



## COMMITTEE MEMORANDUM

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

From: Jorge M. Gonzalez, City Manager *Jorge*

Date: January 11, 2012

Subject: **REPORT OF THE CAPITAL IMPROVEMENT PROJECTS OVERSIGHT COMMITTEE MEETING OF NOVEMBER 14, 2011**

**The meeting was called to order at 5:45 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. **REVIEW AND ACCEPTANCE OF MINUTES**

**5:46 pm**

Report of the Capital Improvement Oversight Committee Meeting of October 17, 2011

MOTION: Acceptance of Minutes of the September 12, 2011 CIPOC Meeting.

MOVED: T. Trujillo 2<sup>nd</sup>: E. Carney

PASSED: Unanimous - WITH REVISIONS as per D. Kraai

3. **PUBLIC COMMENTS**

**5:56 pm**

Greg Carney, President of the Venetian Islands Homeowner Association, requested an update on the rebidding for a contractor for the Venetian Islands project.

Aaron Sinnes, Senior Capital Projects Coordinator, presented the status of the project. The Commission rejected all the bids that had been submitted through the ITB process. They did not recommend a timeline on when the project should go into construction.

CIP staff met with the Engineer of Record (EOR – Schwebke Shiskin) and electrical engineers. Savings have been identified for the electrical components, through this value engineering process and staff plans to follow an aggressive timeline with the intention of awarding this project to a contractor as early as February, followed by possible commencement of construction in March or April. The first step is to amend the consultant's contract. Because the changes fall under \$25,000, there is no need to go back to Commission for these changes. The goal through the value-engineering process here is to seek alternatives that result in cost savings, not redesign of the project. Savings have already been identified in the concrete encasement and wiring of the lighting, as well as some other areas.

The contract provides a range of up to 15% for the consultant to come in with an opinion of cost. Saul Gross felt that this was too liberal and asked that staff look into this tolerance level for future contracts.

STAFF ACTION: Look at the tolerance range provided for in the standard contract form for consultants to provide opinions of estimate of costs. Compare with State guidelines and other guidelines.

Eleanor Carney clarified that Schwebke Shiskin was not contracted to do the electrical estimate. Hillers Electric is the consultant who did the electrical. Probable cost estimate was not included in the scope of work for Schwebke Shiskin. The cost estimate came from Hillers, hired under the contract of the last EOR.

STAFF ACTION: Bring standard contract and the contract for consultant with information about the probable cost estimate to CIPOC for review.

County work on Causeway – Greg Carney contacted Roberto Rodriguez just prior to the CIPOC meeting, with concerns about safety practices in the County project. Sidewalks on the north side of the causeway are presently unfinished, posing a safety hazard for walkers and bikers. Mr. Carney had contacted the County project manager several weeks before, and was told that there were conflicts with utilities which delayed the completion of the sidewalks. Mr. Carney requested that some temporary fill material be placed in the holes until the sidewalks could be completed, but was unsuccessful in getting his request filled. He asked the City to intervene. According to staff at the meeting, the County was going to fill the holes with crushed rock that day.

**4. OLD BUSINESS / REQUESTED REPORTS**

**6:30 pm**

**Status of Water Reclamation Project in Golf Courses**

Kevin Smith, Parks and Recreation Department Director, was prepared to present. Saul Gross said that the request was actually made about the AMERESCO project, which he confused with the lake reclamation project.

Mr. Smith did not give the presentation. Instead, ACM Duncan Ballantyne gave an update on the AMERESCO project. He said that the most recent document analysis was provided to Mr. Kraai.

The administration has evaluated the material presented by AMERESCO and determined that there is no cost benefit to the project. There would be what was determined an excessive period of time before realizing a cost benefit.

Mr. Smith took the opportunity to invite the Committee members to the re-opening of the new playground at South Pointe Park.

**Status Report: Sunset Island I & II**

**6:16 pm**

Maria Hernandez, Senior Capital Project Coordinator, stated that some issues are being worked out with the contractor. A Community Pre-construction meeting is planned to take place Wednesday, November 16 and the first round of encroachment notices are planned to go out the same day.

Staff reviewed the schedule submitted by the contractor and that has been the source of issues between the City and DMSI. DMSI had submitted a new schedule just before the CIPOC meeting, but staff had not yet had a chance to review this newest schedule. Issuance of the second Notice to Proceed (NTP2) is contingent on acceptance of the schedule. The other item that needed some resolution is the schedule of values.

The first NTP was issued in late August. Some instances in other projects that this contractor is involved in appear to have affected the contractor's performance in Sunset Islands. The contractor promised certain items, such as concurrent crews, during the Technical Review Panel (TRP), and now not providing that in the schedule. Some line items on the schedule of values

have also changed in quantity since the TRP. This results in significant reduction in the cost of the project. The contractor has invoked the 20% rule and has resubmitted a price that the City is not willing to accept. Specifically, this has had an impact to cost in the area of water meter relocations.

William Goldsmith, 1820 West 25<sup>th</sup> Street, member of the Sunset Island Homeowners Association, gave his opinion on the situation. He first asked if the new schedule that was submitted responded sufficiently to the requests made by the City on November 14 (in a letter that is included in the Nov. 14 CIPOC agenda packet).

Fernando Vazquez stated that the contractor had just submitted the requested schedule before the meeting, but staff had not yet had a chance to review it and that staff and the contractor also needed to iron out the water meter pricing in the schedule of values.

Maria Hernandez handed Mr. Goldsmith a copy of the material that she had just received from DMSI, Inc.

Mr. Goldsmith further pointed out his concerns with the construction schedule and the schedule of values. He made the point, when Mr. Gross said that he had confidence in the work that Albert Dominguez (Principal with DMSI) had done for the City before, that DMSI is not the same company as Ric-Man International; and that DMSI had not done a lot of work with the City since incorporating. Mr. Gross responded that the principals, superintendent and other key DMSI personnel were the main people involved in City projects when they were with Ric-Man International.

At the TRP, Mr. Goldsmith confirmed with Albert Dominguez that the number of meters listed on the contract (200) was an over-estimate and requested a pro-rata reduction in the cost that would reflect this and was told that, yes DMSI would do that. The last schedule of values submitted by DMSI showed an increase in the cost of the meters. Also at the TRP, the panel asked if the contractor will provide a construction trailer and, if not, a \$25,000 credit (He did not finish his statement, but was insinuating that the contractor reneged on this item. Mr. Gross asked if the items mentioned at the TRP were included in the contract, offering direction to the City that material representations made at the TRP should be passed on to the Legal Department for inclusion in contracts. Maria Hernandez stated that she tried to do just that, particularly because the material promise of parallel crews on site would ensure that the project stuck to a ten-month schedule, as represented at the TRP. Recently, a contractor on another project under Ms. Hernandez's direction, failed to provide concurrent crews as promised and it affected the schedule adversely. She was unable to pursue action against this contractor because that item was not included in the contract. Now, DMSI on this schedule has to stick to a new schedule of 12 months. Correspondence pertaining to the schedule is included in the agenda packet. The final schedule, once agreed upon, will be certified.

Albert Dominguez, DMSI, said that the company presented many different ideas at the TRP. Some ideas included different type of pipe, and installation at shallower depths, for example. Mr. Dominguez stated that some parts of their proposal were rejected. He claimed that some of their proposals actually reflect value-engineering towards getting better value in the project.

Saul Gross asked why the City rejected the idea of installing the pipe above the muck line. Fernando Vazquez responded that the proposal was to install the pipe under the valley gutter, which posed a problem for the Public Works Department and they rejected that proposal. Mr. Dominguez said that item impacted other portions of the proposed schedule. If the City rejects certain proposed means and methods, DMSI cannot guarantee the shorter schedule.

Mr. Dominguez said that some issues that are currently affecting DMSI crews at the Biscayne Point project are now delaying the use of parallel crews for the Sunset Islands project. DMSI had planned to roll some crews from Biscayne Point to Sunsets I & II, but now the work seems to be delayed by almost 8 months.

Mr. Vazquez said that the City is working very hard to try and resolve the issue with the EOR on Biscayne Point so that the schedule can be accommodated and approved for Sunset Islands. Staff is confident that the issues will be ironed out before the next CIPOC meeting and then be brought to Commission in December.

More deliberations continued. The conclusion of the discussion was that staff was working on reaching a meeting of the minds among all parties, and if the City and the contractor cannot come to an agreement, that staff proceed accordingly.

**Status Report: Sunset Island III & IV**

**7:09 pm**

Mattie Reyes, Senior Capital Project Coordinator said that the RFQ was advertised for a design criteria professional and four companies responded. A selection committee was scheduled for November 29.

**Status Report: Lower North Bay Road**

**7:10 pm**

Maria Hernandez told the Committee that a 2<sup>nd</sup> Notice to Proceed will be issued the second week in December. Encroachment surveys are being conducted and encroachment letters will go out soon. Construction will begin by the end of the year (the contractor will take some time off for the holidays). The EOR and the City are still reviewing the change order that was submitted, but that will not delay the start of construction. The change order reflects \$250,000 in the overall \$5 million contract.

Saul Gross asked about water meter relocations and the process for those homeowners who want to install a second meter. Residents who are interested in purchasing a second meter are encouraged to call the Public Works Department to make arrangements for the meter. PWD will coordinate with CIP for the properties that fall within a project.

Ms. Hernandez indicated that interested residents can call CIP and staff would coordinate/facilitate the process, but the best course of action is to contact Public Works Engineering directly at 305-673-7080 to request an additional meter. Once all the permitting is in place and fees are collected, the CIP contractor would receive the work order from Public Works.

STAFF ACTION: Bring information about the process for obtaining sub-meters and irrigation meters during a CIP ROW project to the next meeting. Clarify whether the process is slightly streamlined when it takes place in conjunction with a CIP ROW project.

**Status Report: Venetian Islands**

**7:14 pm**

\*See above – topic was covered during Public Comments at 5:56.

Eleanor Carney had an additional question about the status of the encroachment notices for the Venetian Islands. At the last meeting, CIPOC requested a schedule of notices to be provided. This was not reflected on the staff action items. Robert Rodriguez responded that the surveys are currently being done to determine encroachments at this stage. Ms. Carney expressed her opinion that residents “are being held hostage” in the meantime. But there is a process and typically, the encroachment notices do not go out until NTP 1 is issued after a contractor has been hired, since coordination for removal involves the contractor. (There are other projects where construction is imminent and encroachment notices are being sent out for those, since they now take priority status). Stacy Kilroy stated that encroachments are such a bone of contention for residents that sending notification as early as possible would give them time to deal

with relocation of the encroachments should they choose that. Fernando Vazquez stated that staff could go outside of regular procedure and send notices before a contractor is hired, but CIP staff will first concentrate on those neighborhoods that are closer to construction. NTP for Venetian Islands is expected in March or April. Ms. Carney reiterated that she wants notices sent out as early as possible.

**STAFF ACTION:** Bring an outline of encroachment process to CIPOC that outlines the general guidelines and timelines for encroachment removal.

**Status Report: Palm and Hibiscus Islands**

**7:21 pm**

Senior Capital Project Coordinator Grace Escalante told the Committee that the drawings and binding estimate from FPL for undergrounding of utilities were received on October 27. The City submitted the drawings to Atlantic Broadband and AT&T as well as a JOC contractor. At the time of the CIPOC meeting, a meeting was planned for the following Thursday to coordinate all the estimates for the work from all parties involved. Staff submitted the drawings to the Public Works Department on November 3 for their review. Another meeting was scheduled with the top ranked Design Criteria Professional (DCP). Since the proposal for the DCP have remained high, it is likely that the second ranked firm will be recommended for negotiation, and the City may terminate negotiations with the first-ranked firm. As soon as the City gets the total cost estimates for the project, they will submit this to the County, and then the County will pursue a bond issue and draft the inter-local agreement. The County promised that this would take four weeks. Once the attorneys review the inter-local agreement, the package will be taken to City Commission for approval.

**Status Report: Flamingo Park**

**7:24 pm**

Ms. Escalante stated that Pirtle Construction submitted an executed contract for pre-construction services for the Tennis Center. The project is on schedule. An award, if we remain on schedule, will be issued in February. The City has 100% permitted drawings for the Tennis Center. Once Pirtle conducts a constructability review, and makes any necessary changes, they will submit a guaranteed maximum price to go to Commission. If approved in February, construction can begin in March of 2012 and is expected last one year.

**Status Report: Stormwater Master Plan**

**7:27 pm**

Rick Saltrick stated that the City is working with FDOT to finalize the connection with the Alton Road project. He is confident in the progress. Saul Gross asked if the Sunset Harbor pump station was tied in with the Flamingo stormwater project. Mr. Saltrick responded that the consulting firm of APCTE recommended replacements with larger pumps rather than the original plan to retro-fit the pump station. Once the DERM and DEP permits are acquired, the project can start with a JOC contractor. Eleanor Carney clarified that the replacements are a better solution than adding an additional station. Mr. Saltrick confirmed this. Mr. Gross asked if the engineers who designed the currently inadequate stations are culpable for negligence or something similar. The City has not pursued any action against the engineers.

**Additional Discussion**

**7:30 pm**

Dwight Kraai said he had still not received appropriate information on stormwater and sea-level models that he had asked for. Mr. Ballantyne replied that the City will provide Mr. Kraai with information prior to meeting with the consultant and the City Manager. Mr. Ballantyne has performed a preliminary review of the proposal for the stormwater master plan from CDM, and asked Public Works to get some additional information from the consultant, especially the information about sea-level rise that had been requested by Mr. Kraai. Once the proposal is complete, the plan is to present it to the Finance and Citywide Projects Committee. There are opportunities for Public input in this process. After the consultants have finalized design that would satisfy criteria for FDOT, Mr. Saltrick will meet with FDOT and at that time the City can

schedule a meeting with the City Manager and Mr. Kraai on this topic. The administration recognizes that Mr. Kraai wants the opportunity to provide some input based on his professional expertise in this matter before the process is closed.

STAFF ACTION: Bring back information to the next meeting on the timeline for this process and a proposed date for meeting with Dwight Kraai. Mr. Ballantyne, in response to Mr. Kraai's inquiries, has asked the consultant to re-evaluate the plans based on a more accurate range of sea-level rise.

**Meeting Adjourned:**

**7:35 pm**

Next CIPOC meeting is scheduled for Monday, December 12, 2011 at 5:30 p.m. in Commission Chambers.