



# MIAMIBEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

## COMMITTEE MEMORANDUM

TO: Mayor Matti H. Bower and Members of the City Commission  
FROM: Interim City Manager Kathie G. Brooks   
DATE: March 13, 2013  
SUBJECT: REPORT OF THE FINANCE AND CITYWIDE PROJECTS  
COMMITTEE MEETING ON FEBRUARY 20, 2013

The agenda is as follows:

### OLD BUSINESS

1. Discussion regarding the Issuance of Request for Proposals (RFP) for Catering and Concession services for the Miami Beach Convention Center.

### ACTION

The Committee recommended moving forward with alternative 4 to continue working with Centerplate thru June to allow the City enough time to complete the ITN. Commissioner Libbin voiced his concern about the tight timeline.

Acting Assistant City Manager Max Sklar presented this item.

Acting Assistant City Manager Max Sklar began by stating on September 6, 2006, the City adopted Resolution No. 2006-26316, accepting the proposal submitted by Centerplate to provide exclusive catering and food and beverage services at the Convention Center. The current Agreement commenced on March 1, 2007, and expired on September 30, 2012. The Invitation to Negotiate for Food and Beverage Services for the Miami Beach Convention Center was issued on February 5, 2013. The Administration expects to have a recommendation ready for the April 17, 2013 City Commission meeting and a negotiated contract ready for approval for the June 5, 2013 City Commission meeting. On December 20, 2012, Centerplate, the City's food and beverage concessionaire for the Miami Beach Convention Center, notified the City that, as of March 31, 2013, it will no longer provide these services at the Convention Center. Centerplate advised the City that if the Agreement were mutually

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extended past March 31, 2013, Centerplate would require a fixed management fee contract structure. The Administration advised Centerplate that this new request was not only a substantive change from the terms of the current Concession Agreement, but was neither brought up, nor authorized by the City Commission, on September 12, 2012, when the Commission approved the extension of Centerplate's contract. As a result, Centerplate sent the City a letter. The Administration immediately began working on a transition plan in conjunction with Global Spectrum to ensure food service is not interrupted. The Administration also sent Centerplate a letter on December 28, 2012 acknowledging receipt of the termination notice and, as per the Agreement, outlining terms of the termination.

Acting Assistant City Manager Sklar went to discuss the alternatives as a result of the ongoing discussions with Centerplate and Global Spectrum.

1. **Alternative 1:** Change Centerplate's agreement to a management fee based agreement where the City would be responsible to fund the food and beverage operation and assume responsibility for any profit or loss associated with the operation. Based on Centerplate's projections, which are attached as Exhibits 5 & 6, instead of projected commission revenue of \$402,561, Centerplate projects the City would earn \$140,000 (a projected loss of \$262,553 in potential revenue) from April – September (6 months). This includes a \$10,000 monthly management fee to Centerplate totaling \$60,000 over 6 months. As previously stated, this is a slower time for the convention center and is more ideal to transition food service providers if that were to be the outcome of this process.
2. **Alternative 2:** At the request of the Finance and Citywide Projects Committee, the City also met with Centerplate to discuss extending the existing agreement through December 31, 2013 under the same terms and conditions. This is the simplest manner with which to ensure uninterrupted service to the clients of the convention center. Extending Centerplate's current agreement through December 31, 2013 would also mean delaying the start of the new contract that would be awarded as a result of the ITN which was issued February 5, 2013. Assuming Centerplate was the successful bidder and recommended to receive the contract resulting from the ITN, transition and selection of a new contract start date would be relatively easy. However, if another company were selected for the new contract then the new contract could not begin prior to January 1, 2014. If this were the case transition would be critical as a new operator would begin during the start of peak business at the Convention Center.
3. **Alternative 3:** Once the City was notified by Centerplate on December 20, 2013 that they exercised their right to terminate the Agreement as of March 31, 2013, the City began working with Global Spectrum on a transition plan. Another alternative available is to bring food and beverage service in-house in partnership with Global Spectrum. Global Spectrum would create a food service department similar to other convention center departments such as event services or sales,

which would require the City to fund the food and beverage operation and assume responsibility for any profit or loss associated with the operation. As per the attached letter (Exhibit 7) from Global Spectrum, they would partner with their sister company Ovations to provide management support for the food service operation. Global Spectrum believes the convention center operation would gain efficiencies in sales, marketing, operations and finance that would yield savings in expenses and provide clients with a one-stop event services experience. The attached letter from Global Spectrum projects a net return to the convention center of \$227,998 from April – September (6 months).

- 4. Alternative 4:** Centerplate sent a letter yesterday desiring to resend their terminate notice and continue for another quarter thru June giving the City enough time to complete the ITN process.

Mr. Bloomberg the Chair of the Convention Center Advisory Board stated that he had some concern about the accelerated process with alternative 4, but believed this was the best option. He also stated that the main concern is the master plan development of the Convention Center and they prefer to not negotiate both items at the same time. The Committee recommended moving forward with alternative 4 to continue working with Centerplate thru June to allow the City enough time to complete the ITN. Commissioner Libbin voiced his concern about the tight timeline.

## **NEW BUSINESS**

- 2. Discussion regarding giving guidance to the IT Steering Committee to review the pros and cons of becoming a paperless environment and create new policies and procedures to be implemented within the City of Miami Beach**

## **ACTION**

**The Committee assigned the item to Commissioner Jorge Exposito who will meet with the IT Steering Committee to further discuss how to phase the project and what would be the best plan of action and what would be the timeframe to implement.**

Chief Financial Officer Patricia Walker presented this item.

Chairperson Weithorn suggested the best approach would be to move forward going paperless from this point and eventually over time you would become fully paperless. Chief Financial Officer Patricia Walker stated that an inventory of all manual systems would need to be done. The Committee assigned the item to Commissioner Jorge Exposito who will meet with the IT Steering Committee to further discuss how to phase the project and what would be the best plan of action and what would be the timeframe to implement.

**3. Discussion regarding renewal of the Professional Services Agreement between the City of Miami Beach and the Superlative Group for professional services in corporate sponsorship marketing pursuant to request for proposals No. 06-04/05**

**ACTION**

The Committee recommended continuing the agreement with Superlative for one year and for Superlative to negotiate with staff on the 45% Commission being charged on license agreements.

Acting Assistant City Manager Max Sklar presented this item.

Acting Assistant City Manager Max Sklar began by stating the current Agreement with Superlative Group has recently expired. The City has the ability to extend the Agreement for two (2) additional one (1) year renewal terms, upon the same terms and conditions at the City Manager's sole option and discretion. The City has had this agreement for years with the first phase being the assessment of all of the Cities assets and the second phase being the Coca Cola agreement the City is currently in. Commissioner Jorge Exposito stated it's important to provide both the value to the City and what the City has to provide when presenting ideas.

Acting Assistant City Manager Sklar added the Agreement entitles the Consultant to receive a commission based upon a percentage of total gross revenues to the City (GR) generated by Sponsorship Agreements obtained by Consultant. The commission structure shall be as follows:

- (i) 15% commission on \$0 – 250,000 in GR to City;
- (ii) 12% commission on \$250,001 – 500,000 in GR to City;
- (iii) 10% commission on \$500,001 – 1,000,000 in GR to City;
- (iv) 6% commission on \$1,000,000+ in GR to City;

And, additionally,

- (v) 7% commission on renewals (percentage of GR for first renewal only);
- (vi) 45% commission on licensing agreements (to include monitoring); and
- (vii) 10% commission on budgeted cost avoidance measures, as defined in Section 3.1.6.

Commissioner Jerry Libbin stated that his understanding from the previous meeting was that 45% commission was too much and that the fee should be renegotiated. Chairperson Deeded Weithorn stated the agreements should not be more than a year at a time. Superlative Representative Kyle Kantor stated they are working with utility service providers that partner with your utility to send out a marketing letter to sell their service and the City in turn gets a percentage of revenues from these sales. The information has been provided to the public works department to get feedback on this item. Commissioner Jorge Exposito made a motion to continue the agreement with Superlative for one year and for Superlative to negotiate with staff on the 45% Commission being charged on license agreements. Commissioner Michael Gongora seconded the motion.

**4. Discussion to consider replacement of the City's Public Safety Radio System with a new P25 compliant system before the federally mandated 2016 timeframe**

**ACTION**

**The Committee recommended sending this item straight to Commission with the criteria of issuing an RFP to secure the services of a Consultant, at a reasonable price, that can compile all the stakeholder's requirements and provide system specifications and recommend an option to move forward with implementing the P25 system.**

Chief Financial Officer Patricia Walker presented this item.

Chief Financial Officer Patricia Walker began the discussion by stating the City of Miami Beach, the Licensee, operates a Motorola equipped 800 MHz 10 channel trunked Public Safety Radio System, the System, in its designated Federal Communication Commission (FCC) jurisdiction. The System is currently on year eight (8) of a ten (10) year life cycle and it is not Project 25 (P25), compliant as defined by federal P25 standards, as the standards were emerging as the system was being contracted. The City's goal is to replace the System with a new P25 compliant system before the 2016 timeframe. P25 is a suite of standards for digital radio communications for use of interoperability by federal, state and local public safety agencies in North America to enable them to communicate with other agencies and mutual aid response teams in emergencies. The system replacement time cycle, based on procurement of the existing system, is over two (2) years from issuance of the RFP to acceptance of a working system. There are a few ways for the City to achieve compliance by the narrow banded P25 directive issued by the FCC. The City can purchase a replacement P25 compliant radio system, it can join with other agencies in purchasing and establishing a Regional radio system or it can operate as a guest on a larger host's radio system. Regardless of the direction the City moves in, it should first secure the services of a professional consultant (Consultant) that can compile all the stakeholder's requirements and manage the project to ensure that the requirements are implemented in the new radio system.

Chairperson Deede Weithorn requested a cost breakdown of what the Consultant would cost as well as the radio system. Commissioner Jorge Exposito asked Chief of Police Raymond Martinez if there was a preference as to how they want this item approached. Chief Raymond Martinez stated the Regional approach is important for expanded coverage when officers have to look for subjects at their homes outside of Miami Beach area or when transporting prisoners to jails. Established regional interoperability memorandums allow Miami Beach radios to reach each region's dispatcher while in their region. It will be important during the negotiations to understand if any of the frequencies would have to be relinquished if this option is chosen. Police Union Representative Alex Bello stated that they have already began to have issues with Motorola and this is an important matter currently on hand.

The Committee recommended sending this item straight to Commission with the criteria of issuing an RFP to secure the services of a Consultant, at a reasonable price, that can compile all the stakeholder's requirements and provide system specifications and recommend an option to move forward with implementing the P25 system. Commissioner Jorge Exposito made the motion that was seconded by Commissioner Michael Gongora.

**5. Discussion regarding the possible World Out Games Miami Beach 2017 Funding**

**ACTION**

**Item Deferred.**

**6. Discussion Budget Advisory Committee's proposed policies and guidelines for the City's Pension Plan**

**ACTION**

**The Committee assigned the item to Chairperson Deede Weithorn. The item was deferred to be further discussed at either an April or May Finance meeting with an LTC being issued on how this item will be handled to allow all Commissioners to participate.**

**7. Discussion to consider additional community input for the Sunset Harbor Neighborhood Improvements Projects**

**ACTION**

**The Committee decided to discuss this item at the June or July budget meeting with the possibility of amending the budget for this item.**

Public Works Director Fred Beckmann presented this item.

Public Works Director Fred Beckmann began by stating the Sunset Harbour Neighborhood was not part of the original Neighborhood Improvement Program. Over the past several years, with the opening of more restaurants, Fresh Market and the parking garage with retail stores, Sunset Harbour has evolved to become a much more active residential community. As the City has done in the past with the original Neighborhood Improvement Program, a community-based planning process should be used to develop the elements of the Sunset Harbour Neighborhood improvement project. This would provide the residents and business owners with opportunities to attend Community Design Workshops and assist in the development of the design for the neighborhood. Like the other Neighborhood Improvement Program projects, the City could retain a consultant through a Request for Qualifications. This consultant would manage at least two Community Design Workshops at which residents would provide input on the proposed design. The consultant would then prepare a Basis of Design Report (BODR) that would go to the Commission for formal approval. Once the BODR is adopted, the consultant would proceed with the design and permitting of the project.

Chairperson Deede Weithorn stated we have to have a budget and an expectation before we go before the residents so that it's clear what the options are and the how they can be executed. Interim City Manager added the plan should be called the Street Scape Improvement Plan. The Committee decided to discuss this item at the June or July budget meeting with the possibility of amending the budget for this item.

8. **Discussion directing the Administration to give the Commission an analysis of all the City Personnel receiving Planning Day Pay and/or Executive Work day pay, details about its genesis, aggregate cost to the City, intended purpose and history**

#### **ACTION**

**The Committee recommended that no new personnel shall receive Planning Days and/or Work Day Pay and for Interim City Manager Kathie G. Brooks to bring alternatives to the budget meeting for those employees currently receiving this pay.**

Commissioner Jerry Libbin presented this item.

Commissioner Jerry Libbin began the discussion item by stating that staff has attempted to research the genesis of the Planning Day benefit. Staff also searched the archived records maintained by the City Clerk but did not find any specific information on the origin of this employee benefit. The Human Resources Department electronic records go back to 2005 but only track those employees that received the benefit and the actual number of days accrued varies by classification. The general consensus was that this compensation benefit was instituted in part to deal with salary compression issues and was utilized as an executive benefit to recruit and attract a competitive workforce. Interim City Manager Kathie G. Brooks stated most individuals came in with these offers as part of their compensation. The fair thing to do would be to roll them into the current individual's salary and then move forward with not offering it. Commissioner Michael Gongora stated he doesn't think there should be any action taken on this item today. Commissioner Jorge Exposito requested that Interim City Manager Brooks bring this item back during the budget meetings with alternatives so that it can be further discussed. Commissioner Exposito made the motion that no new personnel shall receive Planning Days and/or Work Day Pay and for Interim City Manager Kathie G. Brooks to bring alternatives to the budget meeting for those employees currently receiving this pay.

9. **Discussion regarding advertising panels on Lincoln Road**

#### **ACTION**

**The Committee recommended going with Option 2 to go to the Historic Preservation and Design Review Boards to seek their direction as to what type of directory structures are most appropriate for the Lincoln Road Corridor. After this direction is obtained, the Administration recommends**

**that a Request for Proposals be issued.**

Public Works Director Fred Beckmann presented this item.

Public Works Director Fred Beckmann began by stating The City currently has an agreement with Clear Channel Adshel Inc., to construct, operate and maintain directory structures in the Lincoln Road Area, to provide directory information location maps, offer advertising space for commercial use, fabricate and install street signs and block numbers at ten (10) intersections along Lincoln Road. The current agreement terminates on April 17, 2013. Clear Channel Adshel Inc. is interested in submitting an unsolicited proposal for replacing the current fixed advertising panels on Lincoln Road with digital advertising panels, but has not yet submitted its proposal. Clear Channel Adshel Inc. recently sought approval from the Historic Preservation and Design Review Boards for the replacement of existing fixed advertising panels with digital advertising panels in twenty (20) bus shelters located in South Beach, but both Boards denied the request. Based on the above, there are two options:

Option 1: Issue a Request for Proposals for fixed advertising panels

Option 2: Go to Historic Preservation and Design Review Boards to seek their direction as to what type of directory structures are most appropriate for the Lincoln Road Corridor. After this direction is obtained, the Administration recommends that a Request for Proposals be issued.

Chairperson Deede Weithorn stated we should go with option 2 to understand the rationale behind the Boards decision and determine if it's a bigger discussion that needs to be had by the Commission. The Committee recommended going with Option 2 to go to the Historic Preservation and Design Review Boards to seek their direction as to what type of directory structures are most appropriate for the Lincoln Road Corridor. After this direction is obtained, the Administration recommends that a Request for Proposals be issued.