



COMMITTEE MEMORANDUM

TO: Members of the CIP Oversight Committee

DATE: July 11, 2011

SUBJECT: REPORT OF THE CAPITAL IMPROVEMENT PROJECTS OVERSIGHT
COMMITTEE MEETING OF MAY 9, 2011

The meeting was called to order at 5:46 p.m.

Please note: These minutes are not a full transcript of the meeting.

Full audio and visual record of this meeting available online on the City's website:

[http:// www.miamibeachfl.gov/video/video.asp](http://www.miamibeachfl.gov/video/video.asp)

1. ATTENDANCE

See attendance sheet copy attached

2. PUBLIC COMMENTS

5:46

No one came forward for Public Comments

3. PRESENTATIONS

Scott Rakow Youth Center Refund Check

5:47

Fernando Vazquez, Director, Office of Capital Improvement Projects, explained that the contractor delivered a return check to the City that represents a savings of \$171,000. Bert Cabanas, Capital Project Coordinator and the project manager for the Scott Rakow Youth Center renovation project, introduced Ellen Vargas, the facility manager of the Youth Center and Vic Crespín, representing KVC Constructors. Mr. Cabanas explained that the contract was written under new guidelines developed with the Procurement Department for CM@Risk construction management. CIP felt that CM @Risk was the best delivery method for this project. There was a savings clause built into the contract stating that should the Construction Manager at Risk realize any savings from the negotiated schedule of values, the City would be the recipient of 75% of those savings. Ellen Vargas spoke very favorably about the renovation and how the project was handled, praising the contractor and the Office of CIP. Vic Crespín of KVC Constructors presented the check. The project was completed on time as well as under budget. He praised the Best Value process and the CM@Risk delivery method. He stated that seeking alternative construction delivery methods benefits the city.

Eleanor Carney asked where the savings were specifically realized. Vic Crespín said that the estimate was based on assessment of general conditions and best guess at how certain components would be phased or carried out. As work progressed, they realized where they could speed up certain timeframes and in cost of some materials. Throughout the project, the City and the contractor worked together to carry out the job in the most efficient manner.

Dwight Kraai asked how close the savings of \$171,000 brought the cost to the lowest bidder. It was clarified that the project was *not bid*; the job was worked off of a JOC price.

Status of Permanent Generators

6:01

Hector Castro, Assistant Director, Public Works, explained that the City operates 10 stormwater pump stations. All discharge directly into Biscayne Bay or into the inland canals. Under the new Stormwater Master Plan, approximately 13 new pump stations will be added. A typical station is a submersible station with two pumps (duplex), ranging from 20 -100 HP. FDOT will be installing as many as four new stations that will be of the larger size. For standby power, PWD uses trailer-mounted portable generators. These contain 500gal fuel (most are diesel) storage tanks, which enable the generator to run for about one week, but poses refueling challenges. Each portable generator costs \$40,000 - \$70,000 new (based on state contract).

Saul Gross asked if the source of fuel was natural gas, eliminating the need for a collector or a tank, would the generators be smaller. The answer is that diesel is more efficient and the generator would actually be smaller. (Mr. Castro presented photos within a PowerPoint presentation of what the stations and generators would look like). Natural gas, if available, is preferable, for a number of reasons. Diesel fuel storage can be problematic, because of secondary containment requirements for code compliance and because the permitting and monitoring processes are tedious.

The issues for permanent standby generators are:

- Installation cost (\$150,000 +) (It would cost over \$1 million to install generators for all ten existing pump stations)
- Operation and maintenance costs (\$15,000+ annually)
- Land requirements (requires approx 400 additional feet)
- Design criteria
- Fuel issues
- Diesel requires additional storage and containment
- Aesthetics / Nuisance complaints (for maintenance, there is a series of test runs under load)

There are six portable generators available, not enough to operate all of the current existing stations should they all be inoperable. PWD has to move the generators around. Mr. Castro pointed out that in the case of an emergency such as a hurricane, wastewater operations take precedence over stormwater.

The cost of the generator itself is essentially the same whether permanent or portable, but there is additional cost for the permanent structures. There are also costs involved when addressing the aesthetics (hiding or masking panels with structures or landscaping).

The discussion turned to the FDOT plan for stormwater drainage on state roads and how they tie in to the systems that the City is expanding/adding/building. Mr. Castro noted that the City approached the State, noticing that the plan for their stormwater drainage system was "myopic," and asked that they work to tie in the City's system, and negotiations with the State have been favorable.

Staff is not making any specific recommendations at this time, the presentation was just to present the information on portable vs. permanent generators for the pump stations. Fernando Vazquez asked Chair Gross if the Committee had any opinion at this time. Saul Gross said that looking at the cost differential and the upkeep in the efforts to combat any aesthetic issues, unless there would be a "mission-critical" station, there is a preference for portable generators. Mr. Castro said that from Public Works' perspective, there is an operational benefit to having a sufficient amount of portable generators, which would serve not just the pump stations, but various purposes. The City would still need to purchase better and more pumps.

Rick Kendle suggested that PWD speak with TECO about the impact of installing natural gas lines to all the stations, considering the possibility of limited mobility should trees come down during a storm. Mr. Gross noted that most residents choose natural gas for their own generators in areas where it is available.

The Committee had no specific recommendation, but the Chair asked that if Public Works and CIP develop a recommendation that they bring it to the Commission via the Finance and Citywide Project Committee. He also asked that the PowerPoint presentation be made available on the City's website.

ACTION ITEM: A report on the portable generators will be given to the Finance and Citywide Projects Committee by Public Works.

ACTION ITEM: The PowerPoint presentation on the portable generators will be placed on the website and a copy of the presentation will be sent to Fred Karlton.

4. REQUESTED REPORTS

Status Report on Lower North Bay Road Neighborhood 6:27

Commission approved the amendments that were brought in order to work further with the Engineer on the design for this project. Janette Fernandez-Arencibia, Capital Project Coordinator, construction is anticipated to begin in the third quarter of this year, should all the plan finalization, value engineering and if all requests are brought and approved by Commission. CH2MHill is anticipated to complete revisions in 60 days (in process at time of meeting). The challenge is getting this to Commission in time to meet a third quarter construction start date.

ACTION ITEM: CIP to report back on the status of Lower North Bay Road.

Status Report on Normandy Isle Neighborhood 6:32

The most important component is the additional lighting for Marseilles Drive area. Daniel Veitia, a community activist in Normandy Isle is working with the City on this. There are about 30 total lights, approximately 19 have been installed. Nine more lights have been recommended. An additional photometric study is being completed. Additional funding has been requested through PTP funds in conjunction with Public Works. Final recommendation from the A/E is pending and then the project can be completed. Public Works also provided funding assistance for the pavers

that are being installed in certain crosswalks. Commercial District pavers and some landscaping are also being worked on as finding is being identified. Some components are now under a capital budget request. This is likely to come before the Finance and Citywide Projects Committee in July for the 2011/2012 budget cycle.

ACTION ITEM: CIP to check when the additional items for the Normandy Isles Capital Improvement project will be going to the FCWP Committee for budget allocation.

5. OLD BUSINESS

Status Report: Venetian Island Neighborhood Improvement Project 6:38

Roberto Rodriguez, Capital Projects Coordinator, reported that the ITB will be delayed HOA meeting April 20, County announced that they ran into unforeseen conflicts which inhibited their construction **on the causeway and they are behind schedule. The City's schedule is 14** months of construction, and we want to coordinate with the County. Now with the delays in the County construction, the decision (made by the project team with consulting engineer, Schwebke Shiskin) is to hold off construction commencement so that the 14-month schedule can be met. The County has been working on the causeway for four months, but has only completed 6% of their project. The ITB could be brought to Commission in September, rather than July. Depending on the progress of the **County's project, the City** has a window enabling a delay into October to issue the ITB.

Eleanor Carney asked if the County project managers could attend the July CIPOC meeting so that they could hear the concerns of the Committee.

ACTION ITEM: Fernando Vazquez informed the Committee that the County project manager would be invited to the July meeting.

Dwight Kraai asked if encroachment notices have been distributed and who is responsible for paying for the removal. Mr. Rodriguez presented the letters that were written and are ready for distribution and informed Mr. Kraai that removal of encroachments are within the scope of work of the project. Mr. Vazquez pointed out that the City removes certain encroachments, we do not cover cost of removing structures or certain large trees. Most of the encroachments are hardscape driveway aprons or smaller landscaping. No structures.

Mr. Kraai also inquired about the County project and removal of large trees on the causeway. This will be answered when the County project managers attend the July CIPOC meeting.

ACTION ITEM: CIP will check with the County on tree removals and relocations within their project on the Venetian Causeway.

Status Report: Sunset Islands I & II 6:47

Maria Hernandez, Senior Capital Projects Coordinator, reported that the ITB went out the week of May 2. A pre-bid meeting was scheduled for May 17, bids due June 3. Hoping to award the contract July 13. Construction has begun for outfalls #1 and #2. The structure for outfall #1 has been installed. Outfall #2 installation follows behind it.

Status Report: Sunset Islands III & IV

6:48

Mattie Reyes, Senior Capital Projects Coordinator, introduced Rick Saltrick, from Public Works, who explained that Public Works met with the HOA and worked out an arrangement which was approved by the Finance and Citywide Projects Committee, whereby the City will pay \$50,000 for a new guardhouse and the HOA would pay the difference (total is estimated at \$75,000-\$80,000 for the guardhouse). The City will still cover the complete entrance renovation. This will go before the Design Review Board in June.

Mattie Reyes further discussed the status of the ROW project. CH2MHill is the engineer of record. There was no consensus among the HOA about the streets being one-way or not, so this will be brought up again at another meeting with Public Works (HOA is seeking a recommendation).

Status Report: Palm & Hibiscus Island Undergrounding

6:52

Grace Escalante, Senior Capital Projects Coordinator, stated that FPL submitted the revised drawings to the HOA, the City is reviewing the drawings and the locations are chosen for the transformers, the HOA will inform the City, who can ask for a binding estimate from FPL.

In response to Eleanor Carney's question from the last CIPOC meeting, the construction does not have to take place within the 180 days, but design will proceed and once construction starts FPL will honor their estimate. The City and County Attorneys will work out the interlocal agreement as soon as the binding estimate is received.

Eleanor Carney cautioned that the terms be worked out before the binding estimate is received.

ACTION ITEM: CIP will make sure that terms are worked out before a binding estimate is received from FPL for Palm and Hibiscus Island Undergrounding.

6. Discussion Item: Construction Management Options

6:54

Fernando Vazquez explained that City Staff was asked to look into Construction Management opportunities. CIP and Public Works can, at a future meeting, provide a list of projects and the options of construction management for them. Commodity projects like seawalls, surface lots and some vertical facilities provide opportunities to begin a process of engaging staff as program manager as the projects are outsourced. The City is looking at potential savings for **bundling projects and operating as an owner's rep vs. cost of bringing in an outside owner's rep.** Staff has held some discussions with professionals in the private sector. After discussion with the City Manager, more detailed information can be brought back to the Committee.

ACTION ITEM: CIP will provide updates on developments to the Committee as the City continues evaluating the various construction management model options.

7. REVIEW AND ACCEPTANCE OF MINUTES

No quorum, therefore the Minutes of April 11, 2011 were not approved. One correction was noted Tony Trujillo stated that Carla Probus' name was misspelled.

ACTION ITEM: CIP to check with the City Clerk's office on what constitutes a quorum for the Committee and whether Chair Saul Gross is considered an ad hoc member or a voting member.

ACTION ITEM: A copy of the *corrected* minutes will again be included in the July 11, 2011 agenda packet.

Meeting Adjourned: 7:01 p.m.