



MIAMI BEACH

OFFICE OF THE CITY MANAGER

LTC NO. 236-2006

LETTER TO COMMISSION

TO: Mayor David Dermer and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: October 5, 2006

SUBJECT: **The Sunpost Article on Washington Avenue**

In the September 21, 2006 edition of The Sunpost, in the Murmurs section, an article was published discussing the Washington Ave. project scope, the original budget and the additional costs. The article also included a mention of a possible recommendation for a waiver of bid to award additional work in the Lummus neighborhood to Ric-Man International, Inc.

The article contains a number of inaccuracies that need clarification. The article states that Mr. Chartrand of the CIP Office stated that the Washington Ave. had been completed in budget and on time. The article appears to imply that this statement is not accurate because there were an additional \$4.1 million of change orders on the project. This statement does not clearly explain the nature of the change orders and fails to acknowledge that all of the additional work was for increased scope requested by the Administration, the City Commission or the residents.

The additional scope added to the project included the following items:

Amendment No. 1	Additional Drainage to Coordinate with Flamingo/ Lummus Neighborhoods	\$555,783
Amendment No. 2	New traffic signals Mast Arms per MD County request and funded by MD County	\$686,880
Amendment No. 3	Re-direction of traffic in 7 th & 8 th Streets and streetscape & infrastructure improvements per Bid Pack 10 B	\$1,642,301
Amendment No. 4	Additional Improvements to Wash. Ave. medians including Malayan palms	\$574,560
Amendment No. 5	16 th Street Drainage to coordinate with Lummus Neighborhood Improvements	\$1,094,815
Amendment No. 6	Additional drainage wells which were part of the 7 th & 8 th streets Lummus design	\$197,960 (submitted in the October 2006 City Commission Agenda
Total		\$4,752,299

The cost of the items detailed above approximates the amount mentioned in the article and all items were approved by Resolution by the City Commission. The items represent appropriate and reasonable additions to the overall project scope, were properly negotiated by staff, and resulted in more effective and efficient implementation of further improvements to the area.

In a previous article published in Miami Today Mr. Chartrand stated to a reporter that the project had been on budget, since all change orders were the result of additional scope and based on proper requests, and on schedule since the basic improvements included in the original Agreement, and even some of the additional scope was completed by Ric-Man within the original allotted timeline stated in the contract. It is customary in the construction industry to consider projects in budget and on schedule when delays or additional work is not the result of the contractor's performance. This is clearly the case in this project.

Finally, the article in the Sunpost states that Mr. Chartrand did not return phone calls and that Mr. Chartrand did not want to comment on the possibility of the Administration requesting that additional scope be given to Ric-Man on the project and that a waiver of competitive bidding is being considered on the matter. In a conversation with a reporter Mr. Chartrand stated that this matter was still in the discussion stage within the Administration and staff and that once the item was placed on the agenda for the City Commission meeting of October 11, 2006, there could be further discussion and commentary.

In summary, it appears that the article published in The Sunpost did not accurately reflect the history and content of the Washington Avenue project and did not accurately represent the actions taken by the Administration on the additional scope. This Letter to Commission should serve to clarify those items which were not fully represented and not completely reflected in the article.

If you have any questions on this matter please do not hesitate to contact the City Manager's Office for further information.

C: T. Hemstreet, Assistant City Manager

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