



City Commission Meeting

ADDENDUM MATERIAL 3

City Hall, Commission Chambers, 3rd Floor, 1700 Convention Center Drive

May 6, 2015

Mayor Philip Levine
Vice-Mayor Jonah Wolfson
Commissioner Michael Grieco
Commissioner Joy Malakoff
Commissioner Micky Steinberg
Commissioner Edward L. Tobin
Commissioner Deede Weithorn

City Manager Jimmy L. Morales
City Attorney Raul J. Aguila
City Clerk Rafael E. Granado

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ATTENTION ALL LOBBYISTS

Chapter 2, Article VII, Division 3 of the City Code of Miami Beach entitled "Lobbyists" requires the registration of all lobbyists with the City Clerk prior to engaging in any lobbying activity with the City Commission, any City Board or Committee, or any personnel as defined in the subject Code sections. Copies of the City Code sections on lobbyists laws are available in the City Clerk's office. Questions regarding the provisions of the Ordinance should be directed to the Office of the City Attorney.

ADDENDUM AGENDA

R9 - New Business and Commission Requests

- R9R Discussion Regarding The Collins Parking Garage Project Estimate Of Probable Construction Cost.
(Capital Improvement Projects)

R10 - City Attorney Reports

- R10B Notice Of Closed Executive Session
Pursuant To Section 447.605, Florida Statutes, A Closed Executive Session Will Be Held During Recess Of The City Commission Meeting On Wednesday, May 6, 2015, In The City Manager's Large Conference Room, Fourth Floor, City Hall, For A Discussion Relative To Collective Bargaining.
(Requested by Vice-Mayor Jonah Wolfson)

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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 Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: May 6, 2015

SUBJECT: **DISCUSSION REGARDING THE COLLINS PARKING GARAGE PROJECT
ESTIMATE OF PROBABLE CONSTRUCTION COST**

This item was requested by the City Manager for discussion.

BACKGROUND

On March 21, 2012, the City Commission adopted Resolution No. 2012-27869, approving a Professional Services Agreement (Agreement) between the City and the joint venture of Zaha Hadid Limited t/a Zaha Hadid Architects and Berenblum Busch Architecture, Inc. (the Consultant) for the Planning, Architectural, Engineering, Design, Bid and Award, and Construction Administration Services for the Collins Park Garage Project.

The Consultant was tasked to produce a design that personifies iconic architecture and arrives at a solution that addresses the unique needs of the City's stakeholders, residents, and visitors to the City's Cultural Campus. The total estimated construction cost budget established for the project was approximately \$18,500,000, not including contingency.

As part of the scope, the Consultant was to develop a rough order of magnitude cost estimate at concept, at 30% schematic design, at 60% design documents, and a definitive statement cost estimate at 90% Construction Documents.

The Office of Capital Improvement Projects (CIP) received the final approved Concept on January 16, 2013, which included a cost estimate of \$20,796,081.

On January 20, 2014 the Consultant submitted a cost estimate for the 30% schematic design in the amount of \$20,795,984.

On April 23, 2014, the City Commission adopted Resolution No. 2014-28579, accepting the recommendation of the City Manager, pursuant to request for qualifications No. 2013-454-SR for the Construction Manager at Risk Services for the construction of Collins Park Garage Project; authorizing the administration to enter into negotiations with the Top Ranked Proposer, Facchina Construction of Florida, LLC (CMR).

On November 10, 2014, the Agreement for Pre-Construction Services between City of Miami Beach and the CMR was executed.

Agenda Item R9 R
Date 5-6-15

The agreement with the CMR requires that the CMR prepare an outline of proposed bid packages and detailed cost estimates, at each design phase (60% design development, 90% construction documents and 100% construction documents), and advise the City regarding trends in the construction and labor markets that may affect the price or the schedule of the project.

On November 28, 2014 the Consultant provided the 60% Construction Documents submittal package which included a cost estimate in the amount of \$23,168,787.

The CMR reviewed the 60% drawings to perform their constructability review and provided an outline of proposed bid packages and detailed cost estimate. The estimate was obtained by distributing the 60% plans to potential subcontractors. The CMR “blasted” an invitation out to the market (4,000 subs). They received many declines due to the plans being partial, but received good coverage on all trades except concrete and steel, due to the specialized nature of those systems. The CMR compiled all of the submitted bids and generated a potential construction cost in the amount of \$48,989,044.

On April 17, 2014, the Consultant provided an opinion of cost indicating why the project is currently over budget (Attachment No. 1).

ANALYSIS

The difference between the CMR’s 60% cost estimate of \$48,989,044 and the Consultant’s cost estimate of \$23,168,787 is \$25,820,257. The available budget is \$21,389,603 and \$3,863,658 for the ancillary improvements (site/plaza) for a total of \$25,253,261.

The CMR prepared a cost analysis document (Attachment No. 2) that provides a comparison between their cost estimate and the Consultant’s estimate. The analysis shows many disparities between line items, especially for the shell construction, structural steel, and windows/storefront glazing. These three line items alone exceed the consultant’s estimate by approximately \$20.5 million.

At this time the City must determine how to proceed with this project as outlined in the Agreement. Article 4.4 states that “the construction cost budget shall not be exceeded without full justifiable and unforeseen circumstances which are beyond the control of the parties.”

Article 4.5 of the Agreement states that “If the lowest and best base bid exceeds the Construction Cost Budget by more than five percent (5%), the City Commission may, at its sole option and discretion, elect any of the following options: (1) approve an increase to the Construction Cost Budget; (2) reject all bids, and (at its option) authorize re-bidding of the project; (3) abandon the project and terminate the remaining Services for convenience without any further liability to the City; (4) select as many Deductive Alternatives as may be necessary to bring the lowest and best bid within the Construction Cost Budget; or (5) work with the Design Professional to reduce the Project Scope, construction schedule, Work, or such other action, as deemed necessary, to reduce the construction cost budget. In the event the City elects to reduce the project scope, the Design Professional shall provide any required revisions to the Contract Documents (including, without limitation, the Construction Documents), and provide re-bidding services, as many times as reasonably requested by the City, at no additional cost to the City, in order to bring any resulting, responsive and responsible bids within five percent (5%)

of the Construction Cost Budget”.

The Administration recommends proceeding with option (5) as stipulated in the Consultant’s Agreement and request that the Consultant revise the design to meet the approved construction cost budget at no additional cost to the City.

CONCLUSION

Administration requests direction from the Mayor and Commission.


JLM/MT/DM

Attachment 1

April 17th, 2015

Mr. Humberto Cabanas
Division Director
Capital Improvement Project Office
City of Miami Beach
Miami, FL 33139

Re: Collins Park Place

Dear Humberto:

Per our meeting held on April 16, 2015 and as per your request, we are hereby submitting our opinion as to why the project is currently over budget, in conjunction with recommendations that could help resolve the current budget challenges.

As a starting point, it is important to understand that the Design Agreement was executed at the beginning of 2012 when the construction industry was still in a slump and the construction market much softer than today. For reasons beyond our control, the project schedule has been set-back more than a year and a half resulting in additional escalation costs and landing the project in a time where the construction industry is at, or close to its peak. Market conditions have changed dramatically and this is directly reflected in the current project cost. For example, labor costs have skyrocketed since 2012 along with substantial increases in the price of key materials such as concrete. Aggravating the situation further, there is a limited pool of qualified sub-contractors in South Florida to perform work such as architectural concrete.

The second contributing factor relates to scope increases. The project, as priced by FACCHINA, reflects the 60% D.D. submittal documents, which were based on a design alternative as requested by the City where the ground floor was elevated 3 feet above the original design for a major portion of the project to address sea level rise concerns. This modification, substantially increased the earthwork required to achieve the elevated level and also affected several components such as the main structure, ramps, concrete steps, sheer walls, railings, landscape, etc. In addition, the building overall height increased and exfiltration trenches were implemented instead of the original drainage wells.

Furthermore, our ability to respond to market conditions and modify our design accordingly, was severely diminished by the fact that the construction manager, who was intended to provide pre-construction services and guidance at earlier stages of development, was not engaged until recently, depriving the design team of useful feedback.

Finally, it is important to mention that the project unique architecture and its geometry, transcends typical parking garage expectations and standards. Its execution must be achieved with utmost care, paying attention to details, solutions and finishes not normally found on standard garages. The added project complexity coupled with the current market conditions and limited availability of qualified contractors are major contributors to the cost overrun.

Strategies and Recommendations moving forward.

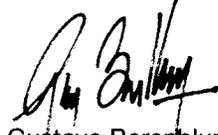
We recommend working alongside contractors / sub-contractors to understand the construction techniques to implement that are less costly yet preserve the design intent. One key example that would represent a significant cost savings is to work with a formwork contractor to standardize concrete forms.

Another strategy, far more drastic which should be approached with care is to eliminate portions of the project. We have identified and discussed several items at an earlier stage of project development, when it became clear to us that the original schedule could not be maintained. Some items, ranging from the elimination of the feature glass elevator on the plaza to an extreme of removing an entire floor of parking, could be re-assessed. Although these items do not constrain the main building use, they do have a dramatic impact on the project.

In consideration of the high-profile nature of this project and its design architect, our options with regard to cost cutting (value engineering) are more limited than would typically be the case. To build/develop what has been proposed and approved by City could be facilitated through the involvement of a third party "sponsor" who would provide the additional funding necessary to complete the project. Miami Beach has a long history of using public/private partnerships as a vehicle for parking garage development throughout the City and we would anticipate significant interest from the private sector for the Collins Park project as well.

We thank you for the opportunity to provide services to the City of Miami Beach and remain fully committed to the successful completion of this magnificent project. Please don't hesitate to contact us if you have any questions or need further clarifications.

Sincerely,
Berenblum Busch Architecture, Inc.



Gustavo Berenblum, AIA
Principal

Zaha Hadid Architects



Chris Lepine, RIBA
Senior Associate

CC: Sabrina Baglieri, Fernando Paiva. CMB
Jesus Vazquez, Lisa O'Brien. FACCHINA
Eva Tiedemann, ZHA

Attachment 2

COST ANALYSIS

Collins Park Garage
Miami Beach, FL
60% Design Development Drawings

SF: **245,797**

3	01-415	SURVEYING	0	\$ -	Included Below	\$ -	0
4	01-450	CONCRETE/SOIL TEST, THRESHOLD - BY OWNER	0	\$ -	0	\$ -	0
5	01-541	SITE SAFETY	0	\$ -	Included Below	\$ -	0
6	01-603	CRANES & HOISTING	0	\$ -	Included in Concrete	\$ -	0
7	02-100	EROSION CONTROL, MOT, TRAFFIC CONTROL	0	\$ -	Included Below	\$ -	0
8	02-110	DEMOLITION	0	\$ -	65,018	\$ 0.26	(65,018)
9	02-201	SITework / MISC. EARTHWORK	790,086	\$ 3.21	358,682	\$ 1.46	431,404
10	02-300	PILINGS - AUGER CAST	881,950	\$ 3.59	1,414,650	\$ 5.76	(532,700)
11	02-500	UNDERGROUND UTILITIES	267,124	\$ 1.09	560,000	\$ 2.28	(292,876)
12	02-590	SOILS STABILIZATION	0	\$ -	0	\$ -	0
13	02-610	PAVING & HARDSCAPES	100,000	\$ 0.41	240,000	\$ 0.98	(140,000)
14	02-710	FENCING	0	\$ -	Included Above	\$ -	0
15	02-730	PAVER TILES	246,290	\$ 1.00	Not Included - See Comments	\$ -	246,290
16	02-800	LANDSCAPING	397,370	\$ 1.62	150,000	\$ 0.61	247,370
17	02-900	SITE MISC	402,000	\$ 1.64	181,900	\$ 0.74	220,100
18	02-950	MAINTENANCE OF TRAFFIC	0	\$ -	82,850	\$ 0.34	(82,850)
19	03-300	SHELL	7,991,691	\$ 32.51	25,004,921	\$ 101.73	(17,013,230)
20	03-700	HOISTING AND MATERIALS TRANSPORT (BUCKHOIST)	0	\$ -	Included Above	\$ -	0
21	04-200	MASONRY	152,700	\$ 0.62	61,449	\$ 0.25	91,251
22	04-300	ARCHITECTURAL PRECAST CONCRETE	0	\$ -	0	\$ -	0
23	04-400	BRICK AND VENEER	Not Used	\$ -	Not Used	\$ -	0
24	04-300	MISCELLANEOUS CONCRETE ELEMENTS	0	\$ -	0	\$ -	0
25	05-300	STRUCTURAL STEEL	1,516,498	\$ 6.17	3,523,392	\$ 14.33	(2,006,894)
26	05-500	MISCELLANEOUS METALS	1,218,930	\$ 4.96	1,119,061	\$ 4.55	99,869
27	06-600	ROUGH CARPENTRY	0	\$ -	5,000	\$ 0.02	(5,000)
28	06-650	FINISH CARPENTRY	0	\$ -	10,000	\$ 0.04	(10,000)
29	06-700	WOOD TRUSSES	Not Used	\$ -	Not Used	\$ -	0
30	07-100	WATERPROOFING	502,171	\$ 2.04	745,670	\$ 3.03	(243,499)
31	07-210	BULDING INSULATION	0	\$ -	Included in Drywall	\$ -	0
32	07-220	SPRAY FIREPROOFING	0	\$ -	0	\$ -	0
33	07-230	ROOFING	25,221	\$ 0.10	Included in Waterproofing	\$ -	0
34	07-910	CAULKING	0	\$ -	100,000	\$ 0.41	(100,000)
35	08-110	DOORS /FRAMES / HARDWARE	39,600	\$ 0.16	28,350	\$ 0.12	11,250
36	08-200	WOOD DOORS / FRAMES	0	\$ -	0	\$ -	0
37	08-360	OVERHEAD DOORS	Not Used	\$ -	Not Used	\$ -	0
38	08-400	WINDOWS & STOREFRONTS	900,280	\$ 3.66	2,412,500	\$ 9.82	(1,512,220)
39	08-500	SKYLIGHT	Not Used	\$ -	Not Used	\$ -	0
40	09-100	LATH / PLASTER / STUCCO	Not Used	\$ -	Not Used	\$ -	0
41	09-260	DRYWALL	0	\$ -	50,000	\$ 0.20	(50,000)
42	09-310	CERAMIC TILE / MARBLE / GRANITE	0	\$ -	25,000	\$ 0.10	(25,000)
43	09-510	ACOUSTICAL CEILINGS	0	\$ -	2,400	\$ 0.01	(2,400)
44	09-650	RESILIENT / CARPET	Not Used	\$ -	Not Used	\$ -	0
45	09-700	STONE COUNTERTOPS	Not Used	\$ -	Not Used	\$ -	0
46	09-700	SPECIAL FINISHES	Not Used	\$ -	Not Used	\$ -	0
47	09-900	PAINTING	54,810	\$ 0.22	85,000	\$ 0.35	(30,190)
48	10-000	FIRE EXTINGUISHERS AND KNOX BOX	0	\$ -	4,870	\$ 0.02	(4,870)
49	10-161	LOCKERS	Not Used	\$ -	Not Used	\$ -	0
50	10-401	SIGNS (IDENTIFYING DEVICES)	Not Used	\$ -	Not Used	\$ -	0
51	10-501	POSTAL SPECIALTIES	Not Used	\$ -	Not Used	\$ -	0
52	10-601	FOLDING PARTITIONS	Not Used	\$ -	Not Used	\$ -	0
53	10-650	WIRE SHELVING	Not Used	\$ -	Not Used	\$ -	0
54	10-800	TOILET PARTITIONS & ACCESSORIES	0	\$ -	3,500	\$ 0.01	(3,500)
55	10-900	OTHER ACCESSORIES	0	\$ -	0	\$ -	0
56	11-000	WINDOW WASHING EQUIPMENT	Not Used	\$ -	Not Used	\$ -	0
57	11-100	PARKING CONTROL EQUIPMENT	350,000	\$ 1.42	See Comments	\$ -	350,000
58	12-000	FURNISHINGS	Not Used	\$ -	Not Used	\$ -	0
59	12-100	WINDOW TREATMENTS	Not Used	\$ -	Not Used	\$ -	0
60	13-000	POOL AND POOL EQUIPMENT	Not Used	\$ -	Not Used	\$ -	0
61	13-100	JACUZZI	Not Used	\$ -	Not Used	\$ -	0
62	13-200	FOUNTAINS	Not Used	\$ -	Not Used	\$ -	0
63	14-020	ELEVATORS	660,000	\$ 2.69	503,750	\$ 2.05	156,250
64	15-400	PLUMBING	440,300	\$ 1.79	717,343	\$ 2.92	(277,043)
65	15-450	PLUMBING FIXTURE ALLOWANCE	12,000	\$ 0.05	24,000	\$ 0.10	(12,000)
66	15-510	FIRE SPRINKLERS	202,125	\$ 0.82	459,864	\$ 1.87	(257,739)
67	15-800	HVAC	135,500	\$ 0.55	200,487	\$ 0.82	(64,987)
68	16-100	ELECTRICAL	1,334,750	\$ 5.43	1,220,579	\$ 4.97	114,171
69	16-150	LIGHT FIXTURE ALLOWANCE	Included Above	\$ -	881,310	\$ 3.59	0
70	16-200	SITE POWER AND LIGHTING	108,000	\$ 0.44	Not Included - See Comments	\$ -	108,000
71	17-100	LOW VOLTAGE/CCTV/ACCESS CONTROL	157,500	\$ 0.64	20,000	\$ 0.08	137,500
72	01-000	GENERAL REQUIREMENTS - FIELD CONDITIONS	Included in GC's	\$ -	865,967	\$ 3.52	(865,967)

Attachment 2 COST ANALYSIS

Collins Park Garage
Miami Beach, FL
60% Design Development Drawings

SF: 245,797

		18,886,896	\$ 76.84	41,127,513	\$ 167.32	(21,384,528)
SUBTOTAL JOB COST						
73	01-110 BUILDING AND TRADE PERMITS - BY OWNER	0	\$ -	0	\$ -	0
74	01-991 CONTINGENCY	360,000	\$ 1.46	1,645,101	\$ 6.69	(1,285,101)
75	01-810 GENERAL LIABILITY INSURANCE	Not Included	\$ -	641,589	\$ 2.61	(641,589)
76	01-810 BUILDERS RISK INSURANCE - BY OWNER	0	\$ -	0	\$ -	0
77	01-675 BUILDERS RISK DEDUCTIBLE - BY OWNER	0	\$ -	0	\$ -	0
78	01-820 SUB BONDS OR CDI	Not Included	\$ -	690,942	\$ 2.81	(690,942)
79	01-900 PAYMENT & PERFORMANCE BOND	Not Included	\$ -	392,536	\$ 1.60	(392,536)
80	ESCALATION	571,309	\$ 2.32	Included in Concrete	\$ -	571,309
81	EXTENDED SCHEDULE BOND PREMIUM	0	\$ -	0	\$ -	0
82	WARRANTY/MAINTENANCE BOND	0	\$ -	0	\$ -	0
83	DESIGN FEES	0	\$ -	0	\$ -	0
84	GENERAL CONDITIONS	1,322,084	\$ 5.38	2,607,169	\$ 10.61	(1,285,085)
TOTAL INDIRECT COSTS		2,253,393	\$ 9.17	5,977,337	\$ 24.32	(3,723,944)
85	CONTRACTOR'S FEE	2,020,899	\$ 8.22	1,884,194	\$ 7.67	136,705
86	PRECONSTRUCTION FEE	0	\$ -	0	\$ -	0
SUBTOTAL INDIRECT COSTS & FEES		4,274,292	\$ 17.39	7,861,531	\$ 31.98	(3,587,239)
ADJUSTMENT TO BALANCE		7,598	\$ -	-	\$ -	7,598
GRAND TOTAL		23,168,786	\$ 94.26	48,989,044	\$ 199.31	(25,820,258)

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\$/Space \$ 105,126.70

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MIAMI BEACH

OFFICE OF THE MAYOR AND COMMISSION

MEMORANDUM

To: Jimmy Morales, City Manager

From: Jonah Wolfson, Commissioner

Date: May 5, 2015

Re: **Commission Agenda Item - Closed Executive Session**

Please place on the May 6, 2015 Commission Agenda:

I am requesting a closed Executive Session to be held during the recess of the May 6, 2015 Commission meeting, for a discussion relative to collective bargaining.

Please feel free to contact my Aide, Brett Cummins at x6437, if you have any questions.

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