



COMMITTEE MEMORANDUM

TO: Members of the CIP Oversight Committee

DATE: March 19, 2012

SUBJECT: **REPORT OF THE CAPITAL IMPROVEMENT PROJECTS OVERSIGHT COMMITTEE MEETING OF FEBRUARY 6, 2012**

The meeting was called to order at 5:37 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)

Additional Note: Report presented here in order of published agenda, items are out of order. Please refer to times at the right of the page for when they were heard at the meeting.

Chair Saul Gross purposely held four projects for the end of the meeting (6:26 p.m.) because they were being handled through Design Criteria Packages (DCP) and he wanted to have an overall discussion of the DCP process. Those projects are Biscayne Point, Sunset Islands III & IV and Palm and Hibiscus Islands. The City is seeking a standardization of the DCP development for the entire city.

Fernando Vazquez stated that the Office of CIP is working to standardize the DCP process to avoid problems. The office is establishing a foundation that begins with solid drawings, based on certain criteria. This conversation continues below with the individual projects of Biscayne Point, Venetian Islands, Sunsets III & IV and Palm and Hibiscus Islands.

1. **ATTENDANCE**

See attendance sheet copy attached.

2. **REVIEW AND ACCEPTANCE OF MINUTES**

5:38 p.m.

Report of the Capital Improvement Oversight Committee Meeting of December 12, 2011

MOTION: Acceptance of Report (Minutes) of the December 12, 2011 CIPOC Meeting.

MOVED: S. Kilroy 2nd: D. Kraai

PASSED: Unanimous - WITH REVISIONS

REVISED Report of the Capital Improvement Oversight Committee Meeting of November 14, 2011

MOTION: Acceptance of REVISED Report (Minutes) of the November 14, 2011 CIPOC Meeting.

MOVED: D. Kraai 2nd: T. Trujillo

PASSED: Unanimous

STAFF ACTION: Provide printed copies of revised meeting minutes.

3. **ACCOMPLISHMENTS** **5:57 p.m.**
Substantial Completion of Star Island Project. (This presentation followed the discussion of the Star Island Commission Item) Maria Palacios, Public Information Specialist, showed a slide presentation showing the scope of work and the results of the upgrades.

4. **PUBLIC COMMENTS** **5:41 p.m.**
Carla Probus, 400 Alton Road, a resident of the South of Fifth Neighborhood thanked Fernando Vazquez, CIP Director, for meeting with residents to iron out some resident concerns dealing with the South Pointe III, IV & V project. She added that she was pleased to see that many of the items were addressed. Saul Gross encouraged the public to contact the CIP Office whenever they have concerns about construction, adding that project team members cannot be everywhere. Mr. Vazquez remarked that often the public can be very helpful as additional sets of eyes, and the City appreciates the input.

Elaine Litvak, 100 South Pointe Drive, is also a South Pointe resident, and brought to the Committee's attention an issue that concerned her. The recently-installed ADA ramps currently meet the new valley gutters, but then there is a drop of about two inches to the pavement. Paul Cusmano, the Project Manager from TransFlorida Construction, approached the podium to explain that this situation will be remedied. Right now, the team is waiting for the final lift of asphalt, but until then, the crews will provide temporary patches to address the drop between the valley gutters and the pavement.

5. **OLD BUSINESS / REQUESTED REPORTS**
Status Report: Normandy Isle **6:00 p.m.**
Mattie Reyes, Senior Capital Projects Coordinator, said that the contractor had mobilized and was waiting for the delivery of 12 lights for installation on Marseille Drive. In the meantime, they are installing the underground conduit. There was about a 3-week delay while the contractor obtained their bond, but they are back to work. Work on the lighting is expected to be finalized by the beginning of March.

Staff signed off on a proposal to install crosswalk pavers and work will begin soon. The work could be completed in less than two-months' time, but staff feels that this work must be conducted in conjunction with the drainage work. A consultant has submitted the scope of work and cost estimates for the work on the swales for drainage. All of the improvements are expected to be completed in approximately six months.

Discussion: Biscayne Point Neighborhood Project **6:27 p.m.**
*(discussion began at 6:26) Fernando Vazquez explained that the situation with the Biscayne Point project (inadequate engineering plans) led to the termination of the design engineer and the City is in the process of converting the project to design/build. Public Works created a new design criteria package that includes new criteria that were not incorporated in the original plans, such as mean elevation of the roadway. The new criteria require additional components. The current contractor, DMSI, has the expertise to incorporate the changes, but the City and the contractor are now negotiating cost and new schedule. There is urgency on this project as it is already in construction.

Saul Gross pointed out that the contractor and engineers need to work together to communicate issues and work to ensure constructability in a practical manner. Christina Cuervo pointed out that the deficiencies in design plans seem to be discovered while the contractor is already out and implementing the design. The thought is that new citywide design criteria -- meeting all regulatory standards and are also cost-effective -- will help to avoid this discovery so late in the process. The issue at Biscayne Point differs from the other pending projects because the project is already underway. Fernando Vazquez emphasized that the goal is to also incorporate construction engineering and scheduling.

As CIP evolves, Mr. Vazquez said, the City is incorporating comprehensive constructability reviews, to include engineering, construction pricing and scheduling. This makes sure that as the project is being designed, cost-estimating can be done as early as possible. Saul Gross drew the conclusion that contractors should be involved as early as possible, indicating he wanted contractors brought on earlier in the process than is done currently. The discussion centered on the feasibility of bringing in outside services of contractors and design engineers to work together to provide review as plans are being developed.

**Please note, that further discussion about Biscayne Point occurred (at 6:49 p.m.) when the item about Lower North Bay Road was heard. See below.*

This item was taken formally at 7:30 p.m.

Noting that this was discussed "in bits and pieces" throughout the meeting, Saul Gross asked if there was any particular discussion that needed to be brought forward. He stated that he was aware that residents wanted to see action on the project. Fernando said that negotiations are continuing as the City and the contractor are trying to bridge the gap and come to an agreement of price. A meeting with DMSI and the City was to take place after the CIPOC meeting.

Status Report: Sunset Island I & II

6:06 p.m.

Maria Hernandez, Senior Capital Project Coordinator reported that the contractor, DMSI, was working slightly ahead of schedule. As of the date of the meeting, the project had been progressing as smoothly as could be expected, with only the usual bumps experienced in any construction project.

Status Report: Sunset Islands III & IV

7:06 p.m.

Mattie Reyes, Senior Capital Projects Coordinator. Explained that this project is also being done through a DCP. This project did not originally include stormwater component, which has been added.

Terry Bienstock, Sunset Islands III & IV HOA President, said that he and the HOA were prepared to go to the Commission to hear this item, but heard that the item was pulled. He inquired why. Fernando Vazquez answered that to his knowledge, the City Manager's Office pulled the item in order for some additional discussion about funding of the undergrounding on the islands. Staff directed Mr. Bienstock to the City Manager's Office, where more information on this item would be available.

The HOA met with all the representatives of the utilities. Mr. Bienstock said he was told by the representatives that they are waiting for the City to make the decision to do the installations. He added that he did not know why this would delay the project.

MOTION: CIP Staff to contact HOA leadership when relevant items are to be pulled from Commission agendas.

MOVED: S. Kilroy 2nd:C. Cuervo

PASSED: Unanimous

Peter Luria, Resident and HOA board member, Sunset Islands III & IV, said that the project is under a very tight schedule. Utility representatives told him that if the City contractor does not dig the trench for the underground utilities, FPL must go first and everyone must wait until they are finished. He indicated that the roads would be torn up and the project delayed for three years. The HOA is interested in coordinating the efforts so this does not happen. He is very concerned about any delays, and wants the item back on the February agenda.

Mr. Gross explained that the CIPOC does not have the authority to put a pulled item back on the agenda.

Stacy Kilroy said that the issue is a very complex ownership situation and is not as simple as the utilities make it out to be. Mr. Gross pointed out that FPL has been difficult for the City to deal with and has been difficult with other neighborhoods in the City. Mr. Bienstock pointed out other South Florida cities that had undergrounding projects that were carried out quickly. Mr. Gross pointed out that before Sunset Islands III & IV, the City did not get involved in the process as the lead. This was because residents pay and would handle it themselves (Palm and Hibiscus hired a representative to handle it).

Status Report: Lower North Bay Road

6:08 p.m.

*(This item was also referenced at 6:49, when Acting City Engineer, Rick Saltrick, joined the discussion – see below, under the item for Palm and Hibiscus Neighborhood Improvements)

Maria Hernandez, Senior Capital Projects Coordinator discussed the status of this project. Comments had come back from the Public Works Department. These have been passed to the Engineer of Record (Walt Schwarz, Atkins). The project is on-hold until the items of concern from Public Works have been reviewed. There was a peer-review of the plans prior to the award of the project. Public Works returned comments recently as the contractor was beginning to mobilize.

Saul Gross asked whether Public Works provided comments that addressed the workability of the plans as opposed to making comments solely as a regulatory agency. The comments that were made, said Fernando Vazquez, make requirements that change the elevation of the road so that it complies with the new stormwater master plan's requirements. Mr. Gross asked what capacity exists in the CIP Department to review plans, stating that shortfalls in plans is the largest issue facing the program. Maria Hernandez offered that Jose Perez, who was formerly with the Public Works Department, is now with CIP and reviews plans. Fernando Vazquez agreed that the resource is needed for better plan review, as Public Works does review solely from a regulatory standpoint.

Saul Gross said that the biggest problem has been that drainage engineering for capital projects has not turned out to be very good and asked what plan was in place to avoid this as the program moves forward. Fernando said that Public Works and CIP work collaboratively. Public Works has been acting in more of a design-review capacity and has begun working closely with consultants through the DCP process. Then, the DCP is given to CIP and the office manages engineering and construction, with comments from Public Works.

Timelines tend to be an issue. Often CIP requires immediate engineering support, and Public Works, although they try to be helpful, cannot always assist and meet stringent timelines.

Christina Cuervo clarified that the peer reviews were being done by Public Works. Saul Gross indicated that he thought the peer reviews were to be done by outside firms. He asked how CIP would create a better system of review and implementation of projects. Mr. Vazquez responded that planning and engineering for the City should remain with Public Works, and construction should have a construction team, and construction engineering team and a cost-estimating team all working in conjunction per project. We already have a construction management component, but there is a need for immediate construction engineering support. He added that the office is now implementing a scheduling and estimating arm within the office. Public Works must still be in charge of the planning component and to offer clearance. When the City relies on outside resources, they are limited by procurement regulations and laws.

Duncan Ballantyne, Assistant City Manager, said that the City had learned that Public Works needs to be more than regulatory and take on more design and planning components. In the past, when mistakes were made to plans, Public Works operated in a regulatory capacity, unable to address constructability issues. The City Manager has given the approval to contract out engineering expertise from outside agencies.

Christina Cuervo said that an agency should be on board that works in the interest of the City to see that projects can be built to meet the level of service required by regulatory agencies. With continuing professional services for construction engineering support, the City could address the proper oversight for design. This model can also be used for construction management. Ultimately, according to Fernando Vazquez, the CIP Office would operate as program manager.

Mr. Gross stated that the Committee urges the City Manager to allocate the appropriate resources to contract with agencies who can act in the capacities of construction management and construction engineering to avoid additional problems in the \$400 Million + projects that are going into construction.

Status Report: Venetian Islands

7:21 p.m.

Aaron Sinnes, Senior Capital Projects Coordinator, said that drawing revisions were received on January 11 and incorporated into the documents by Schwebke Shiskin. The City anticipates two weeks for revisions. The project is expected to go out for bid on February 23. This is expected to be awarded the end of March. Saul asked more questions about the cost-estimate that was high and further asked how to avoid such problems in the future.

Mr. Vazquez said that CIP has to work with real numbers and the market conditions. Resident expectations, regulatory requirements and the cost comparison to the market all drive the projects. Mr. Gross asked if the criteria could be flexible to consider cost. Mr. Beckmann said that criteria is stringent for the most part and must remain as is. If additional funding is needed, the request is made of Commission.

Status Report: Palm & Hibiscus Island Undergrounding

6:24 p.m.

Mattie Reyes, Senior Capital Projects Coordinator, said that CIP was getting all the pricing from FPL, AT&T and Atlantic Broadband so that it can be sent to the County for ratification of the inter-local agreement. The agreement will then be reviewed by the City Attorney and then go to Commission in March. The FPL binding estimate lapses in April.

COMMISSION ITEMS:

Palm & Hibiscus Neighborhood Improvement Project

6:32 p.m.

(6:31 p.m.) Saul Gross indicated that this project will be the prototype for the City on the DCP process doesn't envision the inclusion of a contractor review of design early on. Incorporating this component is something Mr. Gross advocated throughout the meeting. He added that the engineers do not always see what the contractors see when they are out in the field. He reiterated that he felt the team approach, bringing in contracting expertise early, will help to develop better design packages with fewer surprises when in construction.

Mattie Reyes explained that the basic services package that was to be brought before Commission for approval includes planning phase services such as documentation, traffic analysis, environmental screenings and other surveys. The selected firm, Corzo Castella Carballo Thompson Salman, PA will incorporate all the information into the design criteria package. The design package will be turned over at 30%, including a constructability review by the engineers. When the package is turned over to the design/build professional they will be responsible for all phases from there through construction. Saul Gross still thinks that key issues could be missed at the early stage and that a contractor should be involved from before the 30% phase.

Fernando Vazquez said that constructability review from outside firms will be incorporated at 30%, 60% 90% and 100%. For Palm and Hibiscus, the Public Works Department will review the DCP before it goes out. Saul Gross asked for clarification about the process, asking if PWD gives the engineer the criteria and then the engineer designs to that plus the budget. The answer

is that prior to the 30% stage, the engineer will be working hand-in-hand with Public Works so all regulatory criteria are met in the plans.

Fred Beckmann, Public Works Director, joined the meeting at 6:42 p.m. He stated that Public Works is preparing the design criteria package for the Palm and Hibiscus neighborhood project. He further explained how a DCP is developed. Public Works looks at the project requirements, then the City Engineer develops a package that incorporates the regulatory requirements as well as the design towards the intended outcome. The design/build professional will have both engineers and construction professionals on their team as they develop the final documents.

Mr. Beckmann pointed out that Public Works was not historically involved in design engineering prior to 90% on capital projects. They acted solely as a regulatory agency. This has changed. He opined that the designer of a project must be separate from the contractor.

Stacy Kilroy noted that when the CIP Office was created, it was originally within the Public Works Department, then it was made into an office separate from the Public Works Department. Various management approaches have been tried over the years as the program evolved. Now there is an effort to combine efforts more than before.

Mr. Ballantyne said that there are two roles for the two offices. For CIP, the role is to construct on-time and on-budget. Public Works has the role of ensuring that whatever is built is done so efficiently and effectively, assuring that the finished product can be maintained and will last. He does not recommend combining the two offices.

Saul Gross added that he feels that it is not efficient and effective for a construction management department to have to rely upon Public Works when they are managing hundreds of millions of dollars worth of projects.

Mr. Beckmann said that Public Works has been on time in providing the responses for all the projects. Mr. Vazquez agreed. Mr. Gross said that Lower North Bay Road and Biscayne Point projects both have major engineering problems. Mr. Beckmann said that the issues are minor and can be addressed.

*(6:49 p.m.) Rick Saltrick, Acting City Engineer, addressed the issues on Lower North Bay Road, saying that the changes to grading of the pavement and water main connections are both issues that can be addressed in the field. For Biscayne Point, he stated that the project is being addressed through the new DCP package. Mr. Gross again pointed out that in the case of Biscayne Point, it's too late, because the contractor was hired months ago. He asked how we avoid getting to that point. Mr. Beckmann said that the City Engineer is doing the DCP, and once it is turned over, Public Works does further review.

The process has changed over the years and Public Works is now more involved in engineering design review, not just a regulatory review as in the past. The Public Works department is also augmented by additional consultants. For example, CDM is the engineering firm preparing the stormwater master plan and that expertise can be used for peer review of plan documents for projects.

Saul Gross was happy to see that the process had moved from Public Works serving strictly in a regulatory review capacity to more of a focus on design engineering, but asked that CIP look further at the results over the last year, because he is not sure it is working as well as it should.

Stacy Kilroy opined that the teamwork and momentum that has been building requires more time to gauge the effectiveness. She congratulated the Office of CIP and Public Works on moving in the right direction.

* (6:54 p.m.) Before the item went to a vote, Saul Gross asked for a discussion on the constructability of roads using the new elevation criteria to meet the standards of the new Stormwater Master Plan, and how it would affect projects moving forward.

Rick Saltrick explained the technical terminology (Should interested parties want more specific information about the Citywide Stormwater Master plan that is being developed, they can contact the Public Works Department at 305.673.7080).

Saul Gross asked if the new standards are affordable and how early can the City get cost estimates on the projects. Rick Saltrick answered that the new criteria meets the 5-year, one-day service levels. He suggested bidding projects with the new criteria and comparing the pricing to that of prior projects. Mr. Vazquez said that projects should be designed to meet the new criteria, but that more evaluation is necessary. He noted that the consultant preparing the master plan continues to work on those evaluations, and better information should be available by the time new CIP projects are at 30% design, which is the time when cost calculations are first approached on a project. At that time, there will be more information to work from than other projects had the benefit of.

MOTION: Recommend to the Mayor and Commission to pass the resolution.
MOVED: S. Kilroy 2nd: T. Trujillo
PASSED: Unanimous

Star Island Right-of-Way Infrastructure Improvement Project 5:55 p.m.

Aaron Sinnes, Senior Capital Projects Coordinator, told the Committee that additional money was being requested to cover change orders, as the contractor, TransFlorida Development Corp. had to deal with some unforeseen conditions as well as some owner-requested changes for this project. The project has recently reached substantial completion.

MOTION: Recommend to the Mayor and Commission to pass the resolution.
MOVED: D. Kraai 2nd: S. Kilroy
PASSED: Unanimous

City Center Right-of-Way Neighborhood Improvement Project 5:51 p.m.

Maria Hernandez, Senior Capital Projects Coordinator, explained that the original contractor (M. Vila) had been terminated, replaced by Metro Express, Inc. This transition caused a delay and this resulted in additional billing for services provided by the firm of Chen Moore & Associates, who is providing resident project representation for the project. The item before Commission is to amend the professional services agreement, utilizing previously appropriated RDA fund for the project in a not-to-exceed amount of \$150,155, plus reimbursable expenses. The contract stipulates 2009 rates, which are lower than current rates. Expected completion date for the City Center project is early May, 2012.

MOTION: Recommend to the Mayor and Commission to pass the resolution.
MOVED: S. Kilroy 2nd: D. Kraai
PASSED: Unanimous

South Pointe Pier Project 5:47 p.m.

Mattie Reyes, Senior Capital Projects Coordinator stated that the technical review panel unanimously ranked the firm of The Weitz Company as the top selection for the Construction Manager at Risk for the South Pointe Pier project. This item -- to execute a pre-construction services agreement -- goes to Commission on February 8. Should negotiations with Weitz fail to be successful, the item includes the provision to then negotiate with the next-ranked firm, TGSV Enterprises, Inc., followed by H.A. Contracting Corporation.

Dwight Kraai was a participant on the panel and was impressed with The Weitz Company's presentation. The firm created a project web site, unaffiliated with the City, available at www.miamibeachpier.com.

The City is in the permit process. Because this project is funded with grant money, construction must commence by the end of September and is expected to last one year. The telescopic design prepared by the previous design firm (Hargreaves) has not been changed much. Some of the new embellishment by the new design firm (Atkins) includes a diagonal design of the planks on the deck. Fishing will be allowed on the pier in designated areas. The budget remains at near \$4 Million.

Tony Trujillo asked if there would be concession elements at the pier and asked if demolition begins in September and if that is included in construction time. No concessions are located on the pier. Demolition is the first phase of construction, commencing in September.

MOTION: Recommend to the Mayor and Commission to pass the resolution.

MOVED: S. Kilroy 2nd: T. Trujillo

PASSED: Unanimous

Meeting Adjourned:

7:32 p.m.

Next CIPOC meeting is scheduled for Monday, March 19, 2012 at 5:30 p.m. in Commission Chambers. However, meeting schedule may change. Official notification will be posted on the City Clerk Calendar, <http://www.miamibeachfl.gov/calendar/cmbcalendar.aspx> each month.