MEMORANDUM

Date: June 4, 2025

To: Honorable Mayor and Commissioners

Via: Brian L. Barroso
City Manager

CC: Christina Bervaldi
Director of Finance

From: Lucas Torres-Bull
Procurement Manager

Subject: **File ID 25-3858 – Recommendation to allow procurement staff to solicitate competing proposals in response to the unsolicited detailed proposal provided by Fortress Security for the design, finance, and construction of Fire Station #3.**

Introduction

City staff respectfully recommends that the Mayor and City Commission authorize the Finance Department, Office of Procurement, to initiate the process for soliciting competing proposals pursuant to Section 255.065, Florida Statutes and City of Key West Code of Ordinances, Section 2-774, in response to an unsolicited detailed proposal submitted by Fortress Security. The proposal pertains to the financing, design, and construction of Fire Station #3, located at 1600 North Roosevelt Boulevard, Key West, Florida 33040.

Background

In February 2025, the City of Key West received an unsolicited detailed proposal from Fortress Security for the financing, design, and construction of Fire Station #3. This proposal was submitted under the guidelines of the Public-Private Partnership (P3) procurement method, authorized under Section 255.065, Florida Statutes, which facilitates greater private sector involvement in the development and delivery of public infrastructure projects. When properly implemented, P3s can provide access to private equity capital, accelerate project timelines, and potentially reduce overall public sector costs.

On March 4, 2025, City staff requested approval from the City Commission to undertake a substantive review of the unsolicited proposal. That request was approved at the March 4, 2025 City of Key West Commission meeting. The approval enabled staff to thoroughly evaluate the feasibility and potential benefits of the proposal, including a detailed review conducted by both internal subject matter experts and

an evaluation committee established by the Finance Department and approved by the City Manager. The evaluation committee was comprised of stakeholders who have a vested interest in the successful completion of the project and who have the City best interests in mind.

Following the completion of this review, staff concluded that the proposed project qualifies as a viable Public-Private Partnership project under state statute and aligns with the City's infrastructure goals. Accordingly, staff recommends proceeding to the next statutory step, which involves publicly soliciting competing proposals to ensure fairness, transparency, and compliance with the competitive process outlined in Section 255.065(3), Florida Statutes.

Cost

There is no financial impact associated with authorizing staff to solicit competing proposals in response to the unsolicited detailed proposal submitted to the City by Fortress Security.

Recommendation

City staff recommends that the Mayor and City Commission authorize the Finance Department, Office of Procurement, to accept and evaluate competing proposals in response to the unsolicited detailed proposal submitted by Fortress Security. This recommendation is made pursuant to Section 255.065 of the Florida Statutes, which governs Public-Private Partnerships (P3s). While the statute allows for a solicitation period ranging from forty-five (45) to one hundred and twenty (120) days, Procurement staff recommend a solicitation window not to exceed sixty (60) days.

Authorizing the acceptance of competing proposals serves several strategic and financial objectives. It allows the City to conduct a comparative analysis of proposed pricing, contractual terms, and performance obligations, thereby maximizing value and optimizing risk allocation. A competitive process promotes transparency, ensures accountability, and strengthens the City's position in any subsequent negotiations.

Additionally, opening the process to alternative proposals encourages innovation by inviting varied design concepts and financing strategies from the private sector for the development of Fire Station #1. This broader pool of ideas enhances the City's ability to identify superior technical solutions, cost-effective financing models, and approaches that may expedite project delivery and reduce long-term operational costs.

This stage marks a pivotal part of the City's due diligence and reinforces its commitment to delivering high-quality public infrastructure through a fair, responsible, and competitive procurement process.

It is important to note that the City is under no obligation to enter into a contract with Fortress Security or with any other entity that submits a competing proposal. Participation in the solicitation process does not guarantee contract award or continued consideration.

Should the City determine at any point that the submitted proposals do not adequately align with its operational, financial, or strategic priorities, it reserves the right to cancel the solicitation and/or discontinue any ensuing contract negotiations without incurring any obligation or liability.

Attachments:
Resolution