



THE CITY OF KEY WEST

EXECUTIVE SUMMARY

Date: December 14, 2022

To: Patti McLauchlin, City Manager

From: Steve Gardner, Senior Project Manager

Cc: Christina Bernaldi, Finance Director
Todd Stoughton, Assistant City Manager
Kelly Crowe, Utilities Director

Subject: Approve additional scope of work from Operations Management International, Inc. (OMI) to replace and install the Ferric Sulfate tanks and Aeration Basin walkways and railings at the Richard A Heyman Environmental Pollution Control Facility (WWTP) in the amount of \$120,517.02 and authorize any necessary budget transfers.

Action Statement

Approve additional scope of work from Operations Management International, Inc. (OMI) to replace and install the Ferric Sulfate tanks and Aeration Basin walkways and railings at the Richard A Heyman Environmental Pollution Control Facility (WWTP) in the amount of \$120,517.02 and authorize any necessary budget transfers.

Background

Per ITB 22-005, the City of Key West (City) put a project out to bid that included the replacement of two ferric sulfate tanks and four aluminum access gangways and railing at the Richard A. Heyman Environmental Protection Facility (RAHEPF). The City received three bids:

Contractor	Bid Amount
Charley Toppino & Sons, Inc.	\$1,104,075.00
TLC Diversified, Inc.	\$795,585.00
Razorback, LLC	\$769,650.00

The bids were significantly higher than the budgeted amount. The City rejected those bids per Resolution 22-066 and decided to approach the project differently and directly purchased the tanks and gangways to ensure project completion

Per Resolution 22-103, The Ferric tanks were purchased from Plas-Tanks Industries in the amount of \$93,012.00. As authorized per Resolution 22-106, The gangways were purchased from Dowlings Holdings of Florida in the amount of \$153,467.00.

To facilitate installation of the tanks and gangways, staff approached OMI to inquire if their in-house staff was capable of performing the work. OMI indicated they were able; however, per the contract for operations and maintenance services at RAHEPF, this work is out of scope and considered an additional service. The contract allows for out-of-scope work to be performed as an additional service per Section 3.2.5 of the contract.

OMI issued a scope and fee proposal for the additional work to install both the Ferric tanks and the gangways in the amount of \$120,517.02. Combined with the materials costs that were procured directly by the city, the project cost is estimated to be \$366,996.02 which is less than half the cost of the lowest bidder from ITB 22-005. This represents a cost savings of over \$400,000 to the City of Key West.

Purpose and Justification

The City of Key West entered into a contract agreement with OMI that was authorized per Resolution 13-304 and renewed per Resolution 18-366. The contract allows for additional services that are out of scope to be provided. OMI has the staff to accomplish the work in order to complete the project. Furthermore, by agreeing to the additional contract services with OMI, the City will save nearly \$400,000 in project costs.

Strategic Plan: Environmental Protection, Priority 4; Goal 3; Action 6; Upgrade & Maintain systems as per DEP compliance program, as it relates to the Richard A. Heyman Environmental Pollution Control Facility and proper maintenance of that facility.

Financial

The scope of OMI's current purchase order (PO #97506) in the amount of \$6,168,283.00 does not include the work to install the Ferric tanks and gangways. A budget transfer in the amount of \$120,517.02 from Account 401-3501-535-9900 (Reserves) to Account 401-3504-535-3400 will be needed to fund the additional scope of work. Upon approval PO #97506 will be increased from \$6,168,283.00 to \$6,288,800.02.

Recommendation

Staff recommends approving the additional scope of work from Operations Management International, Inc. (OMI) to replace and install the Ferric Sulfate tanks and Aeration Basin walkways and railings at the Richard A Heyman Environmental Pollution Control Facility (WWTP) in the amount of \$120,517.02 and authorize any necessary budget transfers.