

Condensed Title:

Accept the City's Manager's Recommendation Pertaining To The Ranking of Proposals Pursuant To Request for Proposals (RFP) No. 10-08/09, For a Building Development Process Fees Study; Authorizing the Administration to Enter Into Negotiations With The Top-Ranked Proposer, Maximus Consulting Services, Inc; And Should The Administration Not Be Successful In Negotiating An Agreement With The Top-Ranked Proposer, Authorizing Negotiations With The Second-Ranked Proposer, Matrix Consulting Group; And Further Authorizing The Mayor and City Clerk To Execute An Agreement Upon Conclusion Of Successful Negotiation By The Administration To Not Exceed \$42,260, And Appropriating Funds from FY 07-08 Year-End Set Aside For Building Department Uses.

Key Intended Outcome Supported:

Improve the City's Overall Financial Health and Maintain Overall Bond Rating; Make City More Business Friendly.

Supporting Data (Surveys, Environmental Scan, etc.): The July 2008 Internal Audit Report of Building Permit Fees included a finding related to the "Department's complex fee schedule and lack of regular revisions". The finding included that the fee schedule consists of numerous fees for specific scope of works. This complexity leads to inefficiencies and inconsistencies in charging customers. In addition, one of the recommendations of the Watson & Rice Building Department draft report recommends that the City pursue a simplified permit fee calculation methodology.

Issue:

Shall the City Commission approve the City Manager's recommendation?

Item Summary/Recommendation:

On December 10, 2008, the Mayor and City Commission approved the issuance of Request for Proposals (RFP) No. 10-08/09 for a Building Development Process Fees Study. The objective of this RFP is to update all of the fees related to the Building Development Process and provide staff support for their adoption as an ordinance prior to the start of the FY 09-10 budget year.

RFP No. 10-08/09 was issued on December 11, 2008 with an opening date of January 28, 2009. A pre-proposal conference was held on January 9, 2009. BidNet issued bid notices to 105 prospective proposers, BidSync issued bid notices to 33 prospective proposers, and 37 proposers were notified via mail, e-mail, and fax circulation, which resulted in the receipt of five (5) proposals. During the review process performed by the Procurement Office and with the approval of the City's legal department, the proposal submitted by KPMG LLP was deemed non-responsive since it failed to provide the requested cost related information. Therefore, only four (4) proposals were presented to the Evaluation Committee members for further review.

The City Manager via Letter to Commission (LTC) No. 027-2009, appointed an Evaluation Committee ("the Committee") which convened on February 12, 2009. The Committee discussed their individual perceptions of the proposers' qualifications, experience, price and competence, and ranked the proposers accordingly. A motion was presented by Richard Lorber, seconded by Grace Escalante, and unanimously approved by all Committee members to recommend the first ranked proposer, Maximus Consulting Services for potential award for the Building Development Process Fees Study.

ACCEPT THE CITY MANAGER'S RECOMMENDATION.

Advisory Board Recommendation:

N/A

Financial Information:

Source of Funds:	Amount	Account	Approved
1	\$42,260	To be appropriated from Building Funds set aside from FY 07-08 year end.	
2			
Total			

Financial Impact Summary: N/A

City Clerk's Office Legislative Tracking:

Gus Lopez, Ext: 6641

Sign-Offs:

Department Director	Assistant City Manager	City Manager
AR  KB	PDW	JMG 

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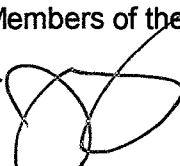




MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission
FROM: Jorge M. Gonzalez, City Manager 
DATE: February 25, 2009

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE CITY MANAGER PERTAINING TO THE RANKING OF PROPOSALS PURSUANT TO REQUEST FOR PROPOSALS (RFP) NO. 10-08/09, FOR A BUILDING DEVELOPMENT PROCESS FEES STUDY; AUTHORIZING THE ADMINISTRATION TO ENTER INTO NEGOTIATIONS WITH THE TOP-RANKED PROPOSER, MAXIMUS CONSULTING SERVICES; AND SHOULD THE ADMINISTRATION NOT BE SUCCESSFUL IN NEGOTIATING AN AGREEMENT WITH THE TOP-RANKED PROPOSER, AUTHORIZING NEGOTIATIONS WITH THE SECOND-RANKED PROPOSER, MATRIX CONSULTING GROUP; AND FURTHER AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AN AGREEMENT UPON CONCLUSION OF SUCCESSFUL NEGOTIATIONS BY THE ADMINISTRATION TO NOT EXCEED \$42,260, AND APPROPRIATING FUNDS FROM FY 2007/08 YEAR-END SET ASIDE FOR BUILDING DEPARTMENT USES.**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

FUNDING

Funds to be appropriated from Building funds set aside from FY 2007-08 year end.

KEY INTENDED OUTCOME SUPPORTED

Improve the City's overall financial health and maintain overall bond rating.
Make City more business friendly.

ANALYSIS

The Administration proposed that the City issue a Request for Proposals (RFP) to select a qualified consulting firm to conduct an analysis of building development fees in the City of Miami Beach. The study should have distinct recommendations for fees in the various departments involved in the building development process, including the Building, Public Works/Engineering, Fire Prevention, and Planning/Zoning Departments

The fees must be set by establishing a direct relationship between the services provided and the fees charge to permit holder.

The Building Department provides process intake, routing, billing, and computer support for all construction activities, issuance of all building and trade permits, verification of compliance with the Florida Building Code and enforcement of codes promulgated by regulatory agencies such as the Hotel and Restaurant Commission, Miami-Dade Environmental Resources Management, State Department of Health and Professional Regulation, Board of Adjustment and the U.S. Army Corp of Engineers. The Building Department staff conducts plans review and inspections for plumbing, structural, building, electrical, engineering, elevator and mechanical trades as required by the different permit types. Additionally, the Department oversees building re-certification, elevators and boiler inspections and FEMA flood regulations. In addition to the Building Department, the Prevention Services Division of the Fire Department, the Public Works Engineering Division, and the Planning and Zoning Department participate in the building development process including plan reviews and inspections.

The Fire Department is involved in the majority of building permits issued by the City. A fire fee is collected for each building permit corresponding to the Fire Department review and inspection. The Public Works Department Engineering Division staff conducts plan reviews and inspections for all construction activities that occur within the public right-of-way (streets, roadways, waterways, alleys and sidewalks), public property and easements.

The Public Works Department also performs plan review activities supporting a variety of Building Department permits in private property that will connect and/or will have potential impacts to City owned utilities, right-of-way and/or easements. The department also determines the level of traffic analysis required for compliance with City regulations, including review and approval of traffic impact studies. In addition, the department conducts technical review of applications that are to be submitted to County and State regulatory agencies as part of the building development process.

The Planning Department serves as staff to the City's Planning Board, Board of Adjustment, Design Review Board, Historic Preservation Board, and Single Family Residential Review Panel. Depending on the scope of the project, new development is required to receive approval from one or more of these Boards. The Planning Department processes the applications, reviews and prepares recommendations to all of the above Boards. Fees are assessed for the various Planning applications according to a fee schedule contained within the City Code. The fees have been evaluated from time to time, and compared with other similar municipalities.

The Planning Department also reviews all building permits for compliance with the land development regulations and consistency with architectural review guidelines and preservation appropriateness criteria. This zoning review is required to ensure compliance with existing legislation, zoning requirements, and state growth management requirements. However, this function is not fee-based, as Section 553.80(7) of the Florida Statutes precludes building permit fees to be used for Planning and zoning or other general government activities. Alternative means of funding such functions should be explored.

A fee for each permit is required to be paid, in accordance with the fee schedule established and approved by City Commission, on all buildings, electrical, elevators, mechanical, plumbing, and fire protection new systems or alterations requiring a permit. In addition, fees are collected for Miami-Dade Building Code Compliance, sanitation, zoning, and radon fees. The Public Works Department collects fees associated with right-of-way (ROW) construction activities. Concurrency fees are charged by the Planning Department.

The objective of this RFP is to update all of the fees related to the Building Development Process and provide staff support for their adoption as an ordinance prior to the start of the FY 2009/10 budget.

The consultant will work closely with a staff committee to be comprised of representatives from the Office of Budget and Performance Improvement, Finance, Building, Public Works/Engineering, Fire Prevention, and Planning/Zoning Departments (“Departments”). The consultant should develop recommendations that help ensure that fees are set at a level and in a manner to cover the direct and indirect costs of the building development process, are implementable, are understandable, easily updated in response to change, provide for a long range financially stable system and ensure the integrity of the permitting process and collection of fees.

On December 10, 2008, the Mayor and City Commission approved the issuance of Request for Proposals (RFP) No. 10-08/09 for a Building Development Process Fees Study.

RFP No. 10-08/09 was issued on December 11, 2008 with an opening date of January 28, 2009. A pre-proposal conference to provide information to the consultants submitting a response was held on January 9, 2009.

BidNet issued bid notices to 105 prospective proposers, BidSync (Formerly known as RFP Depot) issued bid notices to 33 prospective proposers, and 37 proposers were notified via mail, e-mail, and fax circulation, which resulted in the receipt of following five (5) proposals:

1. MAXIMUS CONSULTING SERVICES, INC
2. KPMG LLP
3. PMG ASSICATES, INC
4. MATRIX CONSULTING GROUP
5. WILLDAN FINANCIAL SERVICES

During the review process performed by the Procurement Office and with the approval of the City’s legal department, the proposal submitted by KPMG LLP was deemed non-responsive since it failed to provide the requested cost related information relative to the Building Development Process Fees Study. Therefore, only four (4) proposals were presented to the Evaluation Committee members for further review.

The City Manager via Letter to Commission (LTC) No. 027-2009, appointed an Evaluation Committee (“the Committee”) consisting of the following individuals:

- Kathie Brooks, Director, Budget and Performance Improvement Department (OBPI)
- Ira Giller, Resident, Giller and Giller Architects
- Ken Nichols, Vice President, G.T. Construction and Development, Inc
- Chris Puentes, Project Executive, Turnberry Ltd
- Sonni Moore, Chief Fire Protection Analyst, Fire Prevention Department
- Richard Lorber, Planning and Zoning Manager, Planning Department
- Grace Escalante, Assistant Director, Building Department

On January 12, 2009, the Committee convened and a quorum was attained. Kathie Brooks, Budget and Performance Improvement Department’s Director, addressed the Committee and provided general information on the scope of services. The Committee members were also provided with presentations and Performance Evaluation Surveys from all proposers:

The following Evaluation Criteria was used to evaluate and rank the groups or individuals

- Qualifications of Individuals assigned to work with the City 35 points
- Consultant(s) experience and past performance with similar projects 20 points
- Proposed Fees 35 points
- Methodology and Approach 10 points

The Committee discussed their individual perceptions of the proposers’ qualifications, experience, price and competence, and ranked the proposers being evaluated accordingly.

A motion was presented by Richard Lorber, seconded by Grace Escalante and unanimously approved by all Committee members to recommend the first ranked proposer, Maximus Consulting Services for potential award for the Building Development Process Fees Study.

RFP# 10-08/09 FOR A BUILDING DEVELOPMENT PROCESS FEES STUDY	Kathie Brooks	Ira Giller	Ken Nichols	Chris Puentes	Sonni Moore	Richard Lorber	Grace Escalante	TOTALS	LOW AGGREGATE TOTALS
MAXIMUS CONSULTING SERVICES	95 (1)	97 (2)	88 (1)	99 (1)	59(3)	100 (1)	94 (1)	632	10
PMG ASSOCIATES	71 (4)	71 (4)	50 (4)	65 (4)	50 (4)	40 (3)	60 (4)	407	27
MATRIX CONSULTING GROUP	82 (2)	100 (1)	75 (2)	84 (2)	66 (1)	61 (2)	80 (2)	548	12
WILLDAN FINANCIAL SERVICES	79 (3)	78 (3)	55 (3)	70 (3)	62 (2)	33 (4)	66 (3)	443	21

RFP No. 10-08-09	(#s 1)	(#s 2)	(#s 3)	(#s 4)
MAXIMUS CONSULTING SERVICES	5	1	1	
PMG ASSOCIATES			1	6
MATRIX CONSULTING GROUP	2	5		
WILLDAN FINANCIAL SERVICES		1	5	1

RANKING ORDER

1	MAXIMUS CONSULTING SERVICES
2	MATRIX CONSULTING GROUP
3	WILLDAN FINANCIAL SERVICES
4	PMG ASSOCIATES

Maximus Consulting Services, Inc

Maximus Consulting Services, Inc has conducted user fee and cost allocation studies for more than 20 years. Maximus Consulting Services Inc has recently conducted fee studies for many Florida’s communities such as Tampa, Cape Coral, Orange County, Hillsborough County and Manatee County.

Maximus Consulting Services, Inc proposes a simpler fee structure, Nexus, which utilizes the following three elements: the occupancy type, square footage, and construction type to determine the fee to reimburse the City’s cost. The Nexus methodology is designed to generate cost-based building fees based on codes derived from the Florida Building Code. The Nexus methodology is a simple formula that decreases staff time spent calculating fees. It is cost based so that each fee matches the City’s actual cost of providing service, and it can be easily updated annually by City staff, to adjust for increases in budgeting expenditures. Builders appreciate cost-based fees, since they view the industry in this matter. Nationally, there is a growing trend to move away from valuation-based fees.

Maximus Consulting Services, Inc also brings a broader contextual understanding of how to address efficiency concerns. Ensuring fees that appropriately reflect the cost involved in providing the services is a critical and necessary step for best serving our residents.

The proposed Project Director to be assigned to the City of Miami Beach, Bruce Cowans, has been with Maximus Consulting Services since 1991. Mr. Cowans directs a regional practice of two dozen consultants that serves clients in seven states in the Southeast and Midwest. He leads all work at the national level performed by Maximus Consulting Services Inc on user fees, cost of service studies, and information technology rates and provides direction to business process redesign projects.

Maximus Consulting Services, Inc proposed fees include all travel costs for a total of four onsite trips, one meeting with the industry representatives, and two presentations:

<u>Proposed Fees</u>	<u>Hours</u>	<u>Fee</u>
Phase 1: Pre-planning and Project Kick-off	56	\$10,730
Phase 2: Cost and Fee Analysis	144	\$22,520
Phase 3: Public Outreach and Recommendations	39	\$9,010
TOTAL	239	\$42,260

CONCLUSION

A Resolution of the Mayor and City Commission of the City of Miami Beach, Florida accepting the recommendation of the City Manager pertaining to the ranking of proposals pursuant to Request for Proposals (RFP) No. 10-08/09, for a Building Development Process Fees Study; Authorizing the Administration to enter into negotiations with the top-ranked proposer, Maximus Consulting Services, Inc; and should the Administration not be successful in negotiating an Agreement with the top-ranked proposer, authorizing negotiations with the second-ranked proposer, Matrix Consulting Group; and further Authorizing the Mayor and City Clerk to execute an agreement upon conclusion of successful negotiation by the Administration to not exceed \$42,260, and appropriating funds from FY 2007/08 year-end set aside for Building Department uses.

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE CITY MANAGER PERTAINING TO THE RANKING OF PROPOSALS PURSUANT TO REQUEST FOR PROPOSALS (RFP) NO. 10-08/09, FOR A BUILDING DEVELOPMENT PROCESS FEES STUDY; AUTHORIZING THE ADMINISTRATION TO ENTER INTO NEGOTIATIONS WITH THE TOP-RANKED PROPOSER, MAXIMUS CONSULTING SERVICES; AND SHOULD THE ADMINISTRATION NOT BE SUCCESSFUL IN NEGOTIATING AN AGREEMENT WITH THE TOP-RANKED PROPOSER, AUTHORIZING NEGOTIATIONS WITH THE SECOND-RANKED PROPOSER, MATRIX CONSULTING GROUP; AND FURTHER AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AN AGREEMENT UPON CONCLUSION OF SUCCESSFUL NEGOTIATIONS BY THE ADMINISTRATION TO NOT EXCEED \$42,260, AND APPROPRIATING FUNDS FROM FY 2007-08 YEAR-END SET ASIDE FOR BUILDING DEPARTMENT USES.

WHEREAS, Request for Proposals (RFP) No. 10-08/09 for a building development process fees study was issued on December 11, 2008 with an opening date of January 28, 2009; and

WHEREAS, the objective of this RFP is to update all of the fees related to the Building Development Process and provide staff support for their adoption as an ordinance prior to the start of the FY 09-10 budget; and

WHEREAS, a pre-proposal conference to provide information to the consultants submitting a response was held on January 9, 2009; and

WHEREAS, BidNet issued bid notices to 105 prospective proposers, BidSync (Formerly known as RFP Depot) issued bid notices to 33 prospective proposers, and 37 proposers were notified via mail, e-mail, and fax circulation, which resulted in the receipt of five (5) proposals; and

WHEREAS, during the review process performed by the Procurement Office and with the approval of the City's legal department, the proposal submitted by KPMG LLP was deemed non-responsive since it failed to provide the requested cost related information relative to the Building Development Process Fees Study; and

WHEREAS, the City Manager via Letter to Commission (LTC) No. 027-2009, appointed an Evaluation Committee ("the Committee") consisting of the following individuals:

- Kathie Brooks, Director, Budget and Performance Improvement Department (OBPI);
- Ira Giller, Resident, Giller and Giller Architects;
- Ken Nichols, Vice President, G.T. Construction and Development, Inc;
- Chris Puentes, Project Executive, Turnberry Ltd;
- Sonni Moore, Chief Fire Protection Analyst, Fire Prevention Department;
- Richard Lorber, Planning and Zoning Manager, Planning Department;
- Grace Escalante, Assistant Director, Building Department; and

WHEREAS, on January 12, 2009, the Committee convened and a quorum was attained; and

WHEREAS, Kathie Brooks, Budget and Performance Improvement Department's Director, addressed the Committee and provided general information on the scope of services; the Committee members were also provided with presentations and Performance Evaluation Surveys from all proposers; and

WHEREAS, the Committee discussed their individual perceptions of the proposers' qualifications, experience, price and competence, and ranked the proposers being evaluated accordingly; and

WHEREAS, a motion was presented by Richard Lorber, seconded by Grace Escalante and unanimously approved by all Committee members to recommend the first ranked proposer, Maximus Consulting Services and second ranked proposer, Matrix Consulting Group for potential award for the Building Development Process Fees Study; and

WHEREAS, in addition to concurring with the Committee's recommendation, the City Manager would recommend that the City Commission authorize the Administration to negotiate and, if successful, further authorize the Mayor and City Clerk to execute of an Agreement with Maximus Consulting Services.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, the Mayor and City Commission of the City of Miami Beach, Florida accepting the recommendation of the City Manager pertaining to the ranking of proposals pursuant to Request for Proposals (RFP) No. 10-08/09, for a Building Development Process Fees Study; Authorizing the Administration to enter into negotiations with the top-ranked proposer, Maximus Consulting Services; and should the Administration not be successful in negotiating an Agreement with the top-ranked proposer, authorizing negotiations with the second-ranked proposer, Matrix Consulting Group; and further Authorizing the Mayor and City Clerk to execute an agreement upon conclusion of successful negotiation by the Administration to not exceed \$42,260, and appropriating funds from FY 2007-08 year-end set aside for Building Department uses.

PASSED AND ADOPTED THIS _____ DAY OF _____ 2009.

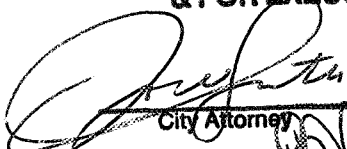
ATTEST:

CITY CLERK

MAYOR

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**APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION**



City Attorney

2/18/09
Date

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