



City Commission Meeting

ADDENDUM MATERIAL 1

**City Hall, Commission Chambers, 3rd Floor, 1700 Convention Center Drive
July 31, 2015**

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

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

4. Moment Of Silence In Honor Of Jacqueline Hertz, Great Lady And Resident Of Normandy Island.
(Sponsored by Commissioner Michael Grieco)

R2 - Competitive Bid Reports

- R2A Request Approval To Issue An Addendum To Request For Proposals (RFP) 2015-178-WG, For Automated Teller Machine (ATM) Services At Various City-Owned Facilities, Amending The RFP Revenue Proposal Form.

(Procurement)

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AGENDA

4. Moment Of Silence In Honor Of Jacqueline Hertz, Great Lady And Resident Of Normandy Island.
(Sponsored by Commissioner Michael Grieco)

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Condensed Title:

REQUEST APPROVAL TO ISSUE AN ADDENDUM TO REQUEST FOR PROPOSALS (RFP) 2015-178-WG, FOR AUTOMATED TELLER MACHINE (ATM) SERVICES AT VARIOUS CITY-OWNED FACILITIES, AMENDING THE RFP REVENUE PROPOSAL FORM.

Key Intended Outcome Supported:

Build And Maintain Priority Infrastructure With Full Accountability

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

Item Summary/Recommendation:

On May 6, 2015, the Mayor and Commission approved the issuance of the subject RFP. Following the issuance of the RFP and the Pre-Proposal meeting held to provide prospective bidders with an opportunity to ask questions regarding any portion of the RFP or its process, the City received concerns from several bidders regarding the format of the Revenue Proposal Form included in the RFP. Primarily, the concerns arose from the current Revenue Proposal Form which requires bidders to provide both an annual minimum guarantee and a revenue share to the City. The Revenue Proposal Form states that annual minimum guarantee plus the revenue sharing proposal is to be added together to determine the points that will be allocated to each proposer for its revenue proposal. However, the Revenue Proposal Form appears contradictory to the Section 10 (p. 27) of the specifications.

The Administration has reviewed the concerns raised by bidders and believes that, despite the inadvertent discrepancy, the intention was to allow bidder's to propose a revenue sharing structure based on a percentage of gross sales, with a portion of the revenue to the City to be paid monthly as a minimum guarantee. In this manner, the City will receive a monthly minimum payment to be supplemented on an annual basis by a "true-up" payment when the City's share of the agreed to revenue sharing proposal exceeds the minimum guarantee. An example of this methodology is noted in the attached memo.

When the concerns first arose, staff believed it may have been more prudent to evaluate bidders on the annual minimum guarantee as this is the only amount that will be fixed during the term of the contract. This is due to the City's share of gross revenue fluctuating based on the percentage offered and each bidder's ability to generate revenue. However, after further review, the Administration recommends that bidders be evaluated on the proposed gross revenue share because, although not a guarantee, this amount could end up being significantly higher than the minimum annual guarantee.

Therefore, the City Manager recommends releasing an addendum to the RFP amending the revenue proposal form in accordance with the attached to clarify the City's intent that revenue proposal evaluation points are to be allocated to the proposed percentage of revenue to be received by the City. The Administration believes this will result in the best overall financial return for the City.

CONCLUSION

The City Manager recommends that the Mayor and City Commission of the City of Miami Beach, Florida, approve the issuance of an addendum to the RFP, amending Appendix E, Revenue Proposal Form, of RFP 2015-178-WG, for the Installation and Operation of Citywide Automated Teller Machines (ATM) at Various City Owned Facilities.

Advisory Board Recommendation:

N/A

Financial Information:

Source of Funds:	Amount	Account
	N/A	N/A

Financial Impact Summary: All funds will have been previously approved for the described scope of work.

City Clerk's Office Legislative Tracking:

Alex Denis, Director Ext # 6641

Sign-Offs:

Department Director	Assistant City Manager	City Manager
AD <u>MS</u>	KGB <u>MT</u>	JLM <u>[Signature]</u>

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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: July 31, 2015



SUBJECT: REQUEST APPROVAL TO ISSUE AN ADDENDUM TO REQUEST FOR PROPOSALS (RFP) 2015-178-WG, FOR AUTOMATED TELLER MACHINE (ATM) SERVICES AT VARIOUS CITY-OWNED FACILITIES, AMENDING THE RFP REVENUE PROPOSAL FORM.

ADMINISTRATION RECOMMENDATION

Approve the issuance of Addendum to the RFP.

BACKGROUND

On May 6, 2015, the Mayor and Commission approved the issuance of the subject RFP. Following the issuance of the RFP and the Pre-Proposal meeting held to provide prospective bidders with an opportunity to ask questions regarding any portion of the RFP or its process, the City received concerns from several bidders regarding the format of the Revenue Proposal Form included in the RFP. Primarily, the concerns arose from the current Revenue Proposal Form which requires bidders to provide both an annual minimum guarantee and a revenue share to the City. The Revenue Proposal Form states that annual minimum guarantee plus the revenue sharing proposal is to be added together to determine the points that will be allocated to each proposer for its revenue proposal. However, the Revenue Proposal Form appears contradictory to the Section 10 (p. 27) of the specifications which states that:

During any term of the agreement, if the amount of the annual [City's share of the gross revenue yielded by the operator] is greater than the annual [Minimum Guarantee], then the successful proposer shall pay to the City the difference between the [City's share of the gross revenue] amount and the [Minimum Guarantee] amount.

The Administration has reviewed the concerns raised by bidders and believes that, despite the inadvertent discrepancy, the intention was to allow bidder's to propose a revenue sharing structure based on a percentage of gross sales, with a portion of the revenue to the City to be paid monthly as a minimum guarantee. In this manner, the City will receive a monthly minimum payment to be supplemented on an annual basis by a "true-up" payment when the City's share of the agreed to revenue sharing proposal exceeds the minimum guarantee. An example of this methodology is noted below:

<u>Example 1</u>	
Proposed Revenue Share of 50% to the City (Assume an Annual Gross Revenue Yield of \$500,000)	\$250,000
Proposed Annual Minimum Guarantee	\$25,000
"True-up" Amount Due to the City on Contract Anniversary Date	\$225,000 ¹

¹ \$250,000 - \$25,000 already paid in monthly installments.

When the concerns first arose, staff believed it may have been more prudent to evaluate bidders on the annual minimum guarantee as this is the only amount that will be fixed during the term of the contract. This is due to the City's share of gross revenue fluctuating based on the percentage offered and each bidder's ability to generate revenue. However, after further review, the Administration recommends that bidders be evaluated on the proposed gross revenue share because, although not a guarantee, this amount could end up being significantly higher than the minimum annual guarantee.

Therefore, the City Manager recommends releasing and addendum to the RFP amending the revenue proposal form in accordance with the attached to clarify the City's intent that revenue proposal evaluation points are to be allocated to the proposed percentage of revenue to be received by the City. The Administration believes this will result in the best overall financial return for the City.

CONCLUSION

The City Manager recommends that the Mayor and City Commission of the City of Miami Beach, Florida, approve the issuance of an addendum to the RFP, amending Appendix E, Revenue Proposal Form, of RFP 2015-178-WG, for the Installation and Operation of Citywide Automated Teller Machines (ATM) at Various City Owned Facilities.

JLM / KGB / MS / AD

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**REVISED
APPENDIX E
REVENUE PROPOSAL FORM**

Failure to submit Appendix E, Revenue Proposal Form, in its entirety and fully executed by the deadline established for the receipt of proposals will result in proposal being deemed non-responsive and being rejected.

Proposer affirms that the prices stated on this form represents the entire cost of the items, except as otherwise allowed in this RFP, in full accordance with the requirements of this RFP, inclusive of its terms, conditions, specifications and other requirements stated herein, and that no claim will be made on account of any increase in wage scales, material prices, delivery delays, taxes, insurance, cost indexes or any other unless a cost escalation provision is allowed herein and has been exercised by the City Manager in advance. This Revenue Proposal Form shall be completed mechanically or, if manually, in ink. **Revenue Proposal Form completed in pencil shall be deemed non-responsive.** All corrections shall be initialed.

PERCENTAGE OF GROSS TO THE CITY (PG) See Paragraph 10 (p. 27)				
		(A) Percentage Of Revenue to City of Miami Beach	(B) Gross Annual Revenue (for point calculation purposes only)	(C) Total (for point calculation purposes only) (A x B = C)
1	Percentage Of Gross (PG) Transaction/Surcharge Revenue To Be Provided To The City	_____ %	\$100,000	\$_____ ¹
	Transaction Fee (Not to Exceed \$3)	\$_____		

¹The Percentage Gross (PG) Revenue to be provided to the City shall be utilized to allocate Cost Points in the Evaluation of Proposals.

MINIMUM GUARANTEED REVENUE TO THE CITY (MG) See Paragraph 9 (p. 27)				
		(A)	(B)	(C) (A x B = C)
2	Minimum Guarantee (MG)	\$_____/Month	12 Months	\$_____/Year ²

²The City Reserves the Right to Negotiate the Minimum Guaranteed Revenue to the City during Contract Negotiations.

Proposer 's Affirmation
Company:
Authorized Representative:
Address:
Telephone:
Email:
Authorized Representative's Signature: