

RESOLUTION NO. 15-104

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, APPROVING THE USE OF OWNER DIRECT PURCHASE TO ELIMINATE SALES TAX FEES ON SELECTED PROJECT MATERIALS FOR CONSTRUCTION OF NEW CITY HALL AT GLYNN ARCHER SCHOOL; APPROVING BURKE CONSTRUCTION GROUP, INC. TO MANAGE THE OWNER DIRECT PURCHASE PROGRAM ON BEHALF OF THE CITY FOR A NEGOTIATED FEE OF 10 PERCENT ON THE TOTAL SAVINGS REALIZED; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, City staff, in discussion with the contractor for the New City Hall at Glynn Archer School, has determined that use of an Owner Direct Purchase program should result in project cost savings of approximately \$267,059.00, by eliminating sales tax fees on selected project materials; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA AS FOLLOWS:

Section 1: That the use of Owner Direct Purchase for selected project materials for construction of New City Hall at Glynn Archer School is hereby approved.

Section 2: That Burke Construction Group, Inc., is hereby approved to manage the Owner Direct Purchase program on behalf of the City of Key West, for a negotiated fee of 10% of the savings, as described in the attached Executive Summary.

Section 3: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the Presiding Officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 17 day of March, 2015.

Authenticated by the Presiding Officer and Clerk of the Commission on 18 day of March, 2015.

Filed with the Clerk on March 18, 2015.

Mayor Craig Cates	<u>Yes</u>
Vice Mayor Mark Rossi	<u>Yes</u>
Commissioner Teri Johnston	<u>Yes</u>
Commissioner Clayton Lopez	<u>Yes</u>
Commissioner Billy Wardlow	<u>Yes</u>
Commissioner Jimmy Weekley	<u>Yes</u>
Commissioner Tony Yaniz	<u>Yes</u>

ATTEST:


CHERYL SMITH, CITY CLERK


CRAIG CATES, MAYOR



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

EXECUTIVE SUMMARY

Date: March 13, 2015

To: Jim Scholl, City Manager

From: Greg Veliz, Assistant City Manager

Cc: Sarah Spurlock, Assistant City Manager
 Jim Bouquet, P.E., Director of Engineering
 Nancy Kielman, Director of Finance

Subject: Approval of Owner Direct Purchase Program for
 Construction of New City Hall at Glynn Archer School.

Action Statement

Resolution approving the use of Owner Direct Purchase to eliminate sales tax fee on selected project materials for Project GN1302 - New City Hall at Glynn Archer School. Approving Burke Construction Group, Inc. to manage Owner Direct Purchase program on behalf of the City for a negotiated fee of 10 percent on the total savings realized. Project savings is currently estimated at approximately \$267,059, subject to timely approval of this option.

Background

Resolution No. 14-348 accepted the proposal of Burke Construction Group Inc., (Burke) for construction of a New City Hall at 1300 White Street with a base bid amount of \$14,997,500.00. The project documents provide, as an option, that the City of Key West (City) utilize Owner Direct Purchase (ODP) of materials and services (see Attachment A, Section 20 of Instructions to Bidders). Upon request of the City, Burke provided tentative list of potential ODP items and associated costs (Attachment B). Based on a tentative estimated cost of \$4,239,030 for potential ODP items identified on Attachment B and a current sales tax rate of 7 percent (%), estimated savings to the project is itemized below:

7% Sales Tax on Total Estimated Cost of \$4,239,030:	\$ 296,732
Estimated Burke Management Fee at 10%:	\$ <u>29,673</u>
Estimated Project Savings to City:	\$ 267,059

MEMORANDUM

Services provided by Burke on behalf of the City will include, but not be limited to:

1. Direct subcontractors provide a detail breakdown of their contracts to separate materials from the labor and other costs.
2. Prepare and issue deductive change orders to subcontractors for their material portion including sales tax.
3. Prepare and issue deductive change orders to the City for the material portion including sales tax.
4. Prepare direct purchase orders (net of sales tax) directly to the material suppliers
5. Prepare and maintain a tracking spreadsheet throughout the project detailing the direct purchases, matching purchases to the respective deductive change orders, and identifying tax savings. The spreadsheet will reflect detailed draws against the above-mentioned direct purchase orders (DPOs) to track the payments made by the City so that the payments never exceed the respective purchase order.
6. Insure that the total of DPO's added to the total of the remaining subcontractor bills (labor, etc.) does not exceed the line item amount for each subcontractor.
7. Maintain subcontractor and materials coordination to facilitate completion of the project on schedule.

Purpose and Justification

Approval of the ODP Program for this project will reduce overall funding required to construct a long-term, state of the art facility to serve the Key West community as a New City Hall.

The improvement of infrastructure is critical to meeting the current and future needs of the City. This project is in accordance with the City of Key West's Strategic Goal #5:
All of the City's Destinations and Resources Are Accessible to Residents and Visitors.

Options

1. Approve the use of Owner Direct Purchase to eliminate sales tax fee on selected project materials for construction of New City Hall at Glynn Archer School. Approve Burke Construction Group, Inc. to manage Owner Direct Purchase program on behalf of the City for a negotiated fee of 10 percent on the total savings realized. Project savings is currently estimated at approximately \$267,059, subject to timely approval of this option.
2. The City Commission may choose not to approve Owner Direct Purchase; however, an estimated savings of \$267,059 will not be realized.

Financial Issues

Approval of the ODP program of this project will reduce required funding by an estimated \$267,059 once fully implemented. Burke's fee to administer this program is currently estimated at \$29,673 and will be funded via the realized savings through deductive project change orders.

Recommendation

Staff recommends approving Option 1 for use of Owner Direct Purchase to eliminate sales tax fees on selected project materials for Project GN1302 - New City Hall at Glynn Archer School. Burke Construction Group, Inc. is recommended to manage Owner Direct Purchase program on behalf of the City for a negotiated fee of 10 percent on the total savings realized. Project savings is currently estimated at approximately \$267,059, subject to timely approval of this option.

The Proposer will provide cost adjustments for "Proposal Alternate" items as follows:

Alternate No. 1 – Add the second solar array structure, including solar panels, steel structure with foundations and miscellaneous equipment required for a fully operational system.

Alternate No. 2 – Add the third solar array structure, including solar panels, steel structure with foundations and miscellaneous equipment required for a fully operational system.

Alternate No. 3 – Substitute concrete for asphalt at the parking lot.

Alternate No. 4 – Substitute alternative roof framing at Commission Chamber shown on Sheets S1.3A and S2.11 for that shown on Sheet S1.3.

Alternate No. 5 – Add Pavilion to Butterfly Garden, including structure with foundations, as shown on Sheets 1.11, 1.13, 1.21 and S2.9.

Alternate No. 6 – Upgrade drip irrigation system with additional pedestal mount controller and 6 moisture sensors and hydrometer, as well as upgraded centrifugal pump.

Alternate No. 7 – Delete the four historic fire escapes, concrete foundation and extended sidewalks at their bases, leaving landing at the top and adding railing and guard on the 3rd side where the stair was.

Alternate No. 8 – The base bid includes manually operated dual roller shades (blackout and shear) for all windows at the Commission Chamber. Upgrade all shades at Commission Chamber to Lutron Sivoia QS motorized dual roller shades, or equal.

20. OWNER DIRECT PURCHASE OF MATERIALS AND SERVICES

It is the City's intent to direct purchase Carpeting and its installation through "piggybacking" on an existing State Contract. The contract with the Supplier and Subcontractor will be assigned to the General Contractor at execution of its Contract and the General Contractor will be responsible for management and quality of the work of the Carpeting Supplier and Subcontractor performing the installation.

The City may, at its option, institute an Owner Direct Purchasing (ODP) Program for the purchase other materials, which have been bid by the Contractor directly, as a cost saving measure directed at reducing the capital costs associated with construction of the New City Hall. The Owner has prepared an ODP procedure, subject to the rules of the Florida Department of Revenue and other agencies having jurisdiction, for the use in this Program, which is attached hereto.

21. **UNFORESEEN CONDITIONS AND PERMITS ALLOWANCE**

The Unforeseen Conditions and Permits Allowance included in the approved budget amount is not a part of the Contractor's Contract and is set aside specifically to cover Field Change Directives that do not constitute a change in scope for the project or to be used as so determined by the City, and to pay for the required City of Key West Building Permit and the Art in Public Places Fee. Utility Permits, such as those for Mechanical, Electrical and Plumbing work, are not included in this allowance and are to be included in the Proposer's Proposal.

CITY OF KEY WEST LICENSES, PERMITS, AND FEES

Pursuant to the Public Proposal Disclosure Act, there are a number of licenses, permits, and/or fees a Contractor REQUIRED BY THE CITY OF KEY WEST before or during construction by virtue of this construction as part of the Contract. Payment of these licenses, permits and/or fees is the responsibility of the Contractor unless specifically excluded.

Notes: (1) Building and Demolition Permit(s) will be paid directly by the City from an allowance set aside by the City for that purpose, and (2) Contractor shall verify each license, permit, or fee before submitting the Proposal.

PROCEDURES FOR THE OWNER DIRECT PURCHASING (ODP) PROGRAM

ODP Process:

Step 1: The City shall prepare a Purchase Requisition with the information received from the Contractor and appropriate Subcontractor and their supplier for material(s) or equipment which will be used in the construction of the Key West City Hall at Glynn Archer. The minimum amount of the Purchase Requisition shall be five thousand U.S. Dollars (\$5,000). The Purchase Requisition shall include, in addition to the payment terms, a description of the material or equipment in the appropriate quantity/quantities, shipping, insurance, and invoice instructions.

Step 2: Upon City approval of the Purchase Requisition, it will develop a Purchase Order for the vendor. The City shall forward a copy of said Purchase Order to the vendor with a required copy to the Contractor. The Contractor is responsible for forwarding a copy of the Purchase Order to the subcontractor with instructions for the subcontractor to contact the vendor and inform vendor that the Purchase Order has been processed and forwarded to the Contractor.

Note: The City shall include its Tax Exempt Number on all Purchase Orders issued as part of the Owner Direct Purchase Program.

Step 3: The vendor shall ship the material or equipment to the Project site or other designated location. The Contractor shall submit the original invoice received from the vendor and subcontractor to the City for approval along with a Conditional Release of Lien from the vendor. The City shall review the Purchase Order invoice with the Contractor to confirm delivery and to confirm material(s) and/or supplies are not damaged or missing and that the materials and/or supplies match the description of those materials and/or supplies included in the Purchase Order. Upon City's approval of the invoice, both parties shall sign the Material Equipment Verification and Confirmation Form for payment. If the Purchase Order invoice is rejected, City shall inform the Contractor, who shall inform the subcontractor and vendor.

Step 4: Upon City's, Contractor's and subcontractor's approval of a Purchase Order, City will submit the Purchase Order invoice for payment. Payments made pursuant to any Purchase Order shall be pursuant to the Florida Prompt Payment Act.

Step 5: At the end of each calendar month, Contractor will calculate the total sum of Purchase Orders issued by the City pursuant to this Owner Direct Purchase Program for the Key West City Hall at Glynn Archer Project and submit to the City. City shall review this submittal prepare a deductive change order for the material(s)/equipment, including the sales tax saved and submit for review and execution.

Step 6: Upon completion of the Key West City Hall at Glynn Archer Project, the City will reconcile any differences between the total amount of all Purchase Orders issued pursuant to this Program for the Key West City Hall at Glynn Archer and the actual amount paid on said Purchase Orders. The net difference will be adjusted in a Change Order provided to the Owner.

Changes to an ODP Purchase Order:

Step A: If a change is required to an existing Purchase Order, Contractor shall fill out an Owner Direct Purchase Order Change Request Form. Included in said Change Request Form shall be a description of the reason for the change and the appropriate backup information from the vendor shall be attached. The Contractor shall submit the Request for review by the Owner.

Step B: Owner, upon receipt and review of a Direct Purchase Order Change Request Form, may issue an amendment to the existing Purchase Order or void the original Purchase Order and issue a new Purchase Order for the increased or decreased amount.

Step C: Contractor shall reconcile with City all adjustments to any existing Purchase Orders at the end of each calendar month as required pursuant to Step 5 above.

Additional Comments:

a) The sales tax savings realized pursuant to the Owner Direct Purchase Program shall be calculated as actual savings incurred through the ODP Program.

b) Contractor shall prepare a Direct Purchase Order Summary Log, which will provide a list of all Purchase Orders issued pursuant to the ODP Program along with the amounts invoiced and paid to date for each Purchase Order. The Summary Log shall also include the amount of sales tax saved on each Purchase Order and shall indicate the number of change orders issued for each Purchase Order. Contractor shall be responsible for constant updates to the Summary Log and shall include a copy of the updated log in its Monthly Progress Report.

c) Contractor shall prepare a Vendor Direct Purchase Order Log for each vendor that has been issued a Purchase Order pursuant to this Program. The Log shall itemize each invoice submitted to Owner for payment, the amount Owner paid, and any change orders issued to vendor under each Purchase Order. This Log will be updated regularly and transmitted to Owner with each vendor invoice.

d) All original invoices must be mailed directly from the vendor/supplier to:
City of Key West
Attn: Mike Vieux - Engineering
Post Office Box 1400
Key West, FL 33041

e) All communication with the Owner regarding the Owner Direct Purchase Order Program must be directed to the same address.

Continuation Sheet

Job: Glynn Archer - Key West City Hall

Job#: 1415

A	B		
Item #	Description of Work	Initial Scheduled Value	Materials
01	Mobilization	75,000.00	
02	Demolition	323,177.00	
03	CIP Concrete	1,070,091.00	215,000
04	Precast Structural Concrete	154,038.00	40,000
05	Carbon Fiber	209,888.00	42,000
06	CMU	275,871.00	110,000
07	Structural Steel	488,500.00	
08	Architecturally Exposed Structural Steel	159,000.00	
09	Steel Decking	161,561.00	
10	Misc. Metal	165,000.00	60,000
11	Cable Railing System	98,845.00	
12	Rough Carpentry	20,000.00	
13	Architectural Wood Casework	251,641.00	100,000
14	Waterproofing	47,600.00	
15	Thermal Insulation	43,072.00	16,000
16	Roofing	380,000.00	152,000
17	Firestopping	9,539.00	
18	Joint Sealers	18,075.00	
19	HM Doors & Frames	30,355.00	12,000
20	Flush Wood Doors	37,040.00	15,000
21	Access Doors & Panel	3,000.00	
22	OH Colling Doors	5,600.00	
23	Fire Rated Glazed Wall	71,609.00	25,000
24	Aluminum Storefronts	158,129.00	80,000
25	Steel Windows	1,399,722.00	
26	Finished Door Hardware	123,880.00	50,000
27	Drywall Assembly	528,150.00	210,000
28	Plaster	252,812.00	100,000
29	Tiling	138,701.00	55,000
30	Suspended Acoustical Ceiling	103,805.00	72,000
31	Wood Strip & Plank Flooring	30,240.00	
32	Tile Carpeting	128,373.00	50,000
33	Acoustic Wall Panels	14,755.00	
34	Painting & Coatings	309,206.00	100,000
35	Signage	44,140.00	30,000
36	Stone Toilet Compartments	20,720.00	8,000
37	Toilet Accessories	12,500.00	5,000
38	Fire Protection Specialties	3,325.00	

Continuation Sheet

Job: Glynn Archer - Key West City Hall

Job#: 1415

A	B	Initial Scheduled Value	Materials
Item #	Description of Work		
39	Lockers	5,448.00	
40	Vehicle Charging Equipment	11,300.00	
41	Residential Appliances	11,681.00	
42	Projection Screens	1,500.00	
43	Window Shades	61,791.00	30,000
44	Renovation of Historic Auditorium Seating	39,275.00	
45	Exterior Furnishings	20,530.00	20,530
46	Elevators	169,250.00	85,000
47	Wet Pipe Sprinkler System	162,750.00	64,000
48	Clean-Agent Fire Extinguishing System	29,400.00	12,000
49	Plumbing	430,371.00	160,000
50	HVAC	1,150,000.00	600,000
51	Electrical	1,936,521.00	800,000
52	Solar Panels	156,800.00	100,000
53	Engine Generator	5,000.00	
54	Audio-Video System	465,249.00	279,000
55	Electronic Safety & Security	168,630.00	65,000
56	Digital Addressable FA System	97,004.00	40,000
57	Clearing & Grubbing	7,729.00	
58	Finish Grading	44,701.00	
59	Erosion & Sediment Controls	2,576.00	
60	Asphalt Paving	91,849.00	36,000
61	Concrete Sidewalk / Pavement	457,126.00	180,000
62	Pavement Markings	11,439.00	
63	Irrigation	86,500.00	32,000
64	Landscape	224,819.00	100,000
65	Utilities	295,741.00	88,500
66	General Conditions	383,107.00	
67	Builders Risk Insurance	215,000.00	
68	GL Insurances	96,138.00	
69	Payment & Performance Bond	137,339.00	
70	Contractors OH & Profit	653,996.00	
71			
TOTAL		\$14,987,500.00	4,239,030

RESOLUTION NO. 14-348

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, ACCEPTING THE PROPOSAL OF BURKE CONSTRUCTION GROUP, INC. FOR CONSTRUCTION OF THE NEW KEY WEST CITY HALL AT GLYNN ARCHER, IN ACCORDANCE WITH THE TERMS SPECIFIED IN RFP 001-15, WITH A BASE BID AMOUNT NOT TO EXCEED \$14,997,500.00; AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT IN ACCORDANCE WITH THE SOLICITATION DOCUMENTS; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, on October 22, 2014 three proposals were opened in response to RFP #001-15, for construction of the new Key West City Hall at Glynn Archer, and the proposals were determined to be fully responsive; and

WHEREAS, ranking committee members submitted ranking scores of each quality packet to the City Clerk in sealed envelopes, which were opened and tabulated, along with pricing packets, at a properly noticed meeting conducted consistent with the "Sunshine Law," on October 30, 2014, to rank the respondents to the RFP; and

WHEREAS, at a regular meeting on November 18, 2014, the City Commission reviewed the criteria of the RFP and determined that the proposal from Burke Construction Group, Inc. was the highest ranked.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the City Commission reviewed the proposals in accordance with the solicitation criteria and determined the attached proposal of Burke Construction Group, Inc. to be the highest ranked respondent for construction of the new Key West City Hall at Glynn Archer in accordance with the terms specified in RFP #001-15 with a base bid amount not to exceed \$14,997,500.00.

Section 2: That the City Manager or his designee is authorized and directed to execute a contract in accordance with the solicitation documents.

Section 3: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the Presiding Officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 18 day of November, 2014.

Authenticated by the Presiding Officer and Clerk of
the Commission on 13 day of January, 2014.

Filed with the Clerk on January 13, 2014.

Mayor Craig Cates	<u>Yes</u>
Vice Mayor Mark Rossi	<u>Yes</u>
Commissioner Teri Johnston	<u>No</u>
Commissioner Clayton Lopez	<u>Yes</u>
Commissioner Billy Wardlow	<u>Yes</u>
Commissioner Jimmy Weekley	<u>Yes</u>
Commissioner Tony Yaniz	<u>No</u>



CRAIG CATES, MAYOR

ATTEST:



CHERYL SMITH, CITY CLERK



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 209-3700

EXECUTIVE SUMMARY

Date: November 4, 2014

To: City Manager

From: J. Michael Vieux, AIA, LEED® AP BD+C

Cc: James Bouquet, P.E., Director of Engineering
Greg Veliz, Assistant City Manager
Sarah Spurlock, Assistant City Manager
Don Craig, Director of Planning
Nancy Kielman, Director of Finance

Subject: Approval to Declare Biltmore Construction the Successful Proposer for the Construction of the New City Hall at Glynn Archer School

Action Statement

Resolution approving Biltmore Construction the successful Proposer for the construction of New City Hall at Glynn Archer School. The City Manager is directed to negotiate a contract with the firm selected by the Commission for subsequent consideration.

Background

The 90% Construction Documents for New City Hall at Glynn Archer School were completed May 28, 2014. An updated project estimate based on those drawings was received on August 8, 2014. This estimate reported the project as exceeding the total budget by approximately \$1,800,000.

Prior to issuance of the Request for Proposal (RFP), staff and the design team spent a significant amount of time reviewing the documents and estimate for potential cost savings. The final estimate based on identified revisions showed the project approximately \$150,000 under the total project budget. Based on this estimate, RFP #001-15 was issued on September 1, 2014. As an RFP, the recommended contractor selection was to be based on a scoring system of qualifications (60%) and cost (40%).

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

MEMORANDUM

Three proposals, each consisting of a "quality packet" and "pricing packet", were received by the City Clerk on October 22, 2014. Quality packets were immediately issued to members of the ranking committee. The members of that committee were: Mike Vieux, Senior Construction Manager, Chair; Bert Bender, Project Architect; Don Craig, Director of Planning; and Jim Bouquet, Director of Engineering. The members reviewed the quality packets separately scored them without discussion among themselves. Individual scores were submitted to the City Clerk in sealed envelopes. Envelopes were opened by a Deputy City Clerk at a public meeting on October 30, 2014. Below is a table showing the results of the total combined score for each Proposer, averaged between the four evaluators.

Rank	Bidder	Scoring			Base Bid Price
		Quality	Price	Total	
1	Blitmore Construction	561	394	955	\$15,236,557.00
2	D.L. Porter Construcion	448	360	838	\$15,400,000.00
3	Burke Construction Group, Inc.	400	400	800	\$14,997,500.00

A complete tabulation of pricing and qualifications of all proposers is attached.

Purpose and Justification

The purpose of this project is to provide a long-term, state of the art facility to serve the Key West community as a new City Hall.

The improvement of infrastructure is critical to meeting the current and future needs of the City. This project is in accordance with the City of Key West's Strategic Goal #5, *All of the City's Destinations and Resources Are Accessible to Residents and Visitors.*

Options

1. Based on evaluation and scoring of the three received proposals, City Staff recommends the selection of Blitmore Construction as the Contractor of Record. Blitmore Construction was scored as the most qualified proposer, based on the quality and depth of their experience while providing a competitive cost. Blitmore Construction's proposed cost was approximately 1.6% higher (\$239,057) than the low bidder. Staff intends to discuss value engineering options and determine whether deductive change orders may be possible that do not diminish the quality of the project.
2. The City Commission may select one of the remaining proposers as the Contractor of Record and direct staff to determine whether deductive change orders may be possible that do not diminish the quality of the project.
3. The City Commission may chose not to select a Contractor of Record.

Financial Issues

Staff to discuss value engineering options and negotiate for selective cost savings with the selected Vendor. Once a negotiated price is established, Staff will return to the Commission at a later date for approval of the negotiated project construction cost and any necessary fund transfers into project funding source (Capital Projects Fund Account # 303-1900-519-6200).

Anticipated value engineering related items currently identified to be discussed/evaluated by the project team include, but are not limited to:

- Builder's Risk wind insurance
- Counter-top materials
- Elimination of exterior architectural stairways
- Window materials
- Cistern coating and irrigation system design
- Auditorium seating
- Reducing the number of video conferencing locations
- Furnishings
- Lighting
- Bathroom finishes

Recommendation

Accept Blitmore Construction as the Contractor of Record. Authorize the City Manager and staff to determine whether deductive change orders may be possible that do not diminish the quality of the project.

Composite Tabulation

Alternate Combination:

NEW CITY HALL AT GLYNN ARCHER

Proposal Date:

Base Only

Base + Alt

Proposer:

10/22/2014

10/22/20

		Burke	Biltmore	Porter
Craig	1	225	555	390
Bouquet	2	450	550	300
Vieux	3	535	590	555
Bender	4	390	549	548

Burke
2
4
5
3

Total Qualification Points		400	561	448
Total Price Points		400	394	390
Total Score, this Option		800	955	838

40
40
80

	Low Pricing	This pricing	This pricing	This pricing	Low Pricing	This pricing
Low Price	14,997,500				14,919,500	
+ This price		14,997,500	15,236,557	15,400,000		14,919,500
x		400	400	400		400
Base	14,997,500	14,997,500	15,236,557	15,400,000	14,997,500	14,997,500
Alt 1: Solar Array 2		340,000	148,333	222,436.50		340,000
Alt 2: Solar Array 3		325,000	144,131	216,009.68		325,000
Alt 3: Concrete for Asphalt		235,000	261,733	268,283.66		235,000
Alt 4: Commission Roof Framing		28,000	55,084	55,869.99		28,000
Alt 5: Butterfly Pavilion		32,000	22,661	20,311.85		32,000
Alt 6: Drip Irrigation		12,200	47,856	22,440.00		12,200
Alt 7: Delete Fire Escapes		(78,000)	(96,850)	(95,980.00)	(78,000)	(78,000)
Alt 8: Motorized Shades		19,300	13,826	44,223.57		19,300



November 2, 2014

CITY OF KEY WEST

Shawn Smith
City Attorney
3126 Flagler Avenue
Key West, Florida

NOV 03 2014
CITY ATTORNEY

RE: RFP No. 001-015
KEY WEST CITY HALL AT GLYNN ARCHER
PHASE 2 – NEW CONSTRUCTION AND MAJOR RENOVATION

Dear City Clerk:

The purpose of this letter is to voice our concerns over the recent RFP No.001-015 referenced above. Our firm is one of three (3) firms whom tendered a bid proposal; in fact, our firm was the lowest bidder of the three bids proffered by the sum of \$239,000.00.

All three firms are more than qualified and capable of performing this project, so our concern does not stem from a question of qualifications, but the bias perspective of the selection committee in awarding points for each qualification item is what we find to be highly questionable.

Our firm was the only firm to attend the Selection Committee evaluation meeting held on October 30th, 2014 where the selection committee members read the scores each member assigned for each of the proposers. The highest score possible was 600 in total and 100 for any individual category. To our shock and disbelief our firm went from being the lowest bidder to being ranked third (3rd) by the selection committee after appropriating the points for each category. Attached is a summary of the scores assigned to each firm by each of the committee members. You will notice that there is a very wide discrepancy between the committee members in scoring my firm. Although the scores vary greatly the materials provided that is being reviewed by each member does not vary, it is the exact same materials, and it does not change. Hence, even more reason to raise our suspicions regarding the bias in scoring.

Our dismay stems from several points of interest:

- (i) Our bid saves the City close to a quarter of a million dollars;
- (ii) Our firm maintains an office in Key west;
- (iii) Our firm utilizes and listed all local subcontractors for executing the project, we are well known for supporting the local business community on our projects;
- (iv) Our firm completed a very difficult restoration to a six story office building in which we clad the beams and columns with carbon-fiber to reinforce the structure, which is also a requirement on this project.

10145 NW 19 St. Doral, FL 33172 • 3210 Flagler Ave. Key West, FL 33040

P: 305.468.6604 • F: 305.468.6654 • www.burkeconstructiongroup.com

**SHAWN SMITH
CITY ATTORNEY
RFP NO. 001-015
NOVEMBER 2ND, 2014
PAGE 2 OF 4**

Another point of interest that we believe lead to a very bias scoring is the fact that the bidder whom the committee ranked the highest and is recommending award had the advantage of working with the design professionals and the City on this project for well over a year. They provided the original detailed cost budgets and had the advantage of studying the project information first-hand a year in advance of the official bid.

Additionally, due to the fact that all of the bidders' proposals exceed the desire targeted budget, the committee members did not consider any of the additive alternates. The committee members did take into consideration the Base Bids and Alternate No. 7 which is a deductive alternate.

Furthermore, we have numerous concerns as it relates to members of the selection committee. The only member who did not to attend the October 30th meeting was Don Craig. We learned at the meeting that Mr. Craig has resigned and is leaving his position with the City. Unfortunately Mr. Craig issued the lowest score to our firm. What is difficult to comprehend is why Mr. Craig is part of the selection committee and his low score is very suspect to us. In addition, the architect Mr. Bender was also part of the selection committee. This is highly unusual due to the fact that Mr. Bender is in direct relationship with Biltmore Construction and has worked closely with them for over a year on this project. Not only is this a conflict of interest for Mr. Bender, it has also gave Biltmore a major advantage over the competition.

In addition, at the selection committee hearing, Mr. Bender stated that we were at a disadvantage because he did not know us personally and that he had worked closely with Biltmore and the other bidder DL Porter. He further stated that because of that we were scored lower.

The final major concern that we have with this process, is that not a single committee member called any of our references. As Mr. Bender clearly stated at the meeting, he had worked with the other firms and had a personal relationship with them that he did not have with us. Had he or any other committee member been diligent and not biased, with just a few phone calls they could have been enlightened to the fact that over the last 15 years my partner and I have completed double the amount of municipal projects than the other two firms combined.

To that end, I would like to offer you the following information by category, each was worth 100 points and see if your conclusion is the same as ours:

a. Successful completion of projects of similar size and complexity: 100pts:

We have completed over \$2 billion worth of projects, 18 schools, ranging from \$11 to 50 Million, 5 courthouses including Freeman Justice Center in Kay West, 3 City halls, Parrot Jungle Island, Nevatim Air Force Base in Israel just to name a few.

b. Successful completion of sizeable LEED-certified projects, including providing all documentation for certification: 100 pts.

We just finished 6 months ago the new Stock Island Fire Station which is the first green building in Monroe County which features the same details as the new city hall, we also completed last year the Camp Blending Live Fire shoot house for the US Military which was a LEED Silver Certified project.



SHAWN SMITH
CITY ATTORNEY
RFP NO. 001-015
NOVEMBER 2ND, 2014
PAGE 3 OF 4

c. Experience in and knowledge of the labor and materials markets of the Florida Keys. 100pts.

I was born and raised in Key West, a fourth generation conch and my family has been doing business in Key West since 1903. We have a local office on Flagler with one of the best managers Buddy Montgomery who was born and raised in Key West, we completed two successful projects this year in Key West, the Stock Island Fire Station and Nelson English/Wille Ward park. In addition we built the Freeman Justice Center in Key West and the Little Venice Water Treatment Plant in Marathon. None of the bidders have more local history and knowledge than myself.

d. Successful completion of similarly-sized historic restoration projects. 100 pts.

We built the new Parrot Jungle on Watson Island which was one of the most complicated historic projects built in Florida. Nearly \$40 million in size and included the moving, storage and restoration of the historic Japanese gardens to an island that we built on an eco-sensitive strip of coastline. In addition, we just completed the restoration of the historic Thelma Mansion in the Village of Palmetto Bay which had re-purposed Wood similar to the City Hall project.

e. Successful experience with reinforcing of existing concrete structures, especially in the use of carbon fiber reinforcing. 100 pts.

We have completed millions of square feet of reinforced concrete structures and are a leading expert in tilt-wall construction. Top 5 in the state of Florida for most Tilt-wall projects completed, which all use reinforced concrete. In addition we just completed the carbon fiber reinforcement of a 6 story building in Hollywood Florida and submitted a recommendation letter from one of Florida's leading carbon fiber engineering firms

f. Successful experience with municipal government projects of similar size. 100pts.

I submitted with my package just a partial sample of municipal projects that we have completed in just the last 10 years. There were 20 projects that totaled over \$360M and averaged over \$18M per project. Eleven of the projects were larger than the City Hall project. I have attached that list for your convenience.

After reviewing just these shortened answers to the qualifications, you tell me whether or not a score of 225 and 390 out of 600 is a fair and balanced assessment of our qualifications.

I want to reiterate our concern as to the appearance of impropriety as it relates to this bid process and the selection process. The architect (Bender & Associates) working with the City staff, selected a firm (Biltmore Construction) in which they hired to review the project and prepare a budget. This process, to my knowledge has gone on for a few years. Working together, Biltmore & Bender, designed the project, developed the budget and created the bid criteria and process. This is a normal occurrence except that it created a major conflict of interest to then allow not only Biltmore to bid the project but further allowed Bender to be one of four members of the final selection committee.

Despite those facts and that conflict of interest, we were still able to submit the lowest bid for the project. At the end of the day, all 3 firms are qualified to do this project but we submitted the lowest bid. We have the

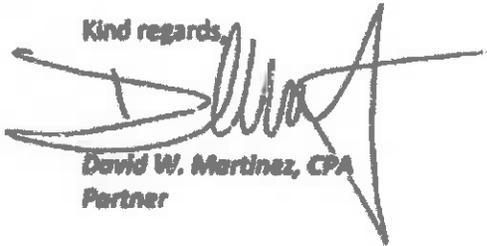


**SHAWN SMITH
CITY ATTORNEY
RFP NO. 001-015
NOVEMBER 2ND, 2014
PAGE 4 OF 4**

qualifications, the bonding capacity, the experience, the local office and most importantly the lowest bid. There is no logical reason that our firm should not have received the unanimous support of both the City and the selection committee.

Thank you for taking the time to review our concerns and I look forward to hearing from you regarding this matter.

Kind regards,

A handwritten signature in black ink, appearing to read "David W. Martinez", written over the typed name and title.

**David W. Martinez, CPA
Partner**



**RFP No. 001-15
Key West City Hall at Glynn Archer
Request for Proposal**

- Request for proposal:** RFP No. 001-015
Key West City Hall at Glynn Archer
Phase 2 – New Construction and Major Renovation
- RFP Date:** August 31, 2014
- Mandatory Pre-Bid Conference:** September 15, 2014 @ 10:00am
- Bid Date:** October 15, 2014 @ 3:00pm
- Revised Bid Date:** October 22, 2014 @ 3:00pm
- Bid Submission:** The Clerk of the City of Key West
3126 Flagler Avenue, Key West
- Bid Opening:** Bids to be Publicly Opened and Read
- Requirements:** The successful Proposer must demonstrate that he/she holds, as a minimum, the following licenses and certificates:
- A) City of Key West License as defined in the Code of Ordinances Chapter 88, enabling the Contractor to perform the work as stated herein (the bid documents).
 - B) A valid Certificate of Competency issued by the Chief Building Official of the City of Key West, which shall be valid throughout the Contract Time
 - C) A valid Business Tax Receipt issued by City of Key West

Proposer must meet all Insurance and Bond requirements

Composite Tabulation

Alternate Combination:

NEW CITY HALL AT GLYNN ARCHER

Base Only

Base + Alt

Proposal Date:

10/22/2014

10/22/20

Proposer:

Don CRAIG
Jim Bouquet
MIKE VIEUX
BERT BEMBER

Burke Biltmore Porter

Burke

1	225	555	390
2	450	550	300
3	535	590	555
4	390	549	548

Total Qualification Points		800.	955.	838.
Total Price Points		400	394	390
Total Score, this Option		400	394	390

40
40

	<u>Low Pricing</u>	<u>This pricing</u>	<u>This pricing</u>	<u>This pricing</u>	<u>Low Pricing</u>	<u>This pricing</u>
Low Price	14,997,500	.			14,919,500	
+ This price		14,997,500	15,236,557	15,400,000		14,919,500
x		400	400	400		400

	Base	14,997,500	14,997,500	15,236,557	15,400,000	14,997,500	14,997,500
Alt 1: Solar Array 2			340,000	148,333	222,436.50		340,000
Alt 2: Solar Array 3			325,000	144,131	216,009.68		325,000
Alt 3: Concrete for Asphalt			235,000	261,733	268,283.66		235,000
Alt 4: Commission Roof Framing			28,000	55,084	55,869.99		28,000
Alt 5: Butterfly Pavilion			32,000	22,661	20,311.85		32,000
Alt 6: Drp Irrigation			12,200	47,856	22,440.00		12,200
Alt 7: Delete Fire Escapes			(78,000)	(96,850)	(95,980.00)	(78,000)	(78,000)
Alt 8: Motorized Shades			19,300	13,826	44,223.57		19,300

Burke Construction Group / The Tower Group, Inc.



Large Municipal Projects Completed in last 10 Years

	Contract Amount	Owner
1 Hallandale Elementary	16,776,023	Broward County School Board
2 Central County Transfer Station	20,232,726	Palm Beach County
3 Matanzas High School	23,603,025	Flagler County School District
4 Central Region Operations Center	16,507,138	Palm Beach County Water Utilities Department
5 Hickory Creek Elementary	11,904,855	St. Johns County School Board
6 Freeman Justice Center	14,761,414	Monroe County
7 Yulee High School	23,673,891	Marion County School Board
8 Green Cove Springs City Hall	11,906,839	City of Green Cove Springs
9 BBB High School	16,230,213	Flagler County School District
10 South Dade Cultural Center	38,112,280	Miami Dade County
11 Emerald Office Building	9,800,000	US Army Corp of Engineers
12 Proton Bay Middle School	33,248,114	St. Johns County School Board
13 Wards Creek Elementary School	14,399,000	St. Johns County School Board
14 Timberlin Creek Elementary	21,269,000	Nassau County School Board
15 Ninth Grade Addition	12,013,000	St. Johns County School Board
16 Crysdale High School	43,154,000	St. Johns County School Board
17 Newnan AFB	17,637,470	US Army Corp of Engineers
18 Camp Blanding Live Fire Shoot House	3,903,125	US Department of Military Affairs
19 Stock Island Fire Station	1,260,594	Monroe County
20 Nelson English/White Ward Park	1,204,247	City of Key West
Total	5369,902,456	

Sue Harrison

From: Sue Harrison
Sent: Wednesday, November 12, 2014 1:54 PM
To: 'rhardy@sourcelinkinc.com'
Subject: RE: Revised Bid Tabulation RFP 001-15 Key West City Hall at Glynn Archer Phase 2

Mr. Hardy:

All the information regarding RFP 001-15 will be available to view on the November 18, 2014 City Commission Agenda due to be published by end of business today.

Please note my new Email Address and update your contact information.

Sue Harrison, CMC
Sharrison@Cityofkeywest-fl.gov
Senior Deputy City Clerk
City of Key West
305-809-3834

Under Florida law, e-mail addresses are public records. If you do not want your email address released in response to a public-records request, do not send electronic mail to this entity. Instead, contact this office by phone or in writing." Fl. Stat. 668.6076

From: Randy Hardy [mailto:rhardy@sourcelinkinc.com]
Sent: Tuesday, November 11, 2014 12:40 PM
To: Sue Harrison
Subject: RE: Revised Bid Tabulation RFP 001-15 Key West City Hall at Glynn Archer Phase 2

Mrs. Harrison,

Could you please send me a copy of biltmore construction bid? I specifically want to see the breakdown by divisions if they broke it out on their quote.

Thanks,
Randy Hardy
Executive Assistant
SourceLink Communications Inc
Phone: (407) 854-2400 Ext 206
Toll Free: (888) 802-5100
Fax: (407) 854-2428
E-Mail: rhardy@sourcelinkcommunications.com
Web: <http://www.sourcelinkcommunications.com>



Visit us on
Facebook

-----Original Message-----

From: daniel a. metzler [mailto:thedanmetzler@gmail.com]

Sent: Tuesday, November 18, 2014 12:00 PM

To: Cates Craig; Weekley Jimmy; Johnston Teri

Subject: the right thing to do

I think the value of the vacant land not used for the new City Hall on Sirmington St. vs the cost for the reconstructed City Hall on White St. needs to be considered when looking at the costs of the reconstruction on White St.

The vacant land on Sirmington St. still owned by the City after the new City Hall is complete on White St. has tremendous value due to its location and size. It could be sold as an asset to offset costs on White St, although I would not recommend that.

This asset would not have existed if the City Hall was built on the Sirmington St. site. The Sirmington St. land value needs to be recognized as an asset when discussing the cost on White St. as it would not exist if the City Hall was built on Sirmington St.

The preservation of the old high school as the new City Hall is the right thing to do even if it cost some more. It is a wonderful historic building in the right location, very central to the residents of the City. It has the right building and land size with good parking. It has a nice, large auditorium for meetings so we do not have to pay rental for Old City Hall meetings (unless the City has some obligation to do so). It will spur economic activity on that end of White St. as an anchor tenant does in a shopping center by bringing more people to the area. It creates more civic pride for our City as it is a structure we are all proud of due to its history and image.

And we still have the vacant property on White St. which is worth a lot more than the recent added cost of preservation.

PERFORMANCE BOND

BOND NO. SU1126462
AMOUNT: \$14,997,500.00

KNOW ALL MEN BY THESE PRESENTS, that in accordance with Florida Statutes Section 255.05, Burke Construction Group, Inc. with offices at 10145 N.W. 19th Street, Doral, FL 33172. hereinafter called the CONTRACTOR (Principal), and Arch Insurance Company with offices at 300 Plaza Three, Jersey City, NJ 07311 - 1107 a corporation duly organized and existing under and by virtue of the laws of the State of Florida, hereinafter called the SURETY, and authorized to transact business within the State of Florida, as SURETY, are held and firmly bound unto CITY OF KEY WEST, represented by its _____, hereinafter called the CITY (Obligee), in the sum of:

Fourteen Million Nine Hundred Ninety Seven Thousand Five Hundred and 00/100 DOLLARS (\$ 14,997,500.00), lawful money of the United States of America, for the payment of which, well and truly be made to the CITY, the CONTRACTOR and the SURETY bind themselves and each of their heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents as follows:

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH THAT:

WHEREAS, the CONTRACTOR has executed and entered into a certain Contract hereto attached, with the CITY, dated December 19, 2014, to furnish at his own cost, charges, and expense all the necessary materials, equipment, and/or labor in strict and express accordance with said Contract and the Contract Documents as defined therein, all of which is made a part of said Contract by certain terms and conditions in said Contract more particularly mentioned, which Contract, consisting of the various Contract Documents is made a part of this Bond as fully and completely as if said Contract Documents were set forth herein;

NOW THEREFORE, the conditions of this obligation are such that if the above bounden CONTRACTOR:

1. Shall in all respects comply with the terms and conditions of said Contract and his obligation there under, including the Contract Documents (which include the plans, drawings, specifications, and conditions as prepared by the CITY, invitation to bid, instructions to bidders, the CONTRACTOR'S bid as accepted by the above CITY, the bid and contract performance and payment bond, and all addenda, if any, issued prior to the opening of bids), being made a part of this bond by reference, at the times and in the manner prescribed in the contract; and

2. Promptly makes payments to all claimants, as defined in Section 255.05(1), Florida Statutes, supplying PRINCIPAL with labor, materials, or supplies, used directly or indirectly by PRINCIPAL in the prosecution of the work provided for in the contract; and

3. Pays CITY all losses, costs, expenses, damages, attorney's fees, including appellate proceedings, injury or loss of whatever kind and however arising including, without limitation, delay damages to which said CITY may be subject by reason of any wrongdoing, misconduct, want of care or skill, negligence, failure of performance, breach, failure to petition within the prescribed time, or default, including patent infringements, on the part of said CONTRACTOR, his agents or employees, in the execution or performance of said Contract; and

4. Performs the guarantee of all work and materials furnished under the contract for the time specified in the contract, then this obligation shall be void; otherwise, to remain in full force and effect for the term of said Contract.

AND, the said Surety for value received, hereby stipulates and agrees that no change involving any extension of time, or addition to the terms of the Contract Documents, or to the work to be performed, or materials to be furnished there under shall affect said obligation of said Surety on this Bond, and the said Surety does hereby waive notice of any such changes, extension of time, alterations, or additions of the terms of the Contract Documents, or to the work.

Any action instituted by a claimant under this bond for payment must be in accordance with the notice and time limitation provisions in Section 255.05(2), Florida Statutes.

IN WITNESS WHEREOF, the above parties bonded together have executed this instrument this 29th day of December, 2014, the name and corporate seal of each corporate party being hereto affixed and those presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(SEAL)

ATTEST

Anthony Burke

(SEAL)

ATTEST:

Kristy Collins
Kristy Collins

CONTRACTOR

Burke Construction Group, Inc.

By: *[Signature]*

SURETY

Arch Insurance Company

By: *[Signature]*

David R. Hoover, Attorney-In-Fact