delayed the award of this contract for so long after the bid date due to the time that FEMA needed to review and approve grant funding for construction. Without this grant assistance, the City would not have sufficient funds to construct the project.

OPTIONS / ADVANTAGES / DISADVANTAGES:

1. The City Commission can award the low bid of Wharton Smith, Inc and proceed with the project. This option will allow the City to construct a new project that could greatly assist the drainage in major storms for this frequently-flooded neighborhood, and enable the City to utilize significant funding assistance from FEMA. Permits from the Army Corps of Engineers and South Florida Water Management District have been secured, and the City and FEMA have already partnered in funding the design of the project.

2. The City Commission can decline the low bid from Wharton Smith Inc. This option is not recommended because we would not capitalize on this unique opportunity to construct a drainage project that would be of great benefit to this neighborhood which flooded in the most recent October storms, along with several occasions during the hurricane season of 2005. Without the funding assistance of FEMA, the City would have a very difficult time paying for the project ourselves in the future. Staff has no reason to believe that re-bidding the project would result in a lower cost to the City.

FINANCIAL IMPACT:

FEMA will be covering 75% of the construction costs of this project. The funding breakdown for this construction contract would be as follows:

City Share (25% of Costs/Acct. # 402-3802-538-65/ST0802)	\$960,500*
<u>FEMA share (75% of Costs).....</u>	<u>\$2,281,500</u>
 TOTAL.....	 \$3,242,000

The total project costs for the George St. Stormwater Pump Station and Outfall Project Phase II funding are as follows:

Wharton-Smith Bid for Construction.....	\$3,242,000.00*
CH2M Hill Construction Engineering.....	\$254,274.00
Perez Engineering Construction Engineering.....	\$71,100.00
<u>Re-design of Outfall Pipeline (already completed).....</u>	<u>\$69,894.00</u>
TOTAL	\$3,637,268.00

City Share(25% of Non-Contingency Costs/Acct. # 402-3802-538-65/ST0802)	\$1,059,317.00*
<u>FEMA share (75% of Costs).....</u>	<u>\$2,577,951.00</u>
 TOTAL.....	 \$3,637,268.00

**Includes a \$200,000 contingency allowance during construction which can be submitted to FEMA for possible 75% funding at conclusion of project.*

These figures are within the \$4.1 million total the City has budgeted for the project.

RECOMMENDATION:

Staff recommends that the City Commission select option 1, awarding the low-bid to Wharton Smith Inc in the amount of \$3,242,000 for the George St Stormwater Pump Station and Emergency Outfall project.