



MIAMIBEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMITTEE MEMORANDUM

TO: Mayor Matti H. Bower and Members of the City Commission

FROM: Interim City Manager Kathie G. Brooks 

DATE: Nov 9, 2012

This shall serve as written notice that a meeting of the Finance and Citywide Projects Committee has been scheduled for Nov 9, 2012, at 3:00 P.M. in the City Manager's Large Conference Room.

The agenda is as follows:

OLD BUSINESS

1. **Update on proposed municipal marketing program for South Pointe Park and other potential municipal marketing partnerships** (*June 6, 2012 Commission Item C4I*) (62)

Max Sklar – Acting Assistant City Manager

NEW BUSINESS

2. **Discussion regarding The Issuance of Request for Proposals (RFP) for Catering and Concession services for the Miami Beach Convention Center** (*September 12, 2012 Commission Item R7I*) (C4E)(77)

Max Sklar – Acting Assistant City Manager

3. **Discussion regarding disposition of surplus equipment** (*October 24, 2012 Commission Item C4G*)(83)

Fred Beckman – Public Works Director

4. **Discussion regarding a resolution approving funding, in an amount not to exceed \$250,000, to address the relocation of the kitchen exhaust venting system installed by the Pennsylvania Avenue garage retail tenant, Penn 17, LLC D/B/A Cooper Avenue (October 24, 2021 Commission Item R7L)(85)**

Anna Parekh – Real Estate, Housing & Community Development
Director

5. **Discussion regarding amending Ordinance No. 1605, The unclassified Employees Salary Ordinances of the City of Miami Beach, Florida (The “Ordinance”), by amending the salary ranges and establishing compensation provisions for the City Manager and the Attorney; Discussion regarding creating a new subsection for Pay Grade 26(March 21, 2012 Commission Item R5N) (53)**

Jose Smith – City Attorney

6. **Discussion regarding the issuance of RFP for Call Centers and including a local preference so as to provide the highest level of service possible (October 24, 2012 Commission Item R9D)(86)**

Jonah Wolfson - Commissioner

7. **Discussion regarding an amendment to the lease between the City and Massage Partners, Inc. located at 767 17th Street, said amendment regarding a proposed additional use of the leased premises, a proposal to grant necessary access to additional restroom facilities; and a corresponding rent adjustment (October 24, 2012 Commission Item C4D)(82)**

Anna Parekh – Real Estate, Housing & Community Development
Director

Finance and Citywide Projects Committee Meetings for 2012: December 20, 2012

KGB/PDW/rs/kd

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Cc. Mayor and Members of the City Commission
Management Team

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COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Kathie G. Brooks, Interim City Manager 

DATE: November 9, 2012

SUBJECT **Update on Discussion regarding a proposed municipal marketing program for South Pointe Park, and an update on other potential municipal marketing partnership for Sunscreen Licensing Deal**

As you are aware, the City has been involved in efforts to maximize its strong brand presence by partnering with corporate entities in a manner that generates good publicity and marketing for the City, while at the same time generating revenue or providing savings to the City. The City's municipal marketing (also known as "corporate sponsorship") consultant, The Superlative Group (TSG), has identified priorities for their efforts, while other activities have been identified to be pursued internally with the City's Development Coordinator. The City's Development Coordinator serves as the contract support staff for TSG.

Efforts have focused on identifying potential municipal marketing partners and opportunities for partnership, and reaching out to these potential partners to gauge interest. The current economic conditions have impacted the marketing budgets for many large corporations with histories of engaging in these types of partnerships; municipal marketing efforts are funded principally from marketing budgets, as they serve the primary purpose of promoting the corporation's brand and/or product. Not surprisingly, corporate marketing budgets have been impacted and are often the first affected when cost-cutting measures are initiated. While we continued to pursue various efforts in municipal marketing, as you know, we made considerable progress in the area of an Exclusive/Official citywide beverage partner, resulting in the ten-year exclusive, non-alcoholic beverage sponsorship with Coca-Cola Refreshments.

This was first presented to the Finance and Citywide Projects Committee (FCWPC) at its July 26, 2012 meeting. TSG explained that they initiated discussions with a large corporate entity interested in partnering with the City on naming rights for South Pointe Park. At that time, this anonymous company proposed to support the City of Miami Beach by enhancing and updating South Pointe Park. It was further explained that the anonymous company stated they will support the City to offer an enjoyable, inclusive and accessible experience that will strengthen awareness and reinforce the core values of the City of Miami Beach and that of the brand.

The terms presented at that time included a \$4 million cash contribution over 20 years, or \$200,000 annually, with a potential additional contribution toward the maintenance of the park. The Committee recommended TSG negotiate further with the anonymous company and return to the FCWPC. The Committee also stated that the \$200,000 annually was not sufficient and TSG should negotiate additional annual support to offset the City's annual maintenance costs. The anonymous company was subsequently identified to be Carnival Corp.

The concept was later presented to the South of Fifth Neighborhoods Association (SOFNA) and Miami Beach United. Both organizations passed similar motions against selling public land for naming rights or using public land for commercial purposes. SOFNA also stated the city should instead consider forming a park conservancy.

On August 30, 2012, TSG advised the City that Carnival Corp withdrew their proposal and was no longer interested in pursuing naming rights for South Pointe Park.

The Parks and Recreation Department has begun researching the option of establishing a foundation or a conservancy that would be dedicated to augmenting the funding sources now supporting the City's parks and recreation system.

Initial research has indicated that both entities are developed as 501(c) (3) public-private partnership with the primary purpose of generating financial support for a parks and recreation system. A parks foundation may be expansive in its funding support of a parks and recreation conservancy system. An example is the Miami-Dade Park and Recreation Department Foundation. As in contrast to the Central Park Conservancy, that invests its efforts solely in New York's Central Park. To further assist in the clarification, following is an overview and mission statements of the Miami-Dade Parks Foundation and the Central Park Conservancy.

Miami-Dade Parks Foundation

The Parks Foundation of Miami-Dade understands the important role park systems play in a community, and is committed to ensuring Miami-Dade's park facilities, programming and connections provide a world-class experience for residents and visitors.

Founded in 2004 as a 501(c) 3, the Foundation is leading efforts to maintain, improve and expand the assets of Miami-Dade Parks, Recreation and Open Spaces, as well as municipal park systems throughout Miami-Dade. The Miami-Dade parks system includes dog parks, skate parks, beaches, golf courses, Zoo Miami, Deering Estate at Cutler, as well as other programs such as learn-to-swim, after-school programs, summer camps and cultural initiatives.

Central Park Conservancy

The Central Park Conservancy was founded in 1980 by a group of dedicated civic and philanthropic leaders. They were determined to end Central Park's dramatic decline in the 1970s and restore it to its former splendor as America's first and foremost major urban public space, as envisioned by its 19th-century designers, Frederick Law Olmsted and Calvert Vaux. Today, the Conservancy's mission is to restore, manage and enhance Central Park, in partnership with the public, for the enjoyment of present and future generations.

In 1998, the Conservancy and the City of New York signed a management agreement formalizing their then 18-year public-private partnership. The relationship was reaffirmed in 2006 when the agreement was renewed for an additional eight years. As the official manager of Central Park, the Conservancy is responsible for the day-to-day maintenance and operation of the Park. Presently, 90 percent of the Park's maintenance operations staff is employed by the Conservancy, which provides 85 percent of Central Park's \$45.8 million annual Park-wide expense budget through its fundraising and investment revenue.

The City, in addition to the annual fee to the Conservancy for the services it provides, funds lighting, maintenance of the Park drives and enforcement. The New York City Department of Parks & Recreation retains policy control, has discretion over all user permits and events in the Park, and provides 10 percent of the field staff.

Since its founding, the Conservancy has overseen the investment of more than \$600 million into Central Park, of which more than \$470 million was raised from private sources — individuals, corporations and foundations — and more than \$110 million was contributed by the City. The Conservancy has also prescribed and carried out a restoration management plan for the Park; managed the capital restoration of much of the Park's landscapes and facilities; created

programs for volunteers and visitors; and set new standards of excellence in Park care. It has transformed Central Park into a model for urban parks worldwide.

There are currently a number of Parks Foundations and Conservancies throughout the United States that are experiencing varied success with their efforts.

Licensed Sunscreen Product ("Official Miami Beach Sunscreen")

Since the July 26, 2012 FCWPC meeting, TSG has continued negotiations for a licensed sunscreen product. TSG advised prospective proposers of the City's interest in an Exclusive Sunscreen Partner and the availability of opportunities from this partnership. In addition to information on volumes, venues, current pricing, etc., TSG also advised the prospective proposers of our interest in securing a partner that provided a minimum annual guarantee, as well as a percentage of net wholesale sales to be credited against the minimum guarantee. TSG recommended a minimum ten-year term for the partnership which is not only consistent with typical exclusive partnerships, but also creates an incentive for the prospective proposer – as the selected partner will have exclusive rights for an extended time – sufficient to amortize any capital investment, and to establish the new brand's presence in the market.

Proposed Terms:

Terms have been proposed by TSG as a result of their negotiations with Energizer (Banana Boat / Hawaiian Tropic) and a summary of these terms delineate the responsibilities of each party during the term of the Agreement.

Estimated total value:

The estimated total value of the proposed Exclusive Sunscreen Partnership with Energizer over the term of the agreement is, at a minimum, \$ 1,500,000, inclusive of an annual sponsorship fee (\$150,000), 4% licensing fee to be credited against annual sponsorship fee, marketing program to promote product and the City of Miami Beach brand, and potential contribution of apparel to Ocean Rescue. There have been no other offers from competing brands to the City at this time.

The following chart provides a breakdown of the value of the proposed partnership between the City of Miami Beach and Energizer (cash and non-cash):

	1ST Year	Over 10-year Term
Sponsorship Fee (annual fee)	150,000	1,500,000
Commissions (estimate - annual)	4%	TBD
Marketing Value (annual value)	TBD	TBD
Apparel Investment (Ocean Rescue polo's and shirts)	TBD	TBD
Community Support (product)	TBD	TBD
TOTAL VALUE (CASH AND OTHER)	\$150,000 + TBD	\$1,500,000 + TBD

Pursuant to the terms of the City's Agreement with TSG, TSG is entitled to 45% commission on licensing agreements (to include contract monitoring). The total amount to be paid to TSG will be calculated once the payment schedule is determined for the cash components of the agreement above.

Requirements of City:

As is common in these types of partnerships, there are certain expectations of the City's role. In addition to supporting the efforts of expanding the sales of the products through our concession

locations and in our venues – something that is mutually beneficial – Banana Boat/ Hawaiian Tropic identified in their proposal certain areas of support that would be required from the City. Other components include: recognition of the partnership as the official sunscreen of Miami Beach; waiver of certain permit and application fees for a limited number of special events and sampling events on public property (mutually agreed upon); provision of tickets for events at City venues to the sponsor for their use (as may be available); rounds of golf (mutually agreed upon), recognition on all Ocean Rescue vehicles (trucks, ATV's, jet skis) as an Official Product of Miami Beach Ocean Rescue, as well as advertising in MB Magazine and at the City's Alton Road Billboard.

Sponsor will have the opportunity to replace towels at beach concession locations (at Sponsors cost), Opportunity to replace and/or provide umbrellas at pool and tennis locations with Sponsor logo (at Sponsor cost), Opportunity to provide towels to staff at City pool locations with Sponsor logo (at Sponsor cost), Opportunity to replace Ocean Rescue stand up paddle boards including Sponsor logo (at Sponsor cost)

CONCLUSION:

If the FCWPC members and ultimately the full City Commission determine that establishing a park foundation or conservancy is an approach the City should pursue the Administration will begin the action steps necessary to implement it.

Banana Boat and Hawaiian Tropic are excellent, well-established sunscreen brands that would be excellent partners for the City. In reviewing the proposal submitted, TSG evaluated the short and long term benefits to the City of the partnership – both financial and in other intangibles. They recommend the selection of Banana Boat / Hawaiian Tropic as the City's exclusive sunscreen partner. The concept of an Exclusive Sunscreen partner provides an opportunity for the City to partner with a well-established brand in an effort to generate marketing opportunities for the City, in addition to added revenues. In reviewing other partnership packages in place or that have been negotiated in the past in other cities or public institutions, it is difficult to find a similar contract to compare. For example, we have not found agreements for cities for similar proposals.

The Administration is seeking direction from the FCWPC before proceeding.

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City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Kathie G. Brooks, Interim City Manager 

DATE: November 9, 2012

SUBJECT: **A DISCUSSION TO CONSIDER PRICING OPTIONS AND FUNDING REQUIREMENTS IN CONNECTION WITH THE RELOCATION OF THE EXHAUST VENTING INSTALLED BY THE PENNSYLVANIA AVENUE GARAGE RETAIL TENANT, PENN 17, LLC.**

BACKGROUND

On April 13, 2011, the Mayor and City Commission passed Resolution No. 2011-27647, approving a Lease Agreement, as amended on February 8, 2012 and June 6, 2012, respectively (the Lease), having a term of nine (9) years and 364 days, between the City, the Redevelopment Agency (RDA) and Penn 17, LLC (the Tenant), for use of approximately 7,655 square feet of ground level retail space at the Pennsylvania Avenue Garage, 1661 Pennsylvania Avenue, Miami Beach, Florida, for a restaurant (primary use), with ancillary uses for a bakery, a bar/café, and a book and gift shop. The Resolution also approved the execution of a Pre-Lease Due Diligence Review Agreement, granting the Tenant a maximum of six (6) months following approval of the Lease, in which to reserve its leasing rights while advancing design and plan development and consulting with the City's Planning and Building Departments in order to ascertain the feasibility of obtaining a full building permit prior to actual commencement of the Lease. During the first full year of rent, the annual Base Rent is \$574,125, plus Common Area Maintenance costs of \$101,690 (paid monthly at \$47,844 plus \$8,474, respectively, for a total of \$56,318 monthly).

As has been reported on previous occasions, the challenges in converting the Premises for use as a restaurant proved considerably more complex, time-consuming and substantially more costly than originally anticipated by the Tenant, particularly related to the engineering and permitting of the venting for the kitchen exhaust, installing a system of multiple grease traps, the build-out of the storage room and the design of the structural slab, restoration of the existing structural slab in the retail space following partial demolition to install the plumbing, and addressing additional flood-proofing criteria. The Tenant's plans underwent extensive revisions to address comments and concerns raised by the City's Planning and Building Departments, as well as certain other regulatory agencies, as part of the permitting review process. Ultimately, according to the Tenant, more than \$5 million has been spent to improve the Premises.

On September 24, 2012, the Tenant received a Temporary Certificate of Occupancy (TCO) for its restaurant, Cooper Avenue.

ANALYSIS

On August 17, 2012, as the build-out of Cooper Avenue was nearing completion, the City was contacted by the New World Symphony (NWS), which expressed major concerns over the venting locations of the Tenant's kitchen exhaust and steam vent from the dishwashers, which both direct into the service alley between the Garage and NWS. The NWS believes the kitchen

exhaust could potentially permeate the performance hall every time the loading dock doors are opened (which are directly opposite the kitchen exhaust vent). As noted earlier, given the structural and architectural constraints of the building, identifying a feasible location to run the kitchen exhaust proved to be among the most challenging of the design issues, involving extensive input from Planning, Building and other regulatory entities in the final approved plan.

Following an extensive series of meetings with representatives from the NWS and the Tenant's management and design team to figure out options for mitigating odors emanating from the exhaust venting, the NWS has instead demanded that the City and Tenant explore design alternatives for redirecting the kitchen exhaust in its entirety, away from the alley. Although it was unknown if there was a problem, in an abundance of caution the City authorized the tenant to direct its architect to develop several alternatives to address the NWS's concerns.

On September 10, 2012, the City entered into a Letter Agreement with the Tenant pertaining to the engagement of architectural/engineering services, at a not-to-exceed cost to the City of \$25,000, in order to develop conceptual design options and preliminary pricing estimates to modify the exhaust venting system for the City's consideration and approval. The Letter Agreement further to include services for the preparation of detailed plans and specifications (including any layouts, architectural, mechanical, structural, electrical and other plans, drawings and construction documents in sufficient detail to obtain any and all appropriate regulatory permits), as may be reasonably required by the City's Building Department in order to process and review Tenant's permit application for such modification as approved.

Subsequent to the opening of the Cooper Avenue restaurant it has been determined that there is odor in the alleyway between the garage and concert hall. While it is not known if the odors do permeate the inside of the performance hall, the Administration is exploring options for the relocation of the vents.

Therefore, on September 21, 2012 the Tenant's Architect, Design 3 Architecture, (Architect) presented two options for redirecting the Tenant's exhaust in order of feasibility, complexity and cost as follows:

Option 1 – Total Estimated Minimum Cost: \$59,000

The most feasible, the least complex and most cost-effective approach provides for maintaining the existing location of the exhaust fans on the cover slab over the garbage room. This provides for a stable working platform by which to maintain and service the fans and duct work. The ducting and exhaust vent leading to the exterior of the building facing the New World Symphony's loading dock, would be rerouted 90 degrees to the north and discharge directly above the garage entrance located on 17th Street.

Option 2 – Total Estimated Minimum Cost: \$181,000

The most complex and costliest of the solutions and the least feasible, (primarily in terms of the anticipated operational disruption for the Tenant due to the construction involved), involves the complete relocation and re-engineering of the exhaust ducting, extending it south and then west to discharge over the garage exit on Pennsylvania Avenue. This would also require the construction of an elevated concrete pad over the flood panel storage enclosure, to relocate and support the exhaust fans needed to drive the exhaust through the ducting.

It should be noted that the New World Symphony views Option 2 as the only choice, as it

extends the exhaust discharge the furthest away from the service alley.

In the event the City opts to contribute financially to the re-direction of the vents, the Administration has identified savings from the original construction budget of the Pennsylvania Avenue Garage (RDA Fund 365) that can be made available to proceed with either Option.

At the Commission Meeting on October 24, 2012, the Administration recommended adopting a resolution appropriating an amount not to exceed \$250,000 to provide the greatest amount of flexibility to remedy this issue in the most feasible manner. The Administration also recommended that the City Commission authorize the Interim City Manager to negotiate an agreement with the Tenant to proceed with the design, permitting and construction of the modifications, based on either Option 1 or 2.

The City Commission expressed concern in making a decision based on estimates which were only preliminary in nature and without having the benefit of truly evaluating the options as presented. The Commission also suggested that more efficient and/or cost-effective solutions may be available, including the option of carbon filtration, which should be explored further before coming back with a recommendation. To this end, the Administration was asked to provide a more detailed report, complete with cost estimates, to be discussed at the next meeting of the Finance and Citywide Projects Committee (FCWPC).

Accordingly, on October 25th, the Administration verbally asked the Tenant to have its Architect explore the possibility and cost associated with modifying its exhaust system to incorporate a carbon filtration system to further mitigate any residual odors venting into the alley. A follow-up request for the cost estimate was sent via email on October 29th. On November 1st, the tenant informed the Administration that the Architect's quote on a filter system is being developed. On November 5th, the Tenant informed us that the quote is anticipated by mid-week.

Staff is also working on conducting a peer review of Options 1 and 2 in order to determine their respective viability and effectiveness as well as verify and possibly value-engineer the cost estimates associated with each option. The analysis will also explore other available solutions, if any, including, but not limited to, options for the New World Symphony to consider, such as the installation of a commercial air curtain over its loading dock door.

During the October 24th Commission discussion, the Administration expressed concerns about the probability of obtaining additional options and having them analyzed and available for review by the FCWPC by November 9th. The Administration will continue to pursue information regarding options and the related costs and hopes to have sufficient information as soon as possible.

RECOMMENDATION

In order to effectively complete this review as thoroughly as possible, the Administration recommends reporting back to the FCWPC at its next scheduled meeting on December 20, 2012.

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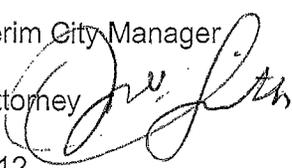
JOSE SMITH, CITY ATTORNEY

OFFICE OF THE CITY ATTORNEY

COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower
Members of the City Commission

CC: Kathie Brooks, Interim City Manager **SECOND READING**

FROM: Jose Smith, City Attorney 

DATE: September 12, 2012

SUBJECT: Amendments to Ordinance No. 1605, the Unclassified Employee Salary Ordinance, Regarding Salary and Compensation Provisions for the City Manager and City Attorney

Consistent with Articles III and IV of the City Charter, the attached Ordinance amends and sets forth compensation provisions for the City Manager and City Attorney.

Pursuant to Section 3.01, Article III of the City Charter, the "compensation for the City Attorney" shall be fixed by the City Commission by ordinance. As similarly provided in Article IV, Section 4.01 of the City Charter, the "City Manager's compensation shall be fixed by the City Commission by ordinance". The following provides a brief history of the city ordinances setting the compensation for the City Manager and the City Attorney.

Legislative History

Beginning in 1966, pursuant to Ordinance 1605, the City Commission established a compensation plan for offices and positions in the Unclassified Services of the City. This Ordinance established a schedule of salaries for, among others, the positions of City Manager and City Attorney. The City Manager's "salary per month" was set at \$2,083.33 and the City Attorney's "monthly compensation" was established between a minimum of \$1,328.00 and a maximum of \$1,614.00.

In 1988, via Ordinance No. 88-2611, bi-weekly compensation maximum amounts were established for the City Attorney and for the City Manager in the amount of \$3,448.28

In 1995, the City's Unclassified Salary Ordinance was amended, via Ordinance No. 95-3023, to provide for bi-weekly minimum and maximum compensation ranges for the City Manager (\$3,824.89 to \$6,124.60).

In 1997, pursuant to Ordinance No. 97-3096, the "bi-weekly range of compensation" for the City Attorney was amended to reflect that it would be as "Determined by Commission."

In 2001, Ordinance No. 2001-3305 established numeric salary grades with minimum and maximum salary ranges. The City Manager was designated with a salary Grade 26 with a minimum salary of \$117,937.00 and a maximum salary of \$189,108.

In Ordinance No. 2002-3356 adopted in 2002, the City Manager and the City Attorney salary provisions for Grade 26 were amended to provide a minimum salary of \$122,655. and a maximum salary of \$198,100. for both positions.

In 2002, in Ordinance No. 2002-3383, salary Grade 26 for the City Manager and City Attorney was amended to reflect that minimum and maximum salary ranges would be "as Determined by City Commission."

Proposed 2012 Salary Ordinance Amendments.

The attached Ordinance removes the as "Determined by the City Commission" language for salary Grade 26 for the City Manager and the City Attorney. Instead, it provides for a salary range as done in the past and for other compensation or benefits. While nothing prohibits the Commission from identifying such benefits, by ordinance, never in the 46 years since the adoption of the City's Unclassified Salary Ordinance in 1966 has the City Commission ever identified other benefits, via ordinance, for the City Manager and City Attorney. Identifying other benefits besides salary has not been deemed necessary by prior City Commissions. By providing only for a salary range, there is flexibility when changing benefits without amending the ordinance each time there is a change.

JS/DT/mem

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ORDINANCE NO. _____

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING ORDINANCE NO. 1605, THE UNCLASSIFIED EMPLOYEES SALARY ORDINANCE OF THE CITY OF MIAMI BEACH, FLORIDA (THE "ORDINANCE"), BY AMENDING THE SALARY RANGES AND ESTABLISHING COMPENSATION PROVISIONS FOR THE CITY MANAGER AND CITY ATTORNEY; PROVIDING FOR REPEALER, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.

WHEREAS, the Mayor and City Commission wish to amend the City's Unclassified Salary Ordinance to establish certain compensation categories for the City Manager and City Attorney.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA AS FOLLOWS:

SECTION 1. That Ordinance No. 1605, the Unclassified Employees Salary Ordinance, is hereby amended as follows:

CLASS AND PAY GRADES, SALARIES AND CLASSIFICATIONS

A. Salary Grades and Ranges

GRADE	MINIMUM	MAXIMUM
26	Determined by the City Commission	Determined by the City Commission

Grade, Classifications and Compensation for the City Manager and City Attorney

26	<u>CITY MANAGER</u>	BASE SALARY:	<u>\$162,916.00 to \$263,126.00/yr</u>
	<u>HEALTH, LIFE & OTHER INSURANCE:</u>		<u>City pays premium for term life insurance policy, and for hospitalization, surgical and comprehensive medical, dental and vision insurance</u>

PROFESSIONAL DEVELOPMENT: Dues and subscriptions as reasonably necessary

OTHER BENEFITS: Vacation, sick leave, holidays, planning days and similar fringe benefits as other unclassified city employees

26 CITY ATTORNEY BASE SALARY/RANGE \$162,916.00 to \$263,126.00/yr

DEFERRED COMPENSATION: As allowed by I.R.S.

HEALTH, LIFE & OTHER INSURANCE: City pays premium for term life insurance policy and for hospitalization, surgical and comprehensive medical, dental and vision insurance

PROFESSIONAL DEVELOPMENT: Dues and subscriptions as reasonably necessary

OTHER BENEFITS: Vacation, sick leave, holidays, planning days and similar fringe benefits as other unclassified city employees

GRADE

MINIMUM

MAXIMUM

* * *

SECTION 2. REPEALER.

That all ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

SECTION 3. SEVERABILITY.

If any section, subsection, clause or provision of this Ordinance is held invalid, the remainder shall not be affected by such invalidity.

SECTION 4. CODIFICATION.

It is the intention of the Mayor and City Commission of the City of Miami Beach, and it is hereby ordained that the provisions of this Ordinance shall become and be made a part of the Code of the City of Miami Beach, Florida. The sections of this Ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

SECTION 5. EFFECTIVE DATE.

This Ordinance shall take effect the _____ day of _____, 2012.

PASSED and ADOPTED this ____ day of _____, 2012.

Matti Herrera Bower, Mayor

ATTEST:

Rafael Granado, City Clerk

APPROVED AS TO FORM & LANGUAGE
& FOR EXECUTION

City Attorney

Date

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Discussion Item

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MIAMI BEACH

OFFICE OF THE MAYOR AND COMMISSION

MEMORANDUM

TO: Kathie G, Brooks, Interim City Manager

FROM: Jonah Wolfson, Commissioner

DATE: September 20th, 2012

SUBJECT: Discussion Item October 24th, 2012 Commission Meeting

Please place on the October 24th, 2012, City Commission Meeting agenda a discussion on the issuance of RFP for Call Centers and include a local preference so as to provide the highest level of service possible.

If you have any questions, please do not hesitate to contact my office at extension 6437.

JW/lh

Condensed Title:

Request For Approval To Issue A Request For Proposals (RFP) For Call Center Services.

Key Intended Outcome Supported:

Increase community satisfaction with City government; Enhance external and internal communications from and within the City; Maximize Efficient Delivery of Service; Improve process through information technology;

Supporting Data (Surveys, Environmental Scan, etc.): N/A

Issue:

Whether the Mayor and City Commission should approve the issuance of the RFP?

Item Summary/Recommendation:

The City of Miami Beach (the City) would like to solicit responses from qualified firms to provide Call Center services to various departments of the City of Miami Beach.

The Finance and Citywide Projects Committee, at their July 29, 2011 budget briefing for fiscal year 2011/12, was advised of the Administration's proposal to outsource utility billing and parking customer service calls. The Utility Billing Section is currently averaging 20,000 calls annually with a 10% abandoned rate, while the Parking Department is averaging 30,000 annual customer service calls with a 20% abandoned rate.

The City would also like to receive proposals for consideration of outsourcing the combined Business Tax, Certificate of Use, and Annual Fire Permit calls received by the Finance Department Revenue Division customer service team, and the Emergency Operation Center (EOC). Additionally, other City Departments may also consider call center usage when necessary.

It is anticipated that the successful proposer will negotiate with the City for a term contract with an initial term of three (3) years, with an option to renew for an additional two (2) one-year extensions at the Administration's sole discretion.

The City's objective is to purchase the service on a per minute basis. The proposers are also required to provide alternative methods of purchasing the services that will be incorporated into the contract and will be available to the City at its discretion.

THE ADMINISTRATION RECOMMENDS THE ISSUANCE OF THE RFP.

Advisory Board Recommendation:

Financial Information:

Source of Funds:		Amount	Account
	1	N/A	
OBPI	Total		

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Raul Aguila

Sign-Offs:

Department Director	Assistant City Manager	City Manager
RA _____	JGG _____ PDW <i>[Signature]</i>	KGB <i>[Signature]</i>

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MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

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

FROM: Kathie G. Brooks, Interim City Manager

DATE: September 12, 2012

SUBJECT: **REQUEST FOR APPROVAL TO ISSUE A REQUEST FOR PROPOSALS (RFP)
FOR CALL CENTER SERVICES.**

ADMINISTRATION RECOMMENDATION

Approve Issuance of the RFP.

KEY INTENDED OUTCOMES SUPPORTED

- Increase community satisfaction with City government
- Enhance external and internal communications from and within the City
- Maximize Efficient Delivery of Service
- Improve process through information technology.
- Control costs of payroll including salary and fringes, minimize taxes, and ensure expenditure trends are sustainable over the long term.

BACKGROUND

The City of Miami Beach (the City) would like to solicit responses from qualified firms to provide Call Center services to various departments of the City of Miami Beach.

The Finance and Citywide Projects Committee, at their July 29, 2011 budget briefing for fiscal year 2011/12, was advised of the Administration's proposal to outsource utility billing and parking customer service calls. The Utility Billing Section is currently averaging 20,000 calls annually with a 10% abandoned rate, while the Parking Department is averaging 30,000 annual customer service calls with a 20% abandoned rate.

As a result of a reduction of six positions, or 42%, of customer service personnel over the past five (5) years, the Finance Department Revenue Division, which manages the Utility Billing function, has limited resources to handle the customer service counter, answer phone calls, respond to emails, and perform their daily accounting and financial functions. In an effort to provide excellent customer service to the residents and businesses of Miami Beach, the Administration is proposing to outsource customer service calls.

At an average of three (3) minutes per call, it would require the City of Miami Beach an equivalent of 2 full time employees to manage this volume of calls, which represents an approximate annual cost of \$140,000 in salary and benefits. It is estimated that the cost of outsourcing these call would be considerably less and would lead to more productive and effective employees in their respective areas of work.

Under the current environment, City of Miami Beach employees are managing 50,000 phone calls per year in addition to perform the duties of their full time job. When the phone rings, the employee must stop what he or she is doing and address the caller's questions. In many occasions, there is an after-call task related to the caller's inquiry to be addressed before the employee can resume the original task he or she was doing. These constant interruptions affect employee's effectiveness and productivity.

Presently, the City of Miami Beach is handling a combined 50,000 annual Parking and Utility Billing related calls. These calls are divided among 10 full time Finance employees. It is estimated that a substantial number of phone calls are never answered which results in an increase of traffic of dissatisfied residents to the City help desks due to an ineffective telephone answering system.

It is anticipated that the proposed outsourcing of phone calls will lead to more productive City employees by eliminating call responsibilities; reduce lines and traffic at our customer service counter; and, lead to more positive customer experiences.

The City would also like to receive proposals for consideration of outsourcing the combined Business Tax, Certificate of Use, and Annual Fire Permit calls received by the Finance Department Revenue Division customer service team. Additionally, the City would like to receive proposals for consideration of outsourcing the Emergency Operation Center (EOC).

Funding in the amount of \$37,500 is available from the Water and Sewer Enterprise Fund and additional \$37,500 is available from the Parking Enterprise Fund. The total budget for the outsourcing project is \$75,000 with no funds being utilized from the General Fund.

SCOPE OF SERVICES

The City wishes to hire a company that provides a fully equipped offsite call center to receive calls for the Finance, Parking, Emergency Operation Center (EOC) and other departments, as needed. This service should include all the necessary resources required to achieve a low abandonment rate.

It is anticipated that the successful proposer will negotiate with the City for a term contract with an initial term of three (3) years, with an option to renew for an additional two (2) one-year extensions at the Administration's sole discretion.

Finance Department

The proposer should possess the following capabilities:

1. Provide automatic call distribution with full reporting capabilities.
2. The Call Center needs to be able to handle calls as follows: The Utility Billing Section is currently averaging 20,000 calls annually, while the Parking Department is averaging 30,000 annual customer service calls.
3. High Percentage (minimum of 50%) of Bilingual (English and Spanish) operators.
4. Provide a knowledge base system to assist contractor's agent to provide proper and consistent response to inquiries.

5. Provide a seamless telephone interface.
6. Fully operational call center facility for at least five (5) years and preferably in the Miami area.
7. Provide the ability to remotely monitor the interaction between callers and agents.
8. Provide a customer agent assessment mechanism at the City's option.
9. Call Center to be able to access City Department software to be able to answer related questions such as, but not limited to, the following:
 - Typical questions for Utility Billing are for these subject matters:
 - Processing payment over the phone;
 - Concerns regarding a higher than average bill;
 - Balance inquiries;
 - Utility service has been disconnected or scheduled for disconnection;
 - Payment or payment plan to be processing;
 - Opening of a new account; and,
 - Closing of an existing account.
10. Provide information on transactions that can be done on the website.
11. Full reporting capabilities.
12. Web based resolution tracking system.
13. The call center contractor will be required to provide the necessary technology to meet American with Disabilities (ADA) requirements.
14. The call center contractor shall have a secure facility capable of withstanding Hurricane.

Emergency Operations Center

In the event that the City of Miami Beach Emergency Operations Center (EOC) is activated, the Call Center will perform the following tasks:

- Upon notice, the Call Center will handle the call handling for a weather incident ready within three (3) hours of notification
- The Call Center must have in place, the ability to have the phone service provider for the City of Miami transfer the phone number of the City as identified, both at the City switch level and if the switch is lost completely, the ability to transfer the number at the central office (AT&T) level – this will be a joint deliverable with the City and Call Center
- The Call Center must have adequate trunks to handle 120 calls per minute and be scalable on trunkage if more lines are required to handle incoming calls
- The Call Center will have adequate staffing available to handle English/Spanish (50% bilingual) and Haitian Creole calls; as needed staffing will be supplemented based on call volume; an auto attend/menu selection allowing callers to choose the language of their choice when speaking with an agent

- The Call Center will record all calls both voice and screen display and keep these files available (for 18 months) for review by the City
- The Call Center must have the capability to have event announcements placed before a caller enters a queue to provide emergency information or to inform residents of real-time relevant information
- The Call Center will place recording known as music on hold messages in the queue so when the callers are waiting for an agent they are hearing relevant information as provided by the city pre/during and post event
- The event announcements must be changed as request by the City and in place within 15 minutes of receipt – the City will provide these in three languages to the Call Center provider.
- The Call Center will report on an hourly basis the number of call answered, provide the top 10 list of inquiries and as directed by the City, have in place a service request process that logs incidents reported by residents in the City to include but not limited to flooding report, tree down in swale, tree down on private property, tree down on home, FPL electricity out, clogged drains, debris; each of these service requests must be GIS plotted and reported to the City on a hourly basis in a excel spreadsheet to include XY coordinates needs so the City EOC can map the service requests
- The Call Center will maintain and ,as needed, update the event knowledge base with information provided by the City
- An emergency process will be established that will have the management of the call center to contact designated City personnel of issues that management believes the City should immediately address if it is safe to travel the streets of the City.

Fiscal Component

The City's objective is to purchase the service on a per minute basis.

The proposers are also required to provide alternative methods of purchasing the services that will be incorporated into the contract and will be available to the City at its discretion. This may include purchasing blocks of hours or full time equivalent employees.

The City reserves the right to negotiate alternative service levels with the contractor during the term of the agreement.

Liquidated Damages

All of the provisions listed below will not apply during the first 90 days of the contract.

The call center provider will respond to 80% of the calls within 30 seconds; failure to meet this performance standard will result in 1% credit from the quoted rate. If the abandonment rate exceeds 5%, this will result in 1% credit from the quoted rate.

The contractor is expected to maintain an 80% customer satisfaction rate based on the internal tracking system to be developed by the contractor and monitored by the City. Failure to maintain the desired customer satisfaction rate will result in 2% reduction from the quoted rate, and if the contractor exceeds 90% customer satisfaction rate, this will result in a 2% increase over the quoted rate.

EVALUATION CRITERIA

The procedure for proposal evaluation and selection is as follows:

1. Request for Proposals issued.
2. Receipt of proposals.
3. Opening and listing of all proposals received.
4. An Evaluation Committee, appointed by the City Manager, shall meet to evaluate each proposal in accordance with the requirements of this RFP. If further information is desired, proposers may be requested to make additional written submissions or oral presentations to the Evaluation Committee.
5. The Evaluation Committee shall recommend to the City Manager the proposal or proposals acceptance of which the Evaluation Committee deems to be in the best interest of the City.

The Evaluation Committee shall base its recommendations on the following factors, for a total of 100 possible points:

1. Experience and qualifications of the proposer – 30 points.
2. Experience and qualifications of the agents assigned to provide services to the City – 10 points.
3. Methodology and Approach to include the demonstrated ability to achieve the City's objectives – 20 points.
4. Cost/Fees – 30 points.
5. Past Performance Surveys – 10 points.

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.

6. After considering the recommendation(s) of the Evaluation Committee, the City Manager shall recommend to the City Commission the proposal or proposals, acceptance of which the City Manager deems to be in the best interest of the City.
7. The City Commission shall consider the City Manager's recommendation(s) in light of the evaluation and recommendation(s) of the Evaluation Committee and, if appropriate, approve the City Manager's recommendation(s). The City Commission may reject City Manager's recommendation(s) and select another proposal or proposals.
8. In any case, City Commission shall select the proposal or proposals acceptance of which the City Commission deems to be in the best interest of the City. The City Commission may also reject all proposals.

9. Negotiations between the selected proposer and the City Manager take place to arrive at a contract. If the City Commission has so directed, the City Manager may proceed to negotiate a contract with a proposer other than the top-ranked proposer if the negotiations with the top-ranked proposer fail to produce a mutually acceptable contract within a reasonable period of time.
10. A proposed contract or contracts are presented to the City Commission for approval, modification and approval, or rejection.
11. If and when a contract or contracts acceptable to the respective parties is approved by the City Commission, the Mayor and City Clerk sign the contract(s) after the selected proposer(s) has (or have) done so.

Important Note:

By submitting a proposal, all proposers shall be deemed to understand and agree that no property interest or legal right of any kind shall be created at any point during the aforesaid evaluation/selection process until and unless a contract has been agreed to and signed by both parties.

CONCLUSION:

The Administration recommends the issuance of the RFP for Call Center Services.

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City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Kathie Brooks, Interim City Manager

DATE: November 9, 2012

SUBJECT: **A DISCUSSION REGARDING AN AMENDMENT TO THE LEASE BETWEEN THE CITY AND MASSAGE PARTNERS, INC. DATED SEPTEMBER 15, 2010, FOR THE PREMISES LOCATED AT 1701 MERIDIAN AVENUE, UNIT 2 (A/K/A 767 17TH STREET), MIAMI BEACH, FLORIDA, CONCERNING: 1) THE ADDITIONAL USE OF THE DEMISED PREMISES AS A NAIL SALON; 2) THE USE OF THE COMMON AREA RESTROOMS LOCATED ON THE SECOND FLOOR OF THE 1701 MERIDIAN AVENUE OFFICE BUILDING FOR TENANT'S NAIL SALON CUSTOMERS; AND 3) THE ADDITIONAL RENT TO BE PAID BY TENANT FOR THE USE OF SAID COMMON AREA RESTROOMS**

BACKGROUND

On September 15, 2010, the Mayor and City Commission passed Resolution No. 2010-27488, approving a Lease Agreement between the City and Massage Partners, Inc. ("Tenant") for the use of approximately 1802.89 square feet of City-owned property, located at 1701 Meridian Avenue, Unit 2 (a/k/a 767 17th Street), Miami Beach, Florida ("Leased Premises"); said Lease having a term of nine (9) years and 364 days, commencing on December 2, 2010, and ending on November 30, 2020.

As stated in Section 7 of the Lease Agreement, the Leased Premises shall be used by the Tenant only for the purpose(s) of providing therapeutic massage services, facials, and any other products or services authorized pursuant to Tenant's Franchise Agreement with Massage Envy Franchising, LLC ("the Franchisor"). Any additional uses shall be subject to the prior written approval of the City Manager, in his sole and reasonable discretion. Furthermore, pursuant to Subsection 8.C.2 of Tenant's Franchise Agreement, the Tenant shall not offer, sell, give away or otherwise provide any services or products not authorized by the Franchisor.

The Tenant has requested permission from the City to expand the use of the Leased Premises to include nail salon services in a small portion of space ("Proposed Nail Salon Space") located at the front of the Leased Premises and separated by partition walls from the space from which the Tenant currently provides massage services.

The Franchisor has stated it cannot approve the sharing of signage, entryways or bathrooms by its franchisees with other businesses. The Leased Premises contains a separate entryway for the Proposed Nail Salon Space as well as a separate area for exterior signage. However, the

Leased Premises do not contain a separate restroom which can be utilized by the nail salon customers. Subsequent to numerous discussions between the Administration and the Tenant, it was determined that a separate restroom is also required by the City in order for the Proposed Nail Salon Space to obtain the applicable business licenses.

ANALYSIS

The Tenant has requested the use of additional restroom facilities located in the 1701 Meridian Avenue office building in order to comply with both the Franchisor's stipulations and the requirements of the City. The Administration is agreeable to amending the Lease to allow an additional use and to also provide the Tenant the non-exclusive, revocable use of the common area restrooms located on the 2nd Floor of the 1701 Meridian Avenue office building, subject to reaching an agreement with the Tenant regarding rent, as well as subject to the resolution of outstanding contractors' liens, and any other permitting issues.

Calculation of Rent:

After conferring with Koniver Stern Group, the brokerage firm which represented the City in the lease transaction with the Tenant, the Administration determined that compensation for the expanded use and additional space requested by Tenant is in order. Tenant currently pays a base rental rate of \$27.60 per square foot for the Leased Premises, plus operating/maintenance (CAM) expenses at \$4.00 per square foot, and also escrows funds for real estate taxes for the retail space monthly, at the current rate of \$7.78 per square foot, and insurance costs at a rate of .90 per square foot. In order to determine the additional rent for use of the restrooms on the second floor of 1701 Meridian Avenue, the cost may be calculated based upon the size of the restrooms, which is 104 square feet for the men's room and 144 square feet for the women's room. The combined square footage of 248 square feet would be subject to base rent plus CAM, but would not be subject to real estate taxes or insurance costs. Accordingly, the rent for the expanded use and additional square footage would be \$7,837 per year (248 sf x \$31.60), payable in monthly installments of \$653.

Outstanding Liens:

The Tenant performed extensive renovations to the space, and in consideration of the Tenant's improvements, the City delayed rent commencement for one year after Lease commencement. The Tenant improvements were conducted by Tenant's contractors, one of whom filed two Claims of Lien against the leasehold interest in August 2012. The contractor claims he is owed \$66,300.67 by the Tenant. The City placed the Tenant on notice of default. The Tenant in turn filed a Contest of Lien. The City, pursuant to Section 15 of the Lease Agreement, requested the Tenant to provide the City with security in the amount of \$99,451.00 immediately in connection with the Claim of Lien. On October 31, 2012, the contractor informed the Administration that negotiations are ongoing with Massage Partners and that the Tenant has offered to pay \$40,000 of the \$66,300.67. As of the date of writing of this memorandum, this issue remains outstanding. The Tenant has not paid the contractor and has not posted the required security with the City.

CONCLUSION AND RECOMMENDATION

From a business and practical standpoint, if the Franchisor allows the nail services within the Leased Premises, the Administration, as Landlord, has no objection to amending the use provision in the Lease to allow for a nail salon, and allowing the Tenant to use additional

restroom facilities on the second floor of the office building. However, the Administration recommends the Tenant post the required security with the City for the outstanding Claim of Lien before amending the Lease.

If all pending issues are resolved and an amendment to the Lease is recommended by the Finance and Citywide Projects Committee, then the Administration will seek full City Commission approval on the next available agenda, to:

- 1) Authorize Tenant to expand the use of the Demised Premises to add nail salon services;
- 2) Authorize Tenant the non-exclusive, revocable use of the common area restrooms located on the 2nd Floor of the 1701 Meridian Avenue office building;
- 3) Increase rent by \$7,837 per year, payable in monthly installments of \$653, subject to annual increases, as additional base rent and operating expenses for the use of said restrooms.

KAB/MAS/AP/MM

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