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FEATURED

## Key Colony Beach commission approves City Hall rebuild

By RICHARD TAMBORRINO Special to The Citizen

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Despite clear division among the five-member Key Colony Beach City Commission, demands to seek new bids and uncertainty about the preferred contractor, the city approved a complete City Hall rebuild awarded to the low bidder, Hands on Builders.

The commission spent almost an hour of its four-hour Thursday, July 20, session asking questions and conveying firm individual support or opposition for the project. After a motion by Mayor Patti Trefry to approve or deny HOB's \$8.375 million bid for a City Hall rebuild, it was approved 3-2 along consistent voting lines.

The KCB City Hall project has been supported by Trefry, Commissioner Tom Harding and Vice Mayor Beth Ramsay-Vickrey, despite clear opposition from commissioners Joey Raspe and Freddie Foster, and many residents who believe an investment of this size and the risks associated with a small contractor could cripple the city.

Initial questions were aimed at Terrence Justice, who served as Key West's Chief Building Officer for less than two years and was one of two members on the city's Bid Evaluation Committee for the City Hall Project.

Project supporters are relying heavily on the scoring provided by Justice and LIVS Associates representative, Lazaro Cabezon. LIVS Associates is the Coral Gables-based, city-contracted architect which developed the rebuild plans.

This commission's reliance on the scoring was key to the final vote, even though those recommendations have no effect on the city's ability to afford and finance a complete rebuild of City Hall, which some expect could surpass \$10 million when landscaping, parking and other costs are included.

HOB received a combined score of 187 out of a possible 200, while Persons Services Corporation scored 181.

Justice told the commission he "recommended accepting the HOB bid but that it's still up to the city's discretion" whether to move forward since only two bids were received by the June 5 deadline. He added that the Persons Services bid was excluded because of a math error in the bid.

Justice admitted it was "difficult to make an assessment with a small number of bids" but understood the "urgency of the project," even though the current city hall has been vacant for six years.

Commissioner Raspe asked why HOB wasn't also excluded, since its bid also included a math error. Justice stated that was because the error wasn't on a notarized document; it was on a cover sheet.

Raspe also questioned the large spending gaps in site work (\$1 million), concrete/electrical (\$400,000) and masonry (\$580,000) between the two bids.

Justice advised that HOB had "front-loaded expenses" in their bid, which is not uncommon for small companies with limited cash flow. HOB's bid did not include a performance bond to protect the city if the contractor is unable or unwilling to

complete the project.

Raspe pressed further, saying, “This HOB bid is eight times larger than any project they’ve ever completed.”

Justice wasn’t concerned about that since HOB is subcontracting much of the work, but he added, “If you have concerns about their experience level, no way you waive the performance bond.”

Foster asked Justice if he was paid for his work on the evaluation committee, and Justice replied he hadn’t invoiced the city. Foster learned later that while Justice’s answer was technically accurate, City Attorney Dirk Smits confirmed during the session break that Justice is being paid but hasn’t submitted a bill yet.

Foster also asked if Justice has done any HOB site visits to understand their expertise, which he hadn’t. He asked whether a “guidance document” was used for scoring the bids, since he was concerned how HOB got such a high score when they hadn’t done a project of this size. Justice said there was no guidance document.

“This will be a step up in scope” for HOB, Justice acknowledged.

After Trefry’s motion to approve or deny the bid, Foster said he was “at a loss why we’re entertaining this.” Foster asked City Administrator Dave Turner whether the bid process was handled appropriately, which he and Smits agreed had been handled through the proper legal process.

Harding complimented Turner on his efforts, saying the city “received a bid within 4.6% of the city’s desired number.”

Ramsay-Vickrey read a long, historical summary of the current City Hall structural

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situation, saying, “Time and hurricanes have increased the bids, COVID disrupted the supply chain and increased the costs” but that this is a “60-year-old, dilapidated building that’s experienced substantial damage, and meets the FEMA threshold for a rebuild.”

“We have no choice. It’s a FEMA mandate,” she concluded.

However, the Federal Emergency Management Agency has not and cannot mandate a rebuild, even though the city might experience monetary consequences from future damage if the building is merely repaired.

There were concerns around the availability of more qualified contractors, who are more scarce now given the damage done on the southwest coast by Hurricane Ian last year.

Raspe asked why no major bids were received from AJAX Building Company, which is handling the construction of the new Monroe County Emergency Operations Center at Florida Keys Marathon International Airport, or Pedro Falcon Contractors, which handles larger projects in the Keys.

Harding said bigger builders are involved with larger projects, to which Raspe asked, “If you were doing a major renovation on your home, would you just take one received bid?”

It remains unclear how KCB will fund the entire cost of the project. Gov. Ron DeSantis vetoed the city’s \$1 million funding request last month. The city has approximately \$2.2 million in reserves and a \$2.3 million hardening grant from the Florida Department of Environmental Protection. Combining those with \$400,000 each in 2023 and 2024 earmarked as infrastructure cash funding and \$750,000 in general cash, the city should have about \$6 million, which is more than \$2 million short of the bid amount.

Harding said at a recent meeting that if a complete rebuild turned out to cost more than \$8 million, it would likely be out of reach.

rtamborrino123@gmail.com

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rtamborrino123@gmail.com