

Condensed Title:

A Resolution Accepting The City Manager's Recommendation Pertaining To The Ranking Of Firms For Cost Allocation Studies, Authorizing The Administration To Enter Into Negotiations With The Top-Ranked Firm, Maximus, Inc., And If Unsuccessful, With The Second-Ranked Firm, MGT Of America, Inc., And Authorizing The Mayor And City Clerk To Execute An Agreement For Auditing Services.

Key Intended Outcome Supported:

Improve the City's Overall Financial Health and Maintain Overall Bond Rating

Issue:

Shall the Commission Adopt the Resolution?

Item Summary/Recommendation:

The City conducts cost allocation studies to determine the annual costs incurred in the City in the area known as "South Pointe", formerly the South Pointe Redevelopment District Area funded by tax increment revenues; as well and the cost of City services that are eligible to be funded from Resort Taxes. Further, some of the Resort Tax eligible costs are within the South Pointe area, and, as a result, the studies identify Resort Tax eligible costs that are outside the South Pointe area. The City may also require other costs allocation studies on an as needed basis.


On June 6, 2012, the City Commission authorized the Administration to issue an RFP to solicit proposals for cost allocation studies for the City of Miami Beach. RFP No. 50-11/12 was issued on July 11, 2012, with notifications sent to over 40 firms. This outreach resulted in the receipt of three (3) proposals from Maximus Inc.; MGT of America, Inc.; Sequoia Consulting Group, Inc.

An Evaluation Committee appointed by the Interim City Manager reviewed the proposals, listened to presentations and participated in question and answer sessions with each of the proposers, and discussed the proposals. The Committee scored and ranked the three (3) proposals, and based on the published evaluation criteria, the Committee ranked Maximus, Inc. as the top-ranked firm and MGT of America, Inc. as the second-ranked firm.

ADOPT THE RESOLUTION


Advisory Board Recommendation:

Financial Information:


Source of Funds:	Amount	Account	Approved
<div style="border: 1px solid black; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;">  </div> OBPI	1	\$50,000.00	Professional Services Account No. 011.9322.000312
	2		
	3		
	4		
	Total	\$50,000.00	

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

RJA 

Sign-Offs:

Department Director	Assistant City Manager	City Manager
GD	PDW	KGB 

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COMMISSION MEMORANDUM

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

FROM: Kathie G Brooks, Interim City Manager

DATE: October 24, 2012

SUBJECT: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE CITY MANAGER PERTAINING TO THE RANKING OF FIRMS PURSUANT TO REQUEST FOR PROPOSALS (RFP) NO. 50-11/12 FOR COST ALLOCATION STUDIES FOR THE CITY OF MIAMI BEACH; AUTHORIZING THE ADMINISTRATION TO ENTER INTO NEGOTIATIONS WITH THE TOP-RANKED FIRM, MAXIMUS CONSULTING SERVICES, INC., AND SHOULD THE ADMINISTRATION NOT BE ABLE TO NEGOTIATE AN AGREEMENT WITH THE TOP-RANKED FIRM, AUTHORIZING THE ADMINISTRATION TO NEGOTIATE WITH THE SECOND-RANKED FIRM, MGT OF AMERICA, INC; AND FURTHER AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AN AGREEMENT UPON COMPLETION OF SUCCESSFUL NEGOTIATIONS BY THE ADMINISTRATION.

FUNDING

Not to exceed \$50,000 annually Funding is available from Professional Services Account No. 011-9322-000312

ADMINISTRATION RECOMMENDATION

Adopt the Resolution

KEY INTENDED OUTCOME

Improve the City's overall financial health and maintain overall bond rating

BACKGROUND AND ANALYSIS

The City of Miami Beach provides administrative support to its service departments in the General Fund, Enterprise Funds and Special Revenue Funds, through administrative support departments such as the City Manager's Office, Finance, Human Resources, Budget and Performance Improvement, Procurement, and other departments. The City has conducted prior cost allocation studies, on a periodic basis, to document and allocate the costs of these services to operating departments based on an Indirect Cost Allocation Study. These studies provide auditable basis for appropriately offsetting these costs in the General Fund by charging the appropriate costs to the Enterprise and Special Revenue Funds. The latest study was performed using FY 2007/08 audited costs.

In addition, the City conducts cost allocation studies to determine the annual costs incurred in the

City area known as "South Pointe", formerly the South Pointe Redevelopment District Area, funded by tax increment revenues, as well and the cost of City services that are eligible to be funded from Resort Taxes. Further, some of the Resort Tax eligible costs are within the South Pointe area, and, as a result, the studies identify Resort Tax eligible costs that are outside the South Pointe area.

The Mayor and City Commission at its June 6, 2012, meeting, authorized the Administration to issue an RFP for cost allocation studies for the City of Miami Beach. The purpose of the RFP was to select a qualified consulting firm to conduct cost allocation studies for the City. These costs allocation studies include Indirect Cost Allocation Studies, South Pointe Cost Allocation Studies, and Resort Tax Cost Allocation Studies. The City may also require other cost allocation studies on an as-needed basis.

The City intends to enter into an agreement with an initial term of three (3) years with the sole option and discretion of the City Manager to renew for two (2) additional one (1) year periods.

RFP PROCESS

RFP No. 50-11/12 was issued on July 11, 2012, and the Procurement Division e-mailed, as well as uploaded the RFP to BidNet, sending notifications to over 40 firms. A non-mandatory pre-proposal meeting to provide information and respond to questions from prospective proposers was held on July 17, 2012. On the due date of August 6, 2012, three (3) proposals were received from the following firms:

- Maximus, Inc.
- MGT of America, Inc.
- Sequoia Consulting Group, Inc.

On July 23, 2012, the Interim City Manager via Letter to Commission No. 191-2012, appointed an Evaluation Committee (the "Committee"), consisting of the following individuals:

Ruth Cooper	Resident and Leadership Academy Graduate
David Lancz	Resident and Budget Advisory Committee Member
Anna Parekh	Real Estate, Housing and Community Development Director, CMB
James Sutter	Internal Auditor, CMB
Allison Williams	Chief Accountant, CMB

Alternate:

Barbara Knaub	Leadership Academy Graduate
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The Committee convened on August 20, 2012, and was provided with an overview of the project, information relative to the City's Cone of Silence Ordinance, and revisions to the Government in the Sunshine Law. David Lancz was selected as the Committee Chairperson. The Committee listened to presentations, and participated in question and answer sessions with each of the three (3) proposers.

The Committee was instructed to score and rank each proposal pursuant to the evaluation criteria established in the RFP, for a total of 100 points, which was as follows:

- Qualifications of individuals assigned to work with the City 35 points

- Consultant(s) experience and past performance with similar projects 20 points
 - Proposed Fees 35 points
 - Methodology and Approach 10 points
- Total 100 points

Additional points would have been allocated, if applicable, pursuant to, the following ordinances:

LOCAL PREFERENCE: The Evaluation Committee will assign an additional five (5) points to Proposers, which are, or include as part of their proposal team, a Miami Beach-based vendor as defined in the City's Local Preference Ordinance.

VETERANS PREFERENCE: The Evaluation Committee will assign an additional five (5) points to Proposers, which are, or include as part of their proposal team, a small business concern owned and controlled by a veteran(s) or a service-disabled veteran business enterprise, as defined in the City's Veterans Preference Ordinance.

None of the three (3) firms met the criteria for the above noted Ordinances.

The Committee discussed each of the proposals and the corresponding presentations, and proceeded to score and rank them as follows:

	Ruth Cooper	David Lancz	Anna Parekh	Jim Sutter	Allison Williams	Ranking of Firm
Maximus	93 (1)	95 (1)	99 (1)	95 (1)	89 (2)	6
MGT of America	90 (2)	86 (3)	88 (3)	92 (2)	90 (1)	11
Sequoia	82 (3)	89 (2)	91 (2)	85 (3)	76 (3)	13

The Committee ranked Maximus, Inc. as the top-ranked firm, and further agreed to the ranking of MGT of America, Inc. as the second-ranked firm, and Sequoia Consulting Group, Inc. as the third-ranked firm.

Maximus, Inc., based in Tallahassee, Florida, is an international consulting firm and is the largest management consulting firm in the United States that serves public sector clients. It is a publicly owned company, traded on the New York Stock Exchange. Maximus has annual revenues in excess of \$930 million, and has over 8,000 employees.

Cost allocation plans and cost of service studies for state and local governments are the core offerings of Maximus. The firm prepares over 1,500 cost allocation studies on an annual basis. The project management team members are well qualified and have extensive experience. Maximus has performed cost allocation studies for several public agencies in Florida.

MGT of America, Inc. is a national research and management consulting firm, based in Tallahassee, Florida. The firm has a staff of over 80 employees, is privately-held, and dedicated to providing cost consulting services for cities, counties, and special districts.

MGT's project management team is experienced in providing cost allocation studies to several state and local governments, and is well qualified. The firm has provided cost allocation studies for a number of municipalities in Florida.

Sequoia Consulting Group, Inc. is incorporated in the state of Indiana, and is 100% employee owned. Currently, Sequoia has over 25 staff members providing services to state and local government clients. The project management team is well qualified, however, the firm has not performed cost allocations studies in the state of Florida as of yet.

CONCLUSION

The Administration recommends that the Mayor and City Commission approve the attached resolution, which recommends the acceptance of the ranking of firms pursuant to Request for Proposals (RFP) No. 50-11/12 for Cost Allocation Studies for the City of Miami Beach, and authorizes the Administration to enter into negotiations with the top-ranked firm, Maximus, Inc., and should the Administration not be able to negotiate an agreement with the top-ranked firm, authorizing the Administration to negotiate with the second-ranked firm, MGT of America, Inc.; and further authorizes the Mayor and City Clerk to execute an agreement upon the completion of successful negotiations by the Administration

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RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE CITY MANAGER PERTAINING TO THE RANKING OF FIRMS PURSUANT TO REQUEST FOR PROPOSALS (RFP) NO. 50-11/12 FOR COST ALLOCATION STUDIES FOR THE CITY OF MIAMI BEACH; AUTHORIZING THE ADMINISTRATION TO ENTER INTO NEGOTIATIONS WITH THE TOP-RANKED FIRM, MAXIMUS CONSULTING SERVICES, INC., AND SHOULD THE ADMINISTRATION NOT BE ABLE TO NEGOTIATE AN AGREEMENT WITH THE TOP-RANKED FIRM, AUTHORIZING THE ADMINISTRATION TO NEGOTIATE WITH THE SECOND-RANKED FIRM, MGT OF AMERICA, INC; AND FURTHER AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AN AGREEMENT UPON COMPLETION OF SUCCESSFUL NEGOTIATIONS BY THE ADMINISTRATION.

WHEREAS, the City of Miami Beach provides administrative support to its service departments in the General Fund, Enterprise Funds, and Special Revenue Funds, through administrative support departments such as The Manager's Office, Finance, Human Resources, Budget and Performance Improvement, Procurement, and other departments; and

WHEREAS, the City has conducted prior cost allocation studies, on a periodic basis, to document and allocate the costs of these services to operating departments based on an Indirect Cost Allocation Study; and

WHEREAS, on June 6, 2012, the Mayor and City Commission approved the issuance of Request for Proposals (RFP) for cost allocation studies for the City of Miami Beach; and

WHEREAS, on July 11, 2012, RFP No. 50-11/12 was issued and notices were sent to over 40 firms; and

WHEREAS, on the specified due date, the Procurement Division received responses from Maximus, Inc.; MGT of America, Inc.; and Sequoia Consulting Group, Inc.; and

WHEREAS, on July 23, 2012, the Interim City Manager via Letter to Commission No. 191-2012, appointed an Evaluation Committee (the "Committee"), consisting of the following individuals:

Ruth Cooper - Resident and Leadership Academy Graduate;
David Lancz - Resident and Budget Advisory Committee Member;
Anna Parekh - Real Estate, Housing and Community Development Director, CMB;
James Sutter - Internal Auditor, CMB;
Allison Williams - Chief Accountant, CMB; and

WHEREAS, the Committee convened on August 20, 2012, and was provided with an overview of the project, information relative to the City's Cone of Silence Ordinance, the Government in the Sunshine Law, listened to presentations, and participated in question and answer sessions with each of the three (3) proposers; and

WHEREAS, the Committee scored and ranked each proposal pursuant to the evaluation criteria established in the RFP:

- Qualifications of individuals assigned to work with the City - 35 points;
- Consultant(s) experience and past performance with similar projects - 20 points;
- Proposed Fees - 35 points;
- Methodology and Approach - 10 points; and

WHEREAS, the Committee ranked Maximus, Inc. as the top-ranked firm, and MGT of America, Inc. as the second-ranked firm; and

WHEREAS, the City Manager concurs with the recommendation.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND THE CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby accept the recommendation of the City Manager pertaining to the ranking of proposals pursuant to Request for Proposals (RFP) No. 50-11/12 For Cost Allocation Studies for the City of Miami Beach; authorize the Administration to enter into negotiations with the top-ranked firm, Maximus, Inc., and should the Administration not be able to negotiate an agreement with the top-ranked firm, authorize the Administration to negotiate with the second-ranked firm, MGT of America, Inc.; and further authorize the Mayor and City Clerk to execute an agreement upon the completion of successful negotiations by the Administration.

PASSED AND ADOPTED this _____ day of _____, 2012.

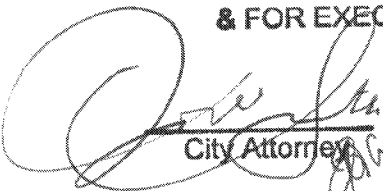
ATTEST:

Rafael E. Granado, City Clerk

Matti Herrera Bower, Mayor

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**APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION**



City Attorney

Date 10/12/12

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