



**Joseph M. Centorino**, Inspector General

TO: File  
FROM: Joseph M. Centorino, Inspector General  
DATE: October 20, 2020  
RE: Contract Oversight-Lincoln Road Antiques and Collectibles Market  
OIG No. 21-05

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### **Allegations:**

On July 30, 2020, the Office of Inspector General (OIG) received a complaint from Mr. James LaMorte. Mr. LaMorte owns Metro Flea Miami, LLC (hereinafter Metro Flea) and is a vendor with the City. Metro Flea, until recently, had managed and operated the open-air street market in Lummus Park.

Mr. LaMorte's complaint stated that he submitted a proposal pursuant to a Request for Letters of Interest (RFLI 2019-318-WG) to manage and operate the Lincoln Road Antiques and Collectibles Market. However, prior to the deadline for submissions, the existing vendor began accepting money and reservations for future dates. Mr. LaMorte alleged that the current vendor had communications with the Procurement Department well before the deadline for submissions, and during the Cone of Silence, and was informed that its contract would be extended. He cites advertising by the vendor on social media as the basis for his belief. Mr. LaMorte believes the procurement process was a "farce" and complained that he never heard back from the City regarding his proposal.

### **Background:**

The City and Production Sud, Inc. entered into a contract, pursuant to RFP 2013-317-ME, for the management and operation of the Lincoln Road Antique and Collectibles Market. The contract had been in effect for five years and was scheduled to expire on September 30, 2019.

In anticipation of the expiration, on August 26, 2019 the City issued a Request for Letters of Interest (RFLI 2019-318-WG) for the Management and Operation of Street Markets in two locations: Lincoln Road Green Market and Lincoln Road Antiques and Collectibles Market. The deadline for submissions was September 11, 2019.

After the RFLI was issued, but prior to September 11, 2019, the Administration asked the City Manager to approve a month-to-month renewal for a term not to exceed one year on Production Sud's contract. The Manager signed the approval on September 6, 2019.

As of September 11, 2019, the City had received 3 proposals for the Antiques and Collectibles Market, including Mr. Lamorte's. On September 12, 2019, Procurement Director, Alex Denis, sent Production Sud, Inc. a letter via email requesting its agreement to a month-to-month extension of the existing contract for a term not to exceed one year. Production Sud, Inc. signed and returned the agreement on September 23, 2019. The Lincoln Road Antiques and Collectibles Market continued to operate until early 2020 when it was forced to stop operating due to Covid-19.

On September 16, 2020, the City Manager recommended that the Mayor and City Commission authorize the Administration to finalize negotiations with Production Sud, Inc. for the Lincoln Road Antiques and Collectibles Market pursuant to RFLI 2019-318-WG.

**Inquiry:**

Special Agent Jani Singer emailed and spoke with Mr. James LaMorte regarding his complaint. Mr. LaMorte explained that he had seen social media postings by Production Sud, Inc. and/or Louis Bondi (Production Sud's representative) advertising and soliciting for vendors for the Antiques Market. Mr. LaMorte stated that the advertisements were for future dates and the only way Mr. Bondi would have known to move forward with advertising would be if he had communicated with someone from the Procurement Department and knew he would be awarded the contract. Mr. LaMorte alleged that the procurement process was a "farce," that the City did not acknowledge his proposal and that they had predetermined that they were extending Production Sud's contract. Mr. LaMorte tried to find the social media postings but was not able to do so. He did provide his email correspondence with the City wherein he inquired why Production Sud, Inc. was able to sign up vendors and advertise a "new season" prior to and during the bidding process. He also provided a screen shot of an email from the City of Miami Beach which advertised events in October 2019. That email did not mention the Antiques Market. He had no further information.

Special Agent Singer searched Facebook and found a posting by the Friends of Lincoln Road. The post included a flyer by Production Sud, Inc. announcing Lincoln Road Antique Market show dates in October and November 2019 and directing vendors to a website for directions and contract information.

Special Agent Singer spoke with Mr. Bondi about the posting on Facebook. Mr. Bondi explained that antique dealers participate in markets around the state of Florida and need show dates well in advance so that they can plan their business activities. Mr. Bondi stated that he started taking contracts for the October 2019 shows in September 2019. He also acknowledged advertising on social media as well as in the Miami Herald. This was his standard procedure. As his contract with the City did not expire until September 30, 2019, this was permissible activity. Mr. Bondi stated that had his contract not been renewed, he would have told the contracted vendors to work with the new manager of the Antiques Market and taken a loss on the advertisement dollars.

Mr. Bondi stated that he did not have any conversation with anyone in the City regarding his proposal until he was advised that his contract would be extended month to month via email. After the extension was agreed to, he had a conversation with Justin Karr in the Economic Development Department to discuss the proposal. This sequence of events was confirmed by a review of email exchanges between the parties. On September 12, 2019, the day after the RFLI expired, Monica Garcia, a Procurement Department staff member, emailed Mr. Bondi the proposed contract extension agreement. It was signed and returned to the Procurement Department on September 23, 2019. And, on October 8, 2019, Justin Karr emailed Mr. Bondi asking to speak with him about the market and his proposal.

Special Agent Singer discussed the sequence of events with Mr. Mark Millisits, the Division Director for the Property Management Department. Mr. Millisits stated that the procurement team did not have enough time to review, select and negotiate with a new vendor before the expiration of Production Sud's contract on September 30, 2019. Consequently, they made the decision to extend the contract for a month to have the opportunity to review the proposals from all vendors and not leave the City without a functioning market.

Contrary to the allegation made by Mr. LaMorte that he never heard anything from the City regarding his proposal, on October 11, 2019, via an email to james@metroflea.miami, Mr. Millisits sent Mr. LaMorte a letter thanking him for his proposal and advising him that his company was not selected. The same letter was sent on October 11, 2019 to all of the other proposers who did not get selected. It should also be noted that the RFLI specifically says "The City is not required to act upon any information obtained through this RFLI. The City may consider releasing a competitive solicitation as a result of the information obtained via this RFLI, may pursue a procurement based on the purchase authorities expressed in its administrative code, or may take no action as a result of this RFLI."

Production Sud operated the Lincoln Road Antiques and Collectibles Market on a month to month contract until COVID-19 forced it to close.

On September 16, 2020 in a letter to the City Commission, the City Manager recommended that the Mayor and Commission authorize the Administration to finalize negotiations with Production Sud for the Lincoln Road Antiques and Collectibles Market and execute a negotiated agreement. The decision was based on the following:

1. Production Sud proposed an annual minimum guarantee of \$34,034.18.
2. Production Sud's guarantee was a 20% increase in revenue share for the City of Miami Beach.
3. Production Sud had been operating this market for the last 25 years.
4. Production Sud produces consistently reliable production with quality vendors/products, reliable accounting records, and responsive management staff.

In choosing not to select Metro Flea, the decision was based on the following:

1. Metro Flea offered an annual minimum guarantee of \$15,000.
2. Metro Flea had previously managed two markets in Lummus Park and demonstrated a need for significant oversight by City staff.

The final proposer, Just Brands, provided no revenue proposal or financial component as required by the RFLI, and wanted to modify the market's scope and direction contrary to the City's desires.

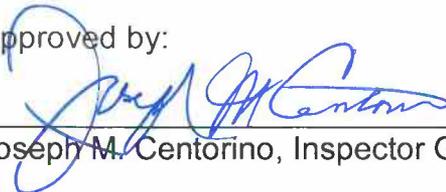
**Conclusion:**

In the Miami Beach City Code, Division 4, Section 2-486 (a)(1), the "Cone of Silence" is defined as a prohibition on "any communication regarding a particular request for proposal, request for qualifications or bid between a potential vendor, service provider, bidder, lobbyist, or consultant and the city's administrative staff including, but not limited to, the city manager and his or her staff. The cone of silence shall terminate according to Section 2-486 (b)(1) at the time the city manager makes his or her written recommendation as to the selection of a particular RFP, RFQ or bid to the city commission."

There is no evidence to show that the City administrative staff had any communication regarding Mr. Bondi's proposal between August 26, 2019 when the RFLI was published and September 11, 2019 when it expired.

Mr. LaMorte's complaint is unfounded.

Approved by:

  
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Joseph M. Centorino, Inspector General

10/20/2020  
Date

Completed by:

  
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Jani Kline Singer, Special Agent

10/20/2020  
Date