



THE CITY OF KEY WEST

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EXECUTIVE SUMMARY

Date: January 5, 2021

To: Gregory W. Veliz, City Manager

From: Kelly Crowe P. E., City Engineer

Cc: Patti McLauchlin, Assistant City Manager
Steve McAlearney, Engineering Director
Mark Finigan, Finance Director

Subject: CH2M Hill Companies Ltd. Merger with Jacobs Engineering Group Inc.

ACTION STATEMENT

Formally recognize the merger of CH2M Hill Companies Ltd. (CH2M) with Jacobs Engineering Group Inc. (Jacobs) and acknowledge CH2M's status as a wholly owned subsidiary and continue to execute task orders under existing contracts with CH2M.

BACKGROUND

Per Resolution 17-207, the City of Key West City Commission approved the staff ranking for General Engineering Services. The city subsequently entered into a Professional Services Contract with CH2M on a task order basis.

On December 15, 2017; CH2M merged into and became a wholly owned subsidiary of Jacobs. After the merger, CH2M is fully operational and their existing contracts are unaffected by the merger and remain in full force. As a subsidiary of Jacobs, CH2M will be utilizing Jacobs logos and branding on their work.

The General Engineering Services contract with CH2M was extended for a two-year period per Resolution 20-142.

PURPOSE AND JUSTIFICATION

With respect to the existing contract that the city has with CH2M, the corporate names Jacobs and CH2M are often used interchangeably within communication material (e-mail, formal letters, etc.); however, CH2M is used on task orders to be consistent with the contract.

MEMORANDUM

There has been some confusion internally as to which entity holds the contract. This action is intended to resolve any confusion on the subject and recognize the merger between Jacobs and CH2M but acknowledge that CH2M's contracts with the city remain in full force.

FINANCIAL ISSUES

This action is administrative in nature and the existing contract with CH2M Hill, Inc. will remain in effect. All financial transactions related to the contract will continue to be processed with CH2M.

RECOMMENDATION

Staff recommends formally recognizing the merger of CH2M Hill Companies Ltd. with Jacobs Engineering Group Inc. and acknowledge CH2M's status as a wholly owned subsidiary and continue to execute task orders under existing contracts with CH2M.