



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

COMMISSION MEMORANDUM

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: February 11, 2015

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NUMBER 5 TO THE PROFESSIONAL SERVICES AGREEMENT WITH FENTRESS ARCHITECTS ("FENTRESS") IN THE LUMP SUM AMOUNT OF \$14,469,500, FOR ADDITIONAL DESIGN AND CONSTRUCTION ADMINISTRATION SERVICES FOR THE MIAMI BEACH CONVENTION CENTER RENOVATION AND EXPANSION PROJECT (THE PROJECT); ACCEPTING THE CITY MANAGER'S CERTIFICATION OF A VALID PUBLIC EMERGENCY AND WAIVING THE PUBLIC ANNOUNCEMENT AND QUALIFICATION PROCEDURES OF THE CONSULTANTS' COMPETITIVE NEGOTIATION ACT ("CCNA") PURSUANT TO FLA. STAT. 287.055(3)(A)(1).**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

KEY INTENDED OUTCOME

Improve alliance with key business sectors, namely hospitality, arts & international business with a focus on enhanced culture, entertainment & tourism.

BACKGROUND

By separate Memorandum in this Commission Meeting Agenda, the City Manager has recommended cancelling the Design-Build Request for Proposals (RFP) process and moving forward with a new Request for Qualifications (RFQ) for a Construction Manager-At-Risk firm. In the event the City Commission adopts that recommendation, then it will be appropriate to take up this agenda item regarding design services.

ANALYSIS

The Construction Manager at Risk (CMAR) process will require hiring an Architect of Record to complete the design documents. If the City were to issue a Request for Qualifications for a new firm to complete the design, the following would result:

1. Substantial delays to the Project, as design packages would not be completed in time to commence construction as targeted, following conclusion of the December, 2015 Art Basel events, thereby delaying the Project by at least one (1) additional year.

2. Additional costs in connection with design services redundancies associated with a new firm familiarizing itself with the Project and Fentress's detailed Design Criteria Package.
3. A high likelihood of additional construction escalation and financing costs.
4. Loss of revenue to the City resulting from delay in the imposition of the additional 1% Resort Tax approved by the voters in a City-wide referendum on August 14, 2012 pursuant to the Section 5.03 of the City Charter, and certified by Resolution No. 2012-28004.

Furthermore, if the City were to issue a new Request for Qualifications for additional design services, the City would seek qualifications and experience nearly identical to those previously set forth in RFQ 2014-142-ME for the Design Criteria Professional for the Project, for which Fentress was the top-ranked proposer.

Fentress is proposing an additional fee in the amount of \$14,496,500 to modify its scope of services from that of a Design Criteria Professional to that of the Architect of Record, whereby they will be responsible for 100% of the construction documents as well as construction administration services:

	Original Agreement	Amended Agreement	Additional Services Fee
Programming & Concept Design	\$1,584,653	\$1,584,653	-
Schematic Design	2,714,700	2,714,700	-
Design Development & Criteria Package	3,486,988	3,486,988	-
Design Build Proposal Review	561,771	94,000	(467,771)
Construction Document Oversight	1,017,815	-	(1,017,815)
Construction Document Preparation		12,430,199	12,430,199
Construction Oversight	1,601,273	-	(1,601,273)
Construction Administration		5,126,160	5,126,160
Contract sub total	10,967,200	25,436,700	14,469,500
Design Fee Contingency	1,000,000	1,000,000	-
TOTAL	\$11,967,200	\$26,436,700	\$14,469,500

By way of comparison, we had estimated that under the design-build process, the design fees for the design-builder would approximate \$17.4 million, including design builder mark ups. As such, this approach will reduce these costs by approximately \$3 million.

The overall project budget is \$520.5 million (\$491.5 million for the convention center and landscaped areas plus \$29 million for parking related costs). Trade costs are estimated to be \$420 million after taking into account design/bidding contingencies and escalation, but excluding general conditions, bonds, insurance, construction manager fees, and owner costs.

The total amended design fee (including design fee contingency) would equate to 6.3% of trade costs.

Trade Costs	\$ 420,000,000
Amended Agreement	\$ 26,436,700
Percentage	6.3%

This fee is the lowest among comparable convention center projects. The following is a table of convention center design fees as a percent of construction trade costs:

Palm Springs	12.20%
Santa Fe	8.63%
Orlando Phase 5	8.00%
Pasadena	7.30%
Vail	7.08%
San Diego	7.04%
Denver Phase 2	7.00%
Denver Phase 1	6.33%
Average Percentage	7.95%

CITY MANAGER'S RECOMMENDATION

Based on the foregoing impacts to the Project associated with delay in completion of design and the City's urgent need for a renovated Convention Center to support the City's tourism economy, I hereby certify a valid public emergency and recommend the waiver of the public announcement and qualification procedures of the CCNA pursuant to Fla. Stat. 287.055(3)(a)(1).

CONCLUSION

The Administration recommends that the Mayor and City Commission approve and authorize the City Manager to execute Amendment Number 5 to the Professional Services Agreement with Fentress Architects ("Fentress") in the lump sum amount of \$14,469,500, for additional design and construction administration services for the Miami Beach Convention Center Renovation and Expansion Project; accepting the City Manager's certification of a valid public emergency and waiving the public announcement and qualification procedures of the Consultants' Competitive Negotiation Act ("CCNA") pursuant to Fla. Stat. 287.055(3)(a)(1).

JLM:MT:MH:AD

Condensed Title:

A Resolution Of The Mayor And City Commission Of The City Of Miami Beach, Florida, Approving And Authorizing The City Manager To Execute Amendment Number 5 To The Professional Services Agreement With Fentress Architects ("Fentress") In The Lump Sum Amount Of \$14,469,500, For Additional Design And Construction Administration Services For The Miami Beach Convention Center Renovation And Expansion Project (The Project), Including The Completion Of Construction Documents For The Project; Accepting The City Manager's Certification Of A Valid Public Emergency And Waiving The Public Announcement And Qualification Procedures Of The Consultants' Competitive Negotiation Act ("CCNA") Pursuant To Fla. Stat. 287.055(3)(A)(1).

Key Intended Outcome Supported:

Improve alliance with key business sectors, namely hospitality, arts & international business with a focus on enhanced culture, entertainment & tourism.

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

Item Summary/Recommendation:

By separate Memorandum in this Commission Meeting Agenda, the City Manager has recommended cancelling the Design-Build Request for Proposals (RFP) process and moving forward with a new Request for Qualifications (RFQ) for a Construction Manager-At-Risk firm.

The Construction Manager at Risk (CMR) process will require hiring an Architect of Record to complete the design documents. If the City were to issue an RFQ for a new firm to complete the design, the following would result: 1) Substantial delays to the Project, as design packages would not be completed in time to commence construction following conclusion of the December 2015 Art Basel events, thereby delaying the Project by at least one additional year; 2) Additional costs in connection with design services redundancies associated with a new firm familiarizing itself with the Project and Fentress's detailed Design Criteria Package; 3) High likelihood of additional construction escalation and financing costs; 4) Loss of revenue to the City resulting from delay in the imposition of the additional 1% Resort Tax approved by the voters in a City-wide referendum on August 14, 2012 pursuant to the Section 5.03 of the City Charter, and certified by Resolution No. 2012-28004.

Fentress is proposing an additional fee in the amount of \$14,496,500 to modify its scope of services from that of a Design Criteria Professional to that of the Architect of Record, whereby they will be responsible for 100% of the construction documents as well as construction administration services. The total amended design fee (including design fee contingency) would equate to 6.3% of the \$420 million budgeted trade costs.

By way of comparison, we had estimated that under the design-build process, the design fees for the design-builder would approximate \$17.4 million. As such, this approach will reduce these costs by approximately \$3 million.

Based on the foregoing impacts to the Project associated with delay in completion of design and the City's urgent need for a renovated Convention Center to support the City's tourism economy, I hereby certify a valid public emergency and recommend the waiver of the public announcement and qualification procedures of the CCNA pursuant to Fla. Stat. 287.055(3)(a)(1).

ADOPT THE RESOLUTION.

Advisory Board Recommendation:

N/A

Financial Information:

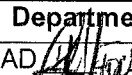


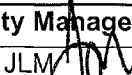
Source of Funds:	Amount	Account
1	\$3,337,000	Miami Beach Redevelopment Agency Non-Trust Fund Special Revenue Account No. 165-2616-061357
2	\$11,132,500	To be awarded subject to funding availability
Total	\$14,469,500	

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Maria Hernandez, Extension 7284

Sign-Offs:

Department Director	Assistant City Manager	City Manager
AD  MH 	MT 	JLM 

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RESOLUTION NO. 2015-_____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NUMBER 5 TO THE PROFESSIONAL SERVICES AGREEMENT WITH FENTRESS ARCHITECTS (“FENTRESS”) IN THE LUMP SUM AMOUNT OF \$14,469,500, FOR ADDITIONAL DESIGN AND CONSTRUCTION ADMINISTRATION SERVICES FOR THE MIAMI BEACH CONVENTION CENTER RENOVATION AND EXPANSION PROJECT (THE PROJECT); ACCEPTING THE CITY MANAGER’S CERTIFICATION OF A VALID PUBLIC EMERGENCY AND WAIVING THE PUBLIC ANNOUNCEMENT AND QUALIFICATION PROCEDURES OF THE CONSULTANTS’ COMPETITIVE NEGOTIATION ACT (“CCNA”) PURSUANT TO FLA. STAT. 287.055(3)(A)(1).

WHEREAS, on February 12, 2014, the Mayor and City Commission authorized the issuance of RFQ 2014-142-ME for Design Criteria Professional Services for the Miami Beach Convention Center Renovation and Expansion Project (the “RFP”) pursuant to the public announcement and qualification procedures of the CCNA, set forth in Section 287.055 of the Florida Statutes; and

WHEREAS, on March 11, 2014, the City Manager appointed an Evaluation Committee via Letter to Commission No. 079-2014, to review the eight submissions the City received from design firms, and on March 25, 2014, the Evaluation Committee convened and ranked Fentress as the top-ranked proposer, in part due to Fentress’s substantial experience in designing convention centers in Denver, Colorado (honored with 18 awards for innovation and excellence in design); Pasadena, California; Palm Springs, California; and Santa Fe, New Mexico; and

WHEREAS, on April 19, 2014, the Mayor and City Commission adopted Resolution No. 2014-28538, approving the execution of a Professional Services Agreement with Fentress for the Design Criteria Professional Services for the Project; and

WHEREAS, on July 30, 2014, the Mayor and City Commission authorized the issuance of RFP 2014-294-ME for Design Builder Services for the Miami Beach Convention Center Renovation and Expansion (the “RFP”) pursuant to Section 287.055 of the Florida Statutes; and

WHEREAS, on November 19, 2014, the City Commission adopted Resolution No. 2014-28848, accepting the recommendation of the City Manager to short-list the top three proposers (Clark, Hunt, and Hensel Phelps) to proceed to Phase II of the RFP evaluation process; and

WHEREAS, on December 16, 2014, the Miami-Dade County Board of County Commissioners adopted Resolution No. R-1110-14, approving, among other things, the issuance of tax increment revenue bonds in an amount not-to-exceed \$430,000,000, to be used for specified purposes, including the design and construction of the Project;

WHEREAS, on December 18, 2014, the City Commission adopted Resolution No. 2014-28882, approving the issuance to the short-listed firms of the Design Criteria Package timely

prepared by Fentress, which included approximately 1,320 drawings, 2,326 pages of Technical Specifications and a 996 page design narrative, developed with the assistance of Fentress's team of fourteen sub-consultants and experts; and

WHEREAS, the Design Criteria Package prepared by Fentress represents approximately 30% completion of the design development for the Project, with a number of the design packages (such as for building enclosure materials and configuration, interior finishes, millwork, HVAC supply and return grilles, vertical transportation, low-voltage equipment and specialty equipment) at over 80% design completion stage;

WHEREAS, on November 19, 2014, following the City Commission's adoption of Resolution No. 2014-28848, and short-listing of firms for Phase II of the RFP Process, Hensel Phelps informed the City of its decision to withdraw from the RFP process, and subsequently, on January 21, 2015, Hunt notified the City of its withdrawal from the Phase II evaluation process; and

WHEREAS, on January 27, 2015, the City Commission adopted Resolution No. 2015-28907, which, in pertinent part, directed the City Administration to meet with Clark to better understand Clark's ability to deliver the Project within the City's budget and ascertain whether the City and the public could be assured that Clark's pricing is competitive, notwithstanding Clark's position as the sole remaining bidder for the Project; and

WHEREAS, on February 5, 2015, the City Administration met with over 20 members of Clark's team, and it became clear that the Project, as designed, could not be delivered within the City's budget unless the City hastily approved a number of "value engineering" or re-design proposals; and

WHEREAS, in order to permit the City to meet the existing Project timeline, calling for completion of the Project by 2018 while accommodating Art Basel and other events at the Convention Center during construction, the City Manager has recommended cancelling the RFP and moving forward with a new Request for Proposals or Request for Qualifications for a Construction Manager-At-Risk firm to deliver the Project; and

WHEREAS, proceeding with the Project on an expedited basis is critical to the City, as a renovated Convention Center is essential to attracting convention business to the City and vital to supporting the City's tourism economy; and

WHEREAS, if the City were to issue a new Request for Qualifications for additional design services, the City would experience substantial delays to the Project, as design packages would not be completed in time to commence construction as targeted, following conclusion of the December, 2015 Art Basel events, thereby delaying the Project by at least one (1) additional year; and

WHEREAS, if the City were to issue a new Request for Qualifications for additional design services, the Project would experience additional costs in connection with design services redundancies associated with a new firm familiarizing itself with the Project and Fentress's detailed Design Criteria Package; a high likelihood of additional construction escalation and financing costs; and a loss of revenue to the City resulting from delay in the imposition of the additional 1% Resort Tax approved by the voters in a City-wide referendum on August 14, 2012 pursuant to the Section 5.03 of the City Charter, and certified by Resolution No. 2012-28004;

WHEREAS, if the City were to issue a new Request for Qualifications for additional design services, the City would seek qualifications and experience nearly identical to those previously set forth in RFQ 2014-142-ME for the Design Criteria Professional for the Project, for which Fentress was the top-ranked proposer; and

WHEREAS, based on the foregoing impacts to the Project associated with delay in completion of design and the City's urgent need for a renovated Convention Center to support the City's tourism economy, the City Manager has certified a valid public emergency and has recommended the waiver of the public announcement and qualification procedures of the CCNA pursuant to Fla. Stat. 287.055(3)(a)(1).

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby approve and authorize the City Manager to execute Amendment Number 5 to the Professional Services Agreement with Fentress Architects in the lump sum amount of \$14,469,500, for additional design and construction administration services for the Project; accept the City Manager's certification of a valid public emergency and waive the public announcement and qualification procedures of the CCNA pursuant to Fla. Stat. 287.055(3)(a)(1).

PASSED AND ADOPTED this _____ day of _____ 2015.

ATTEST:

Rafael Granado, City Clerk

Philip Levine, Mayor

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



City Attorney

2/10/15

Date