

GENERAL OBLIGATION BOND PROJECT OVERSIGHT COMMITTEE  
MEETING MINUTES  
NOVEMBER 3, 2003

1. Attendance – See Attendance Sheet attachment.
2. Review and Acceptance of October 8, 2003 meeting minutes.

ACTION: Mr. Michael Rotbart motioned to approve the minutes. The motion was seconded by Mr. Leonard Wien. The motion passed.

3. Change Orders

The Administration reported to the Committee there were no new approved Change Orders since the last meeting.

4. Recommendation to City Commission

- (A) Bayshore Neighborhood A/E Amendment for Design, Award and Construction Administration

Mr. Tim Hemstreet informed the Committee that negotiations with CH2M Hill for the Design, Award and Construction Administration phases of the Bayshore Neighborhood A/E agreement were complete, and that the price agreed upon, although within the normal range, is on the high side of the range. He added that a decision should be made by the GO Bond Oversight Committee and then the City Commission if CH2M Hill should continue as consultants on the project. He said the Administration believes the contract amount is reasonable in comparison with other projects. He said that CH2M Hill is one of the better performing design firms and are presently working on the North Shore Golf Course and Normandy Shores Neighborhood Projects. He said that if the City is not willing to pay the fee that they are proposing, the project would go out to Request For Qualifications (RFQ), a process which would take about 6 to 8 months in duration, and delay the design phase.

Mr. Jorge Chartrand reported that included in the proposal were several tasks that were assigned allowance amounts. The actual costs may come in lower than the allowances which would result in a cost savings. He added that this project was very large in scope and geographic area, which requires it to be done in phases.

Mr. Leonard Wien expressed his concern regarding recommending award of a higher fee than normal. He was not in agreement, but did not want to go out and hire another A/E firm that may not perform as well in order to save some money.

Mr. Marty Hyman wanted to know what the amount is in the fees that might be used as allowances and what they were. Mr. Chartrand responded that the allowances were approximately \$300,000. He added that some allowances were preconstruction meetings that were estimated to last three days for eight hours each. He said the preconstruction meetings have never lasted that long and that it was unlikely the entire allowance would be spent. He added that another example of an allowance would be weekly construction meetings. He said CH2M Hill would probably not be required to attend weekly construction meetings.

Mr. Hyman wanted to know if the agreement amendment could be structured in a manner that CH2M Hill would receive a fee of \$1.6 million, and if additional funding was needed, it could be added at the appropriate time, for an amount up to \$1.9 million. Mr. Chartrand agreed and said that the final contract will show something like what Mr. Hyman was proposing.

Mr. Hemstreet added that construction administration on this project is going to last 24 months, where on most other projects it only lasts in the area of 12 months.

Mr. Bert Vidal of Hazen and Sawyer responded that this project was very complicated and could not be compared to other simpler projects. He added that this amendment is very fair and necessary for the project.

Mr. Roberto Sanchez asked if the allowances are "not to exceed" amounts. Mr. Chartrand explained that according to the proposed amendment, the allowance amounts would be "not to exceed" amounts, as agreed upon in the negotiations.

Mr. Hemstreet explained that each task is broken up into individual amounts. He added they would have to perform those tasks in order to get paid for them. The Administration believes the number of meetings outlined in CH2M Hill's proposal either will not be held or require CH2M Hill's attendance.

Mr. Michael Rotbart wanted to know what percentage higher was the proposed fee compared to other A/E agreements for other neighborhood projects. Mr. Hemstreet responded by saying it was 14% of the entire project budget, instead of the average 10%.

Mr. Jean-Francois LeJeune wanted to know what the reason was for the 14% amount instead of the 10% amount. Mr. Chartrand explained the neighborhood project is more complicated and larger in geographic area and would probably require construction in four phases, which means procuring four contractors and going through four permitting processes, four review processes and a survey process that is more extensive and more complicated than the other neighborhoods. He explained that in order not to cause disruption all four areas of the neighborhood will not be done at the same time.

Ms. Amy Rabin wanted to know if the City was satisfied with the performance of CH2M Hill. Mr. Chartrand responded by saying that there were some misconceptions of the consultant's performance, but he believed they have performed well in the past, especially in the engineering area. He added they are very good on the projects they are working on right now.

Mr. Scott Needelman wanted to know if it would help if the CIP Office returned to CH2M Hill and informed them that the Committee believed the figures were too high and had requested a reconsideration of the fee amount. He also added that the City Commission might not agree with the firm and Administration.

Mr. Chartrand informed the Committee that Pappas & Associates, the firm sometimes used by the City for fee negotiations, felt the work could be done for an amount of \$1.6 million, but CH2M Hill is requesting \$1.9 million. He added that if the Committee desires, he would meet again with CH2M Hill and let them know how the Committee feels.

Ms. Sherri Krasner wanted to know if the Basis of Design Report (BODR) was late due to the complexities of the project. Mr. Hemstreet responded that the delay was caused on issues in the planning phase, which is very different from the design phase of the project.

Mr. Sanchez commented that paying a fair price should be considered instead of what the delay to the project might be. Mr. Chartrand responded that he believed the fee to be fair and that it would be of no benefit to go to RFQ to find a new A/E firm. Mr. Hemstreet added that there was no guarantee a better fee would be found through the RFQ process.

Mayor Dermer commented that he did not want to create a situation where other consultants on the projects will come back with a higher fee than was predicted. He wanted to know if there was some type of mechanism in place that will make sure this same situation doesn't arise again.

Mr. Hemstreet responded that on the other projects, there is usually only one construction contract, one bid package and on this one there are four separate bid packages. He added that the consultant has to deal with four different contracts throughout the neighborhood that will be constructed sequentially. He continued by saying that this neighborhood is much larger than all the others. He also added that if the Commission does not accept the amendment, they would have to go to RFQ.

Mayor Dermer wanted to know how long the process for RFQ would take. Mr. Hemstreet responded by saying that it takes about 4 months to go through the RFQ process, a selection is made, 2 months to negotiate a new agreement and about 2 months for the new consultant to catch up on what had been done in the planning phase, for a total of approximately 8 months.

Mr. Hyman commented that if the number of dollars per hour is the same as for other firms, then the main reason this contract is coming up in amount is the number of hours they will be spending on this project. He added that in the area of administration the fee is much higher, but the rate is the same. He continued saying that the cause of the increase has been reviewed by Mr. Pappas and he has agreed on \$1.6 million, not exceeding \$1.9 million. He wanted to add that he was aware that Mr. Pappas has saved the City money on other projects.

Mr. Hyman motioned to approve the Amendment with Mr. Pappas' recommendation of an amendment amount of \$1.6 million, not to exceed \$1.9 million at a later time if additional hours were needed and approved by CIP and Hazen and Sawyer. There was no second to the motion.

Mr. Michael Rotbart wanted to know how many more projects are going to have similar issues. Mr. Hemstreet explained there are negotiations with the Corradino Group on the North Shore and Biscayne Pointe Neighborhoods, and that the West Avenue Neighborhood still needed an agreement for the same phases of work.

Mr. Chartrand returned to the meeting with a letter from Pappas and Associates where Mr. Pappas stated that the amount of \$1.4 million would be an appropriate fee for services and survey for this project. He added that Mr. Pappas subsequently had a discussion with the City and changed his recommendations to \$1.55 million based on additional analysis.

A discussion ensued among the GO Bond Oversight Committee members. The sentiment expressed was that the difference of \$350,000 between recommendations from Mr. Pappas and the proposal from CH2M Hill was too large. The Committee was not concerned about the rate per hour being proposed, but instead about the number of hours that would be actually used on the project.

**ACTION:** Mr. Leonard Wien motioned to defer the vote and give the City a chance to work with CH2M Hill and discuss an amendment amount of \$1.6 million as recommended by Pappas and Associates with the understanding that if it was found that additional hours were needed, CH2M Hill could come back and ask for additional services at that time. The Administration was to return to the Committee on December 1, 2003 with the results of that discussion for reconsideration by the Committee. The motion was seconded by Mr. Jean-Francois LeJeune. The motion passed.

5. Project Status Report

(A) Update on Fire Station #2

Mr. Hemstreet informed the Committee that the project is on schedule. He added that Jasco, the contractor, is performing well on the water tank and pump station portion of the project, and that if all goes well, a completion date is set for May 2004. He added that the Administration is still negotiating with Jasco on the potential second phase of construction of the new Fire Station. The Administration will be making recommendations to the City Commission as soon an agreement in negotiations is reached.

Mr. Hemstreet continued explaining that if the City Commission gave its approval for the existing contractor to continue on the project, they would move into the second phase. He added that if not, it would go to bid and the existing contractor has to be finished and out of the project completely before bringing in a new contractor. He said this would delay the project.

(B) Update on Fire Station #4

Mr. Hemstreet informed the Committee that the project is on schedule. He added that the construction documents are in the Building Department for permit review and the project should be out for bids in January, with construction beginning in March 2004. He also added that he will appear before the Historic Preservation Board (HPB) on November 12, 2003 to have the HPB reconsider two items they previously approved when they recommended the Certificate of Appropriateness to demolish the existing building. One item is having approval of a site plan for the monument portion of the project before the building permit. He added that there was no way of complying with this requirement and that he would ask them to change it to prior to the issuance of a Temporary Certificate of Occupancy in order for the construction of the project to not be delayed. He said that the other is to amend a request for replacing a curb/sidewalk/swale configuration with a curb/swale/sidewalk configuration.

(C) Update on Normandy Isle Park and Pool

Mr. Hemstreet informed the Committee that Regosa, the contractor for this project, has taken steps to correct deficiencies on the project. He added that the contractor has demolished all nonconforming work and is presently correcting the errors. He continued by saying that other changes that the contractor has made include changing supervisory personnel, positive changes in attitude, and starting to create a recovery plan.

(D) 42<sup>nd</sup> Street Streetscape

Mr. Hemstreet informed the Committee that construction on this project would be starting this month, and that all that was needed to begin construction was permit clearance from Miami-Dade County. He added that Tropex Construction was the JOC contractor selected for the project.

(E) Indian Creek Greenway

Mr. Fred Beckmann, Director of the Public Works Department, reported that Phase I of the project, which is a pilot demonstration project, is the most important phase to move forward with. He added that it encompasses from 23<sup>rd</sup> Street to 29<sup>th</sup> Street. He said that the funding availability is GO Bond Neighborhood funds in the amount of \$300,000, GO Bond Shoreline and Seawall Restoration in the amount of \$375,000 and Oceanfront Neighborhood funds approximately totaling \$50,000 that was allocated for streetends in the neighborhood. He continued by saying that the project was being transferred from the Environmental Division of the Public Works Department to the CIP Office. He said that he has made recommendations to Mr. Hemstreet on how to proceed. He recommended that an amendment be issued to EDAW adding this project to the scope of their Agreement for the Oceanfront Neighborhood Right-Of-Way Infrastructure Improvement Project. He added that EDAW presented a proposal to Bruce Henderson of the Environmental Division; however, negotiations with the CIP Office could expand the scope of services. He added that acquiring the properties along the project scope, or easements within those properties, is necessary in order to proceed with the project. He continued by saying that a good conceptual design should be brought before the Department of Environmental Protection for their requirements on improvements to the shoreline and seawalls.

Mr. Wien explained that there should be enough City property to prepare a design and begin the first phase. He said that it would probably take a few years before funding can be found to do the major construction on the property owners' section. He said that \$700,000 in funding should be enough to show what the property would look like and give the property owners a conceptual design. He added that from meetings he has had with property owners, they are all in favor of the improvements.

Mayor Dermer commented that there is a lot of interest in the project and that it is included in the City's Federal Legislative Agenda. He added that he wanted an update regarding the amendment at the next Committee meeting.

Mr. Rotbart requested a report at the next meeting, outlining the first three phases of the North Shore Open Space Park project. Mr. Hemstreet responded that he would give him a report at the next Committee meeting.

Ms. Krassner asked about the status of the Scott Rakow Youth Center Project.

Mr. Hemstreet reported that the Scott Rakow Youth Center ice rink is almost 99% complete. He added that since the contractor assigned to this project has been unable to complete the project, a new contractor has been brought in to finish it. He explained that the old contractor has been in Liquidated Damages since April 2003, and was defaulted in August 2003. He added that the contractor's surety company and attorney's have been notified and are in discussions on how to complete the project.

Mr. Frank Del Vecchio commented that there was a need for the City Commission to establish an Ad Hoc committee made up of residents from the Flamingo neighborhood and the South Pointe neighborhood to discuss and review the status of projects with and without GO Bond funding that are located in those neighborhoods.

Mr. LeJeune wanted a status on the West Avenue Neighborhood Improvements and the Venetian Causeway. Mr. Hemstreet reported that at the last Community Design Workshop for the West Avenue project, many issues were raised with regard to stormwater and water and sewer improvements. He added that these issues in the past were unfunded, but negotiations with the A/E for additional services related to additional funding the City found are ongoing.

Mr. Hemstreet reported that the City has been working with Miami-Dade County and the City of Miami to coordinate construction of improvements to the Venetian Causeway. He added that the City wanted to ensure that whatever improvements are funded by GO Bond funds would be consistent with any made by the City of Miami and that the County would not tear up the improvements to construct new improvements in its Right-Of-Way. He continued by saying that there is a group of residents that are working with the City of Miami Beach on arriving at an agreement with the County.

6. Informational Items

(A) Updated Calendar of Scheduled Community Meetings.

The calendar of scheduled community meetings was provided to the Committee but not reviewed during the meeting.

(B) Update on Contract Improvement Advisory Group

Mr. Hemstreet reported to the Committee that the Contract Improvement Advisory Group met on October 9, 2003. The meeting was with Marty Hyman, Hazen and Sawyer, URS and the City Attorney's Office. He continued by saying that the Group identified issues for improvement that included contracts on Right-Of-Way programs with unit cost systems similar to the Job Order Contracting as opposed

to lump sum agreements, making it easier to replace contractors when one is not working out. He added that discussions included project scheduling and how to manage the contracts and projects in a better fashion. He wanted to recognize Mr. Hyman, and how helpful he was in the process. More meetings are forthcoming.

The Meeting adjourned at 7:40 p.m.

JMG/RM/TH/KLM/ig

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