



THE CITY OF KEY WEST

3140 Flagler Ave Key West, FL 33040 (305) 809-3700

MEMORANDUM

EXECUTIVE SUMMARY

TO: Bob Vitas, City Manager
E. David Fernandez, Asst. City Manager
Mark Finigan, Asst. City Manager
Doug Bradshaw, Senior Project Manager

FROM: Karen Olson, Special Projects Manager

DATE: February 11, 2013

RE: Awarding of the Asphalt Paving Project to D.N. Higgins, Inc.

ACTION STATEMENT:

This resolution will approve the sole bidder, D.N. Higgins, Inc., for the Asphalt Paving Project and authorize the City Manager to execute the contract.

BACKGROUND:

The City of Key West hired a consultant to perform a Pavement Assessment throughout the island to rank our roads in need of repair. The City will use this survey as a tool to develop the City's paving priorities. When issuing any work orders under this contract the ongoing N. Roosevelt Blvd. construction will be kept in consideration.

The City will be using a number of specialty pavement treatments to preserve our existing roadways as recommended by the Pavement Assessment Consultant. These treatments will allow us to preserve lower volume roadways for up to 60% less cost than traditional mill and pave. This will allow the City to focus more dollars toward higher volume roadways in need of repair.

With D.N. Higgins, Inc. being sole bidder for this project the City reserves the option of negotiating lower bid prices based on specific line item quantities. The negotiated pricing shall not exceed contracted bid prices and must be mutually agreed upon by both parties.

Having the ability to negotiate prices based on actual quantity of work to be performed will allow the City to preserve a larger area of our roadways. The specialty treatment contractor's pricing came in very high due to an unspecified quantity per work order. They priced according to minimal quantity of product and high cost of mobilization. During conversations it was acknowledged that based on quantity we could save as much as 50% off the listed unit price line items.

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

PURPOSE AND JUSTIFICATION:

Many areas throughout the City are in dire need of asphalt rehabilitation. Annual funding received from the gas tax fund will make these much need repairs possible.

OPTIONS:

Option #1 Approve the sole bidder, D.N. Higgins, Inc., for the Asphalt Paving Project and authorize the City Manager to execute the contract.

Option #2 Reject the bid from D.N. Higgins, Inc. and re-bid Asphalt Paving Project.

FINANCIAL ISSUES

The city has budgeted \$990,389.00 for this project for fiscal year 2013 with an additional proposed budget of \$750,000.00 annually throughout the duration of the contract. Also, the City has budgeted \$170,000.00 for the Cemetery Road Resurfacing project which will be completed under this contract.

The City budgeted for this project in account 102-4102-541-6300 (GN-1202) and account 101-1905-519-6300 for the Cemetery Roadway Resurfacing (CE-1201).

RECOMMENDATION

Staff recommends option #1, approve the sole bidder, D.N. Higgins, Inc., for the Asphalt Paving Project and authorize the City Manager to execute the contract.