



THE CITY OF KEY WEST

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MEMORANDUM

EXECUTIVE SUMMARY

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

FROM: Gary W. Bowman, General Services and Engineering Director

DATE: May 7, 2010

SUBJECT: Approval of Amendment No. 2 to DEP Agreement No. 06MO1 with the Florida Department of Environmental Protection (FDEP) to extend the grant period to July 31, 2011 for the Smathers Beach Renourishment project GR0701; Authorize City Manager to execute Amendment No. 2

ACTION STATEMENT:

This resolution will approve Amendment No. 2 to DEP Agreement No. 06MO1 between the City of Key West and the Florida Department of Environmental Protection (FDEP) to extend the grant agreement period to July 31, 2011. Currently, the grant period ends on June 10, 2010. The extension will provide additional time to obtain the necessary permits for the renourishment of Smathers Beach.

City Staff is also requesting the City Manager be authorized to execute the amendment.

BACKGROUND:

Delays in obtaining a permit from the Army Corps of Engineers have prevented the renourishment project from moving forward. As a result, an extension to this grant is necessary to preserve the funding provided as described below.

Original grant agreement: Resolution 06-384, passed and adopted by the City Commission on December 5, 2006, authorized acceptance of a grant from FDEP for the Key West Beach Nourishment project in the amount of \$660,000.00 with a grant period ending on January 31, 2008. It should be noted that the \$660,000.00 was FDEP's share of a total *estimated* project cost

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

of \$1.32 million. This estimate was the basis of the grant funding approved by the Commission. The other \$660,000.00 was to be funded by the City. However, the actual amount of the grant accepted via Resolution 06-384 provided \$36,770.00 in funding from FDEP with \$36,770.00 funded by the City for a total project cost of \$73,540.00 for Smathers Beach for design and permitting only. Similar to the \$1.32 million, the \$73,540.00 was an estimated project cost. Eligible project tasks included professional services required for engineering and design, obtaining environmental permits and other authorizations and the preparation of plans and specifications. Permit application fees or any other fees paid to the State of Florida were excluded.

Amendment No. 1: Resolution 08-009, passed and adopted by the City Commission on January 2, 2008, approved Amendment No. 1 to FDEP Grant Agreement No. 06MO1. In this amendment, the project is now referred to as City of Key West (Smathers Beach Construction) instead of Key West Beach Nourishment Project. The grant period was extended to June 10, 2010. Funding was increased as follows:

DEP Agreement No. 06MO1									
Funding Comparison between Original Agreement and Amendment No. 1									
Task #	Eligible Project Tasks	Original Agreement				Amendment 1			
		Estimated Project Costs				Estimated Project Costs			
		Federal	DEP	Local	Total	Federal	DEP	Local	Total
2.0	Design and Permitting								
2.1	Design and Permitting	\$0	\$36,770	\$36,770	\$73,540	\$0	\$46,504	\$46,504	\$93,008
3.0	Construction								
3.1	Construction Administration					\$0	\$9,500	\$9,500	\$19,000
3.2	2007 Truck Haul					\$0	\$382,941	\$382,941	\$765,882
	TOTAL PROJECT COSTS	\$0	\$36,770	\$36,770	\$73,540	\$0	\$438,945	\$438,945	\$877,890

Eligible project tasks included design and permitting, the same tasks as seen in the original agreement (except with an increase in funding from \$73,540 to \$93,008), plus additional funding for work performed and costs associated with the placement of fill material and/or the construction of erosion control structures within the project area as well as funding for the construction management associated with the project.

Amendment No. 2: This is the amendment before the Commission for approval. It extends the grant period to July 31, 2011. Other changes included in the amendment are: 1) a minor change to the description of "Eligible Project Tasks" appears under Task #3.2, which was changed from "2007 Truck Haul" (as seen in the table above) to "Truck Haul" (please refer to Table 1 in the attached Amendment No. 2); 2) the scope of work in Amendment No. 2 is more general in nature versus the very specific scope of work found in Amendment No. 1 where 11,600 tons of sand were to be placed on the beach, for example; and 3) several other "housekeeping" issues related to changes between Project Tasks line item amounts, disbursement of retained amounts, updated names and contact information for both FDEP and the City, the addition of Attachment G "Certification of Applicability to Single Audit Act Reporting," submittal of the bid form for the successful bidder, and change orders.

There were no changes in funding. The funding amounts remain in tact when comparing amounts from Amendment No. 1 to Amendment No. 2.

PURPOSE & JUSTIFICATION:

Renourishing Smathers Beach helps control beach erosion and assists the City in meeting requirements for post disaster funding, mainly Federal Emergency Management Agency (FEMA) funding. Keeping the beach nourished also enables the City to continue attracting tourists and locals to the beach.

Beach renourishment is costly. Therefore, the City is always in pursuit of grant funding to lessen the burden of keeping the beaches adequately nourished. In addition, the permit application process for renourishment efforts is a lengthy process so it is not uncommon to require extensions to the grant period while obtaining the necessary permits.

OPTIONS:

1. Approve Amendment No. 2 to DEP Agreement No. 06MO1 extending the grant period to July 31, 2011. This option will allow additional time to obtain the US Army Corps of Engineers permit needed to renourish Smathers Beach.
2. Do not approve Amendment No. 2 to DEP Agreement No. 06MO1. Without the amendment, the grant period would end on June 10, 2010 leaving very little time prior to that date to obtain the required US Army Corps permit. Without the necessary permit from the US Army Corps of Engineers, it would be difficult to complete the project in time resulting in the loss of \$438,945 in funding from FDEP for the Smathers Beach renourishment effort.
3. Take no action. This option will forego funding for the renourishment of Smathers Beach that would otherwise be funded up to \$438,945 by FDEP (50%) and \$438,945 by the City (50%) for a total project cost of \$877,890.

FINANCIAL IMPACT:

There is no additional cost to the City to extend the grant period to July 31, 2011 with the approval and execution of Amendment No. 2 to DEP Agreement No. 06MO1. However, if Amendment No. 2 is not approved, the City would lose \$438,945 in funding from FDEP.

RECOMMENDATION:

Staff recommends the City Commission select option 1, approve Amendment No. 2 to DEP Agreement No. 06MO1 to extend the grant period to July 31, 2011.

GWB/cds