



MIAMI BEACH

OFFICE OF THE CITY MANAGER

LTC # 073-2009

LETTER TO COMMISSION

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: March 17, 2009

SUBJECT: Minimum Contractor Qualifications CIPOC Sub-Committee Meeting Report

The purpose of this LTC is to transmit the CIP Oversight (CIPOC) Sub-Committee's meeting minutes on Minimum Contractor Qualifications for your review and consideration. To date the full CIPOC Committee has not reviewed and considered the attached item.

Should you have any questions, or need additional information, please don't hesitate to contact me.

Attachment:

1. CIPOC Sub-Committee Minutes on Minimum Contractor Qualifications of March 12, 2009.

TH/FHB/JCC

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Minutes of CIPOC Sub-Committee
On Minimum Contractor Qualifications
March 12, 2009

The Minimum Qualifications Sub-Committee was created at the March 2, 2009 CIP Oversight Committee (CIPOC) meeting, with Ms. Christina Cuervo serving as Chair, to review existing practices, and make recommendations with respect to the establishment of consistent categories related to minimum contractor qualifications and requirements associated with Invitations to Bid (ITB).

The Sub-Committee's first and only meeting was held on March 12, 2009 and included the following attendees: CIPOC – Christina Cuervo, Fred Karlton, Rick Kendle, Stacy Kilroy, Dwight Kraai; Staff – Jorge Cano, Shari Lipner, Gus Lopez, & Emanuel Mayer; Public – Steven Ferreiro (QPR Concepts), Carlos Gimenez (Becker & Poliakoff, P.A.) & Mike Metcalfe (KM – Plaza Construction Services). Mr. Ferreiro and Mr. Gimenez were representing Link Construction Group. Both KM – Plaza and Link Construction Group submitted bid proposals in response to the initial Normandy Shores Golf Club House ITB. Link was disqualified because it failed to meet the 10-year minimum experience requirement for the firm.

Staff presented a handout (see attachment) that was used as a basis of discussion to illustrate the various factors typically considered by the project team – such as project complexity, experience of the firm and the firm's qualifier (license holder) - in setting qualification requirements on a project by project basis. A project's overall complexity can be impacted by technical / design considerations; the construction working environment and restrictions; community and neighborhood interface issues; and other considerations. Staff noted that as a result of recent discussion, it was determined to also include a minimum requirement of five years experience for a firm's qualifier in addition to particular license requirements. CIPOC members concurred with this recommendation.

Using the NSGC Club House as example, and comparing it to other actual examples contained in the handout, significant discussions by CIPOC Sub-Committee members centered on the need to have consistent ITB requirements for the number of years that the firm is in business; and various example situations were offered relating to newly created or acquired firms whose individual key projects members could have significant construction experience. Staff explained that the primary reason for including a higher firm experience requirement for the Club House had more to do with the fact that the project involved a historical replication with highly detailed finishes that would merit an experienced and established firm; with the sentiment shared by the regulatory department for this type of work. Staff added that companies with proven track records and client portfolios, that can meet all minimum ITB requirements and can solidly represent themselves on the other selection evaluation criteria, are generally representative of successful entities that possess the ability to manage carrying costs and other attributes generally associated with financially capable and successful on-going concerns.

Sub-Committee members were agreeable with setting higher experience requirements for the project team members, but recommended that five years be set as the basic criteria for the minimum years that a firm is in business. The public members in attendance were in support of that recommendation and noted that their firms successfully managed projects that were of significantly higher value, and thus were qualified to build a \$2,000,000 Club House.

Overall, the Sub-Committee agreed that each project needs to be individually evaluated, in terms of minimum requirement criteria. However, for the purpose of determining responsiveness to the minimum requirement criteria, the Sub-Committee would like to see a more structured

format or checklist incorporated as a standard in ITBs as it relates to the minimum requirement documents (as opposed to the current narrative format presently in place). To that end, CIP will prepare a standard checklist, to include a set of minimum requirement categories that would be specified for each project. The list will be forwarded to the Procurement Division for inclusion in bid documents. If any particular category were not to be considered / applicable on a project, then it would be marked as not applicable (NA). Previously used categories recommended by staff, with concurrence of the CIPOC members, will include the following basic parameters with respect to the contractor's minimum qualifications:

- **Years of Existence of the Firm and its Sub-Contractors: 5 Years** (*back-up explanation would be included in the form if a greater number of years needed for highly specialized applications*)
- **Years of Experience of the Firm's Qualifier: 5 Years** (*back-up explanation would be included in the form if a greater number of years needed for highly specialized applications*)
- **Firm's Qualifier License Requirement(s): General Contractor Certified in the State of Florida**
- **Years of Experience and License Requirements of other key members of the Firm and its Sub-Contractors project team:**
 - Project Manager: _____ License: _____ (*may vary by project & discipline*)
 - Superintendent: _____ License: _____ (*may vary by project & discipline*)
 - Sub-consultant: _____ License: _____ (*may vary by project & discipline*)
- **Number of Similar Projects:**
 - **Completed:** _____ (*may vary by project*)
 - **Between (dates):** _____ **and** _____ (*may vary by project*)
 - **With a Minimum Value of:** \$ _____ (*may vary by project*)
- **Percent of the Work to be Self-performed:** _____ % (*may vary by project*)
- **Other Project-Specific Minimum Requirements** (*e.g. installed 30" diameter force main piping, experience with deep excavations/dewatering, etc.*).

Staff suggested that - although the above criteria should be acceptable for most projects - on occasion the project team would still need to have the latitude, based on the project's unique technical requirements (e.g. Master Booster Pump Station, Golf Course), or a performance requirement (e.g. build three projects in excess of \$10M each) to require a greater number of years of a firm's existence. CIPOC members concurred with this observation, as long as a clarification for this deviation was included in the ITB document, or in the City Commission Memorandum approving the issuance of the ITB.

Although various combinations of the above requirements are typically included in ITB documents, it was agreed that the checklist format would make it easier to understand the considerations used to set the minimum requirements, with added transparency.

After general discussion on what financial criteria should be considered, it was agreed that the firm's net worth information or audited financial statements should not be a standard minimum requirement. Staff noted that bonding is already a minimum requirement, adding that as part of the bonding process, underwriters typically examine a company's liquidity and working capital, cash flow, works in progress, over-billings / under-billings, change orders and claims - thus providing a certain level of financial criteria screening. CIPOC members concurred that no

additional financial requirements would be recommended at this time as a minimum requirement for responsiveness.

Staff also distributed for review a sample copy of a City standard supplement to bid/tender form section of an ITB document that addresses references, certifications, performance and corporate information that contractors must complete as part of their submittals. It was also noted that staff was reviewing the Miami-Dade County Public Schools Contractor Prequalification Certification Application for opportunities to incorporate any complementary contractor information requirements into the City's ITB documents. CIPOC members also reviewed the latter and complimented both forms, requesting that any appropriate elements from the School Board's form be added into the City's document.

Attachments:

1. CIP Handout on Minimum Contractor Qualifications
2. Attendance Roster

March 12, 2009

MINIMUM CONTRACTOR QUALIFICATIONS

Considerations include:

- Experience of the Firm
 - Based on complexity, value of the project and other considerations
 - Varies by project
- Experience of the Qualifier (License Holder)
- Complexity of the project
 - Technical
 - Construction working environment
 - Community / neighborhood interphase, issues
 - Significant regulatory permitting requirements
 - Other
- Value of the project

GENERAL GUIDELINES FOR YEARS OF EXPERIENCE - CONTRACTING FIRM & QUALIFIER

<i>MINIMUM</i>		
LOW COMPLEXITY PROJ.	AVER. COMPLEXITY PROJECT	HIGH COMPLEXITY PROJECT
5 Years	7 Years	10 Years

OTHER CONSIDERATIONS / EXAMPLES

SOUTH POINTE WASTEWATER BOOSTER PUMP STATION - Minimum Requirements: Certified Building Contractor; 10 years experience in industrial and/or water/wastewater plant experience, or large pump station construction. Completed three projects, as prime contractor, that involved the cumulative installation of at least 1,000 linear feet of sanitary force main piping greater than or equal to 30" in diameter, or installation of at least three 30,000 GPM or greater pumps. Completed construction of at least one project exceeding \$10M in construction cost. Experience with large excavations requiring sheet piling and extensive groundwater dewatering.

NORMANDY SHORES GOLF COURSE IMPROVEMENTS - Minimum Requirements: Golf Course Contractor must be a Certified Member or Associate Member of the Golf Course Builders Association of America, or a Golf Contractor must establish that they have been in the golf course construction business for at least five years and have completed construction of an 18 hole golf course construction project in the past 3 years.

MULTIPURPOSE MUNICIPAL PARKING FACILITY - STRUCTURE - Minimum Requirements: Prospective Bidders shall be required to provide proof, with their Bid, of having satisfactorily constructed and completed on schedule, as a General Contractor, at least three (3) projects, each in excess of Ten Million dollars (\$10,000,000) and of a complexity similar to that provide in the Project Documents. (Drawings Index and Technical Specification as referenced in the respective Sections of the Bid Documents). Prospective Bidders need not demonstrate a Parking Garage among their three projects in order to demonstrate compliance with the aforesaid minimum requirement. General Contractor will be required to self perform, at a minimum, twenty-five percent (25%) of the work.

SOUTH POINTE PARK - Minimum Requirements: General Contractor certified in the State of Florida with a minimum of five (5) years experience as a General Contractor. Bidder to have performed a minimum of three (3) projects within the last 5 years, with a minimum of eight (8) million dollars in construction cost, with emphasis on heavy civil, ecological sensitive environments and landscaping construction for beautification of Parks, and/or Beach/Bay Front related construction projects.

CIPOC Sub-Committee
Review of ITB Minimum Qualifications
March 12, 2009 4:00pm
CIP Conference Room

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