



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041 (305) 809-3883

MEMORANDUM

TO: Jim Scholl, City Manager

FROM: Jim Bouquet, P.E., Director of Engineering

DATE: May 30, 2018

RE: Cancellation of Traffic Signal Maintenance and Compensation Agreement, Contract No. ARU46.

ACTION STATEMENT:

Notify Florida Department of Transportation of the City of Key West intent to cancel *Traffic Signal Maintenance and Compensation Agreement, Contract No. ARU46* in accordance with *Attachment 1 Revised Terms and Conditions for the Traffic Signal Maintenance and Compensation Agreement* effective June 30, 2020. Authorize the City Manager to cancel the Agreement.

BACKGROUND:

The City of Key West entered into the *Traffic Signal Maintenance and Compensation Agreement, Contract No. ARU46* (Agreement) with the Florida Department of Transportation (FDOT) dated August 24, 2015 under City Commission Resolution 15-224. FDOT subsequently revised the current agreement as *Attachment 1 Revised Terms and Conditions for the Traffic Signal Maintenance and Compensation Agreement*. Attachment 1 was accepted by City Commission under Resolution 16-241 in September 2016.

However, implementation of the Agreement has become burdensome and financially challenging to the City including:

1. In June 2017, FDOT implemented a new agreement management protocol that has burdened City staff with a non-flexible approach to Agreement implementation and compliance.
2. KEYS Energy, the City's traffic signal maintenance contractor, refuses to agree to inventory and replace damaged mast arms and maintain solar power pedestrian crossing lights. This requires the City to solicit request for proposals from mainland-based contractors, with resulting increase in response time and cost to the City.

3. KEYS is proposing to significantly increase the annual cost to maintain traffic signals within the City including FDOT signals. All FDOT received funds for signal maintenance (currently \$60,000 annually) would be paid to KEYS, with no additional FDOT funds available to the City for restocking replacement part inventory.
4. KEYS is now requesting the City contract directly with an Emergency Traffic Signal Repair contractor, in contrast to the current agreement.
5. The long-term interest in KEYS continued maintenance of traffic signals is unclear, with indications that KEYS would prefer not to be a maintenance contractor for these systems.
6. Installation of the proposed HAWK pedestrian signal systems along North Roosevelt will add another layer of complexity to the maintenance program.
7. Requirements for future reimbursements associated with Force Majeure (e.g., hurricanes) in accordance with FDOT's requirements will significantly delay completion of repairs and potentially jeopardize the City receiving full reimbursement for emergency expenditures.

PURPOSE AND JUSTIFICATION:

Commission approval is required to cancel the existing Florida Department of Transportation *Traffic Signal Maintenance and Compensation Agreement, Contract No. ARU46 and Attachment 1* in accordance with Paragraph 38 of the Agreement.

For reasons presentable above, cancellation of the Agreement is in the best financial and performance interest of the City.

The City has the capability, whether “in-house” or through a contractor, to maintain the less complex City owned traffic signals.

FINANCIAL ISSUES

FDOT compensation to the City for services provided under the Agreement will cease as of July 1, 2020; however, the City will realize cost savings by not contracting KEYS to maintain FDOT traffic signals and eliminate extensive City staff time required to comply with the current FDOT agreement.

RECOMMENDATION

Staff recommends canceling the existing Florida Department of Transportation *Traffic Signal Maintenance and Compensation Agreement, Contract No. ARU46 and Attachment 1 Revised Terms and Conditions for the Traffic Signal Maintenance and Compensation Agreement* effective June 30, 2020.