



## 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:** April 11, 2011

**RE:** **Amending the City's Engineering Services Contract from CH2M Hill, Inc. to CH2M Hill Engineers, Inc.**

#### ACTION STATEMENT:

We are requesting the Commission's permission to novate the City's Engineering Contract approved by Resolution # 07-331 and extended and amended through Resolution 10-287 from CH2M Hill to CH2M Hill Engineers.

#### BACKGROUND:

The City maintains an engineering services contract with CH2M Hill, Inc. that was approved for a 3-year term in 2007, and was extended in 2010. CH2M Hill, Inc. is proposing to restructure its organization into two separate organizations, one for U.S. federal work, and another for non-federal work.

The entity that will be performing the non-federal work will be titled CH2M Hill Engineers, Inc. The same people that are currently performing the work for the City will continue to perform their duties under this new organizational title.

#### PURPOSE AND JUSTIFICATION

The reason CH2M Hill, Inc. is seeking this change is as follows:

- This will allow CH2M Hill, Inc. to release their non-federal business from regulatory requirements that apply to federal business only.
- CH2M Hill Engineers, Inc. will be better tailored to perform non-federal work with a focus on the specific needs of this category of customers.

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

**OPTIONS / ADVANTAGES / DISADVANTAGES:**

1. The City Commission can consent to novate the contract to reflect the name change. Doing so will allow the current level of service and contractual terms to remain.
2. The City Commission can decline to amend the contract. This option is not recommended by Staff, as the City may not be able to utilize the engineering services that are essential in completing numerous projects. City Staff believes that CH2M Hill is the firm that can best manage many of our sewer, stormwater, engineering, solid waste, and port projects of the engineering firms we have under contract.

**FINANCIAL IMPACT:**

There is no financial impact to amending this contract to reflect the name change. The hourly rates will remain the same.

**RECOMMENDATION:**

Staff recommends that the City Commission select option 1, approving to novate the engineering services contract from CH2M Hill, Inc. to CH2M Hill Engineers, Inc.