

**Condensed Title:**

A Resolution of the Mayor and City Commission of the City of Miami Beach, Florida, approving and authorizing the Mayor and City Clerk to execute Amendment No. 8 to the Agreement between the City and Wolfberg Alvarez & Partners, Inc., in the amount of \$422,658, for Resident Project Representative (RPR) and Construction Administration Services; \$29,800, for additional Design Services; and \$40,000 for Reimbursable Expenses; for a total not-to-exceed negotiated sum of \$492,458, for the South Pointe RDA Phase II Neighborhood 12C Right-of-Way Infrastructure Improvements Project; with funding available from the previously appropriated South Pointe Capital Fund 389, in the amount of \$342,174, from Design, and \$150,284 to be reallocated from Contingency in Fund 389.

**Key Intended Outcome Supported:**

Ensure well designed quality capital projects.

**Supporting Data (Surveys, Environmental Scan, etc.):** The 2007 Community Satisfaction Survey indicated that 82% to 85% of the recently completed South Pointe area capital improvement projects were ranked as good or excellent by residents. Completing the South Pointe RDA Phase II Improvement Project will add to the well needed upgrades in this area and improve overall rating.

**Issue:**

Shall the City Commission approve the additional services for Wolfberg Alvarez and Partners, Inc.?

**Item Summary/Recommendation:**

On December 10, 2008, the City Commission approved the award of the construction contract to Horizon Contractors, Inc. (HCI). In anticipation of the start of the construction, in 2008, CIP staff and the City's Program Manager, Hazen and Sawyer, reviewed the Wolfberg Alvarez and Partners (WA) Agreement dated September 25, 2002. The team concluded that the remaining sixty thousand and forty-eight (\$60,048) dollars fee to perform Task 4, the Construction Administration Services on the Project, as addressed in the current WA Agreement, is inadequate. The Administration has also determined that with Projects of this magnitude and complexity, it will be necessary to have a qualified, full time RPR on site for the entire eighteen (18) month construction, to provide daily quality field observation to ensure that the general intent of the Contract Documents are being met.

On March 1, 2006, the City Commission approved an Amendment to the Professional Services Agreement with Hazen and Sawyer, for program management services of the City's Right-of-Way (ROW) Projects. Under this Amendment, seventy three thousand, one hundred and twelve (73,112) man hours of Resident Project Representative (RPR) services were deleted from Hazen and Sawyer, P.C. Agreement, with the deleted services to be added to the Architectural/Engineering (A/E) Firm(s) which are designing the public ROW Project(s). Therefore, RPR services were added to the Wolfberg Alvarez scope of services. RPR services will be added to future Neighborhood ROW projects.

The original fee requested by WA in June 2008, for both the RPR, and Construction Administration Services was **\$826,041**. In July 2008, the fee was negotiated down to **\$605,920**, which represents seven percent (7%) of the construction budget, and is within the industry standard for projects of this size and complexity. The final fee negotiated by the City, and accepted by WA, in January 2009, is **\$422,658**, which represents five percent (5%) of the construction budget, and is below the industry standard for projects of this size and complexity. In the event that the Construction duration is extended beyond eighteen (18) months, WA will be compensated accordingly, and in the event that the Project is completed ahead of schedule, the appropriate fee will be credited to the City.

**THE ADMINISTRATION RECOMMENDS THE APPROVAL OF THE AMENDMENT NO. 8.**

**Advisory Board Recommendation:**

CIPOC

**Financial Information:**

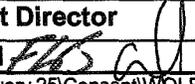
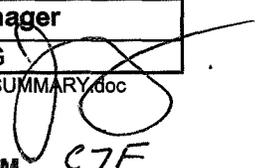
Source of Funds:		Amount	Account
 CBPI	1	\$342,174.00	389.2332.061357
	2	\$150,284.00	389.2332.069358
	3		
	<b>Total</b>	<b>\$492,458.00</b>	

**Financial Impact Summary:**

**City Clerk's Office Legislative Tracking:**

Carla Dixon Ext.6264

**Sign-Offs:**

Department Director	Assistant City Manager	City Manager
FBH 	TH 	JMG 

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# MIAMIBEACH

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

## COMMISSION MEMORANDUM

TO: Mayor Matti H. Bower and Members of the City Commission

FROM: City Manager Jorge M. Gonzalez

DATE: February 25, 2009

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING AND AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AMENDMENT NO. 8 TO THE AGREEMENT BETWEEN THE CITY AND WOLFBERG ALVAREZ & PARTNERS, INC., DATED SEPTEMBER 25, 2002, IN THE AMOUNT OF \$422,658 FOR RESIDENT PROJECT REPRESENTATIVE (RPR) AND SUPPLEMENTAL CONSTRUCTION ADMINISTRATION SERVICES; \$29,800 FOR ADDITIONAL DESIGN SERVICES; AND \$40,000 FOR REIMBURSABLE EXPENSES; FOR A TOTAL NOT-TO-EXCEED SUM OF \$492,458, FOR THE SOUTH POINTE RDA PHASE II NEIGHBORHOOD 12C RIGHT-OF-WAY INFRASTRUCTURE IMPROVEMENTS PROJECT; WITH FUNDING AVAILABLE FROM PREVIOUSLY APPROPRIATED SOUTH POINTE CAPITAL FUND 389 IN THE AMOUNT OF \$342,174 FROM DESIGN, AND WITH \$150,284 TO BE REALLOCATED FROM CONTINGENCY IN FUND 389.**

### ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

### FUNDING

Funding is available in the amount of \$492,458, previously appropriated in the Fiscal Year 2007-2008 Capital Budget, for Engineering and Design fees, and Construction fees for the Project as follows:

Account No.389.2332.061357 (Design/Engineering).....	\$342,174
Account No. 389.2332.069358(to be reallocated from Contingency).....	\$150,284
<b>Total</b>	<b>\$492,458</b>

### BACKGROUND

On February 4, 2004, the City Commission approved the Basis of Design Report (BODR), completed and submitted by Wolfberg Alvarez and Partners (WA) for the South Pointe RDA Phase II, Neighborhood No.12C Right of Way Improvement Project (the Project). This BODR was the culmination of a comprehensive planning effort that included input from and reviews by residents, various City departments, the Design Review Board (DRB), the Historic Preservation Board (HPB), and a joint meeting of the Neighborhoods and Finance and Citywide Projects Committees.

The Project area encompasses improvements to the entire Public Right-of-Way infrastructure from Fifth Street to Second Street, excluding Third Street, and from west of Washington Avenue to Alton Road. The South Pointe Phase II Project area is primarily Medium and Low Density Residential, with a small Commercial General Mixed use area at the north and southeast ends of the Project limits.

The Project scope of work includes the replacement of existing water lines within the alleyways (Courts) to enhance the water pressure and water flow; the installation of new stormwater infrastructure, including twenty-one (21) gravity wells, to meet the Stormwater Master Plan recommended Level of Service (LOS) throughout the project area; streetscape improvements, new pavement, traffic markings and signs; enhanced pedestrian access; defined neighborhood entrances; landscaping and irrigation; lighting; and parking improvements.

On December 7, 2007, one hundred percent (100%) Construction Documents, including an estimate of probable construction costs for the Project were submitted to City staff for review. The permitting process included the submission of permit applications to various agencies having jurisdiction, including the Miami-Dade County Department of Health (DOH), Miami-Dade County Water and Sewer Department (WASD), Miami-Dade County Traffic Engineering Division, Miami-Dade County Department of Environmental Resources Management (DERM), Florida Department of Environmental Protection (FDEP), and the Florida Department of Transportation (FDOT).

On January 25, 2008, Invitation to Bid (ITB) No. 13-07/08, was issued. Seven (7) Addenda were issued to provide additional information and to respond to all questions submitted by the prospective bidders, thus extending the bid opening due date to April 17, 2008. A total of seven (7) potential contractors responded. Their base bid, plus Alternates totals ranged from, \$8,532,791, to \$10, 257,187; falling within the Project budget. On May 29, 2008, City staff and Consultants, convened to review the Lump Sum Bids, Alternates, Risk Assessment Plans, and the Performance Evaluation Surveys received from clients of the seven (7) prospective Contractors. The Performance Evaluation Surveys included the client's satisfaction rating of the overall firm, and their individual Project Manager to be assigned to the Project.

On June 16, 2008, a second meeting was convened, to allow each Contractor to make a presentation, followed by a Question and Answer (Q&A) period with the Contractor's team and proposed Project Manager. The Committee made a recommendation to award a construction Contract to Ric-Man International, Inc., for the construction of the Project.

On July 16, 2008, the City Commission deferred and referred the recommendation for award to the CIPOC for further review. Although the CIPOC did not meet in August 2008, on August 12, 2008, a Capital Improvement Oversight Committee (CIPOC) Sub-Committee convened to discuss the Project. The CIPOC Sub-Committee agreed to recommend to the City Commission, that the City award the construction contract for the Project, as outlined in the July 16 2008, Commission Memorandum. In addition, the Sub-Committee recommended in favor of including a form for the contractors to include unit price information as a requirement for future Invitation to Bid (ITB) responses. Upon additional discussion at its September 15, 2008, meeting, the CIPOC recommended to the City Commission, to reject all bids, and re-bid the Project as a lump sum bid with the requirement that bidders provide unit prices to support their bids. During the September 17, 2008, Commission meeting, the decision was made to reject all bids, and re-bid the Project.

On September 30, 2008, Invitation to Bid (ITB) 48-07/08 was issued, for the re-bid of the Project, with an initial bid opening date scheduled for October 29, 2008. On October 9, 2008, a Pre-Bid Conference was held. Five (5) Addenda were subsequently issued to provide additional information, and clarification, to respond to all questions submitted by the prospective bidders, and to extend the bid opening due date to November 14, 2008. Approximately one hundred (100), questions were received by the City, primarily related to the new bid format. Bidsync issued bid notices to over one hundred (100) prospective bidders, and Bidnet issued bid notices to nine (9) prospective bidders. Additionally, the

Procurement Division supplemented the notification listing and sent the bid notification to other construction related websites and listings, including the Blue Book online. The notices resulted in the receipt of the nine (9) bids. The total of all Base Bids plus Alternates ranged from \$5,351,994 to \$10,309,394, falling within the Project budget. It should be noted that the lowest of the nine bidders (Downrite Engineering), withdrew its bid on November 18, 2008, due to an error in their submission. The total for the second lowest bidder was \$7,683,901.

On November 26, 2008, the City's Technical Review Panel (TRP), as well as support staff from the City's Program Manager, Hazen and Sawyer, the Design Engineer of Record (EOR), Wolfberg Alvarez and Partners, convened to review the bids submitted for the South Pointe RDA Phase II Right of Way Improvement Project. The TRP members were also provided with Performance Evaluation Surveys received from clients of the remaining eight (8) Contractors and their proposed Project Manager to be assigned to the Project.

The TRP based its recommendation on the Best Value Procurement Evaluation Criteria, and made a recommendation to award a construction Contract to Horizon Contractors, Inc., for the construction of the Project. This item was discussed during the December 1, 2008, CIPOC meeting, where members recommended the award of the project to Horizon Contractors, Inc. On December 10, 2008, the City Commission approved the award of the construction Contract to Horizon Contractors, Inc.

In anticipation of the start of the construction, CIP staff and the City's Program Manager, Hazen and Sawyer, reviewed the Wolfberg Alvarez and Partners (WA) Agreement dated September 25, 2002. The team concluded that the remaining sixty thousand and forty-eight (\$60,048) dollars fee remaining in the current WA Agreement to perform Task 4, the Construction Administration (CA) services on the Project, is inadequate to perform these services over an eighteen (18) month period. As addressed in the Agreement, this fee was primarily for limited office staff support during the construction phase.

The WA Agreement was executed in 2002, and was intended to be a two (2) year Agreement. In accordance with Article 7.4.2 of the Agreement, the City chose to adjust the contractual hourly rates in light of the extended Contract duration. WA in good faith continued the work on the South Pointe RDA Phase II Project, despite numerous delays, including the City's decision to re-bid the Project.

The Construction Administration services provide support of the construction activities, by the design Engineer of Record (EOR). These services include, but are not limited to, providing interpretation and/or clarification of the Contract Documents as necessary to ensure that the design intent is being met; assisting in determining the validity of change requests to contract cost, and or time; reviewing for compliance and approval of materials and/or equipment shop drawings submitted by the contractor; visiting the site as necessary for observation and inspection of the installation of critical project elements; review and approval of contractor payment requisitions.

### **ANALYSIS**

The Administration has also determined that with Projects of this magnitude and complexity it will be necessary to have a qualified, full time Resident Project Representative (RPR) to provide daily quality field observation to verify that critical elements of the construction project are being complied with, and that the general intent of the Contract Documents are being met. The City has negotiated with WA, for the services of a full time RPR in order to provide adequate oversight for this Project during the eighteen (18) month construction duration. RPR services are not currently included in the WA agreement.

Previous Decisions Regarding Resident Project Representative Services

From 2001 through 2006, RPR services on the City's ROW projects were generally provided for within the Hazen and Sawyer Professional Services Agreement. Subsequently, on March 1, 2006, the City Commission approved an Amendment to the Professional Services Agreement with Hazen and Sawyer, for program management services of the City's Right-of-Way (ROW) Projects. Under this Amendment, seventy three thousand, one hundred and twelve (73,112) man hours of Resident Project Representative (RPR) services were deleted from Hazen and Sawyer, P.C. Agreement, with the deleted services to be added to the Architectural/Engineering (A/E) Firm(s) which are designing the public ROW Project(s). Therefore, RPR services were added to the Wolfberg Alvarez scope of services. RPR services will be added to future Neighborhood ROW projects.

Resident Project Representative (RPR)

WA's RPR shall be on-site at all times when the contractor is on the site performing work. The Consultant's level of effort is based on the assumption that the RPR shall monitor all Contractor work crews as specified by the Consultant in the Contract Documents. The RPR services will include, but not be limited to, observing the construction and determining if the Construction Documents are being adhered to; maintaining daily logs of the job conditions; monitoring independent testing laboratories; providing photo documentation of the site prior to, during, and at the close-out of the construction; reviewing materials and workmanship for acceptability; verifying quantities of work installed in the field for reviewing contractor payment requisitions; monitoring as-built documentation; working with project team to address Requests for Information (RFIs), Contract Document Clarification (CDCs), Change Orders (COs) and Field Orders.

The following is a general summary of the RPR's duties (a detailed Scope of work is herein attached as Amendment No. 8):

- Conduct on-site observations of the work in progress to assist in determining if the provisions of the Contract Documents and permit conditions are being fulfilled and to reasonably protect the City against defects and deficiencies in the work of the Contractor.
- Conduct on-site observations of the work in progress to determine if the contract documents and permit requirements are being complied with.
- Maintain a daily log of work performed. The daily notes shall include records of when the Contractor is on the job-site, weather conditions, change orders, or changed conditions, list of job site visitors, daily drilling and testing activities, record, in writing, the outcome of tests and inspections.
- Verify that tests, equipment and systems start-up are conducted in the presence of appropriate personnel and that the Contractor maintains adequate records thereof; and observe, record, and report appropriate details relative to the test procedures and start-up.
- Provide a photographic record of the construction, beginning with pre-construction documentation and completing with post-construction photographs.
- Review materials and workmanship of the project and report to City, any deviations from the Contract Documents.
- Check Contractors' material certifications and samples, verifying that delivered materials match approved shop drawings.
- Field observes the critical stages of work in the construction process.
- Direct and supervise the sampling and testing of materials to be performed by independent testing laboratories under subcontract to the City.
- Verify and sign off on all pay requisition quantities in the field.
- Monitor that record drawing mark-ups are properly maintained by the Contractor.
- Perform independent reviews of any Change Orders and provide a written opinion as

to the merit / value of such items to the City.

- The RPR shall be qualified, have adequate understanding of the Project, and be able to authorize, when there is no material deviation from the Contract Documents; and to address, process, evaluate, recommend, respond to, review and issue RFIs, CDCs, COs, Requests for Proposals (RFPs), Field Orders, and other such Project contractual related correspondence. In this effort, office support may be provided on an as-needed basis.

The original fee requested by WA on July 3, 2008, for the RPR, services was \$405,600, which represents approximately five percent (5%) of the construction budget. After several negotiation meetings, in January 2009, CIP staff along with the City Manager's special assistant negotiated the fee down to **\$289,224**, which represents three percent (3%) of the construction budget. A detailed breakdown of the fee is included herein (see attachment 1).

### **Additional Construction Administration Services:**

#### **Construction Administration**

WA's present fee allocation for the Project was expanded to include the additional hours required for attending and participating in the Pre-construction conferences, community meeting(s), weekly construction progress meetings, reviewing and responding to RFIs, CDCs, review of change requests to contract cost, and or time, reviewing and processing of shop drawings, performing specialty site inspection and reporting services, participating in the project close out process, including preparing project record drawings and certifying that the Project was constructed in accordance with the Construction Documents.

#### **Project Closeout**

This task shall include an overview of the project and the work in place. The Consultant will be responsible for developing a "punch list" of items needing completion or correction, prior to consideration of final acceptance. Based on successful completion of all outstanding work items by the Contractor, the Consultant shall assist City in closing out the construction contract. The Consultant shall also coordinate with the Contractor as necessary to transfer record drawing markups, and update the corresponding CAD files for record purposes and to certify the Project as complete, in accordance with all applicable jurisdictional permitting requirements.

The Consultant shall also coordinate with the Contractor as necessary to transfer record drawing markups, and update the corresponding CAD files for record purposes and to certify the Project as complete, in accordance with all applicable jurisdictional permitting requirements. The fee being requested by WA for the Project Closeout Services is included as part of the Construction Administration (CA) Services. A detailed breakdown of the fee is included herein (see attachment 1).

The original fee requested by WA in June 2008, for Construction Administration services was **\$386,000**, which represents approximately four and one half percent (4.5%) of the construction budget. After several negotiated meetings, July 2008, CIP staff along with the City Manager's special assistant negotiated the fee down to **\$133,434**, which represents approximately two percent (2%) of the construction budget. A detailed breakdown of the fee is included herein (see attachment 1).

### **Revisions to the water main design due to subsurface exploration findings (Attachment B)**

During the design process, it was determined that additional subsurface exploration was necessary, to design the water main infrastructure in a manner that would minimize potential conflict with existing utilities. This data obtained from the additional subsurface exploration,

revealed that adjustments in the elevation of the water mains in some locations had to be made. The fee negotiated by the City, and accepted by WA for this additional effort is **\$29,800**.

**Reimbursables (Attachment C)**

The City has implemented new project tracking software, (E-Builder) which will require all its Consultants, their sub-consultants, and Contractors to utilize. The fee for each of the required licenses, which is renewable on an annual basis, is required during the construction phase of this project (\$10,000). In addition, WA has had to utilize additional printing, reproduction, and courier services for extensive permitting, bidding and re-bidding of this Project (\$8,000). These additional reimbursable services will also be required during the eighteen (18) month construction duration, for document reproduction, and other qualified reimbursable expenses (\$22,000). Any amounts remaining in the Reimbursable account will be credited to the City. The estimated reimbursable allowance for the required four (4) E-Builder licenses, printing, travel and subsistence, incidental survey and testing, is **\$40,000**.

The final fee negotiated by the City, and accepted by WA, in January 2009, for both RPR and Construction Administration services is **\$422,658**, which represents five percent (5%) of the construction budget, and is below the industry standard for projects of this size and complexity. In the event that the construction duration is extended beyond eighteen (18) months, WA will be compensated accordingly, and in the event that the Project is completed ahead of schedule, the appropriate fee will be credited to the City.

The total Not-to-Exceed, additional Design, Construction Administration, RPR, and Reimbursable Additional services fee being requested at this time is **\$492,458**.

During the Capital Improvement Oversight Committee (CIPOC) meeting of February 2, 2009, City staff provided detailed information on the required Construction Administration and RPR services on the Project. A detailed summary of the function of the RPR, including the negotiation process to arrive at the professional services fee was discussed. The CIPOC requested a special condition that the City measure and monitor the services of the RPR, and have the option to terminate these services at any time during the construction that it deems necessary. Staff confirmed that language to that effect is contained in the existing Agreement. The Committee recognized the need for these services, and voted to recommend to the City Commission, the Amendment No. 8 to the Wolfberg Alvarez Agreement.

**CONCLUSION:**

The Administration hereby recommends that the Mayor and City Commission adopt the Resolution approving and authorizing the Mayor and City Clerk to execute Amendment No.8 to the Agreement between the City and Wolfberg Alvarez and Partners, dated September 25, 2002, in the amount of \$422,658 for Resident Project Representative (RPR) and Supplemental Construction Administration services; \$29,800 for additional Design Services; and \$40,000 for Reimbursable Expenses; for a total not-to-exceed sum of \$492,458, for the South Pointe RDA Phase II Neighborhood 12C Right-of-Way Infrastructure Improvements Project.

**Attachments**

1. Wolfberg Alvarez- BP 12- Extended CA & RPR Services Revised 01-16-19.xls

LABOR CLASSIFICATION

TASK	TASK DESCRIPTION	Project Director	RPR IN FIELD	Civil Engineer (WA)	Landscape Architect	Electrical Engineer (WA)	Water Engineer (HNTB)	CADD Operator	Clerical/Admin. Asst.	Totals per WA
2	Revisions to water main design (HNTB)Due to Additional Subsurface Investigation	20		40			208		69	337
	SUBTOTAL HOURS ADDITIONAL DESIGN	20		20	0	0	208	0	69	
	<b>ADDITIONAL DESIGN SERVICES</b>	<b>\$3,498</b>		<b>\$2,485</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,503</b>		<b>\$3,314</b>	<b>\$29,800</b>
4.1	Pre-Construction Conference	4	-	4	4	4	4	-	-	20
4.1a	Pre Construction Conference w/Residents	4		4						8
*4.2	Weekly Construction Meetings/Coordination with RPR	32	-	136	-	-	-	-	-	168
4.3	RFI's/CDC's	32	-	136	24	48	60	20	28	348
4.4	Review of Changes to Construction Costs and or Time (Cos)	32	-	136	24	40	60	40	24	356
4.5	Processing of Shop Drawings	32	-	136	24	24	48	-	20	284
4.6	Specialty Site Inspection Services	32	-	40	40	40	60	-	-	212
4.7	Final Punch Lists/Project Closeout/As-Builts	14	-	42	40	40	40	100	40	316
									40	
		-	-	-	-	-	-	-	-	-
4.9	RPR FULL-TIME	-	3120	-	-	-	-	-	-	3120
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
	SUBTOTAL HOURS CA & RPR	182	3,120	634	156	196	272	160	152	4,832
	2008 HOURLY RATE	\$174.91	\$92.70	\$124.24	\$124.24	\$98.57	\$98.57	\$62.72	\$48.25	
	CREDIT FOR SERVICES IN CURRENT AGREEMENT									(\$60,048)
	<b>**ADDITIONAL SERVICES FORCA AND RPR FEE</b>	<b>\$31,834</b>	<b>\$289,224</b>	<b>\$78,767</b>	<b>\$19,381</b>	<b>\$19,320</b>	<b>\$26,811</b>	<b>\$10,035</b>	<b>\$7,333</b>	<b>\$422,658</b>

\*\* Based on Estimated Construction Cost of 9.5 million CA Services is 5%

6	<b>REIMBURSABLES</b>	-	-	-	-	-	-	-	-	-
	E-Builder Licenses/Training (4)									\$10,000
	Travel & Subsistence									\$10,000
	Survey & Reproduction	-	-	-	-	-	-	-	-	\$20,000
										\$40,000
	<b>TOTAL ADDITIONAL SERVICES FEE</b>									<b>\$492,458</b>

**RESOLUTION TO BE SUBMITTED**