



**MIAMI-DADE COUNTY  
FINAL OFFICIAL MINUTES  
Naranja Lakes Community Redevelopment  
Agency (CRA)  
Special Meeting**

**Board of County Commissioners**  
South Dade Government Center  
Room 203  
10710 S.W. 211 Street  
Miami, Florida

March 21, 2007  
As Advertised

Harvey Ruvin, Clerk  
Board of County Commissioners

Kay Madry Sullivan, Director  
Clerk of the Board Division

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**CLERK'S SUMMARY AND OFFICIAL MINUTES  
NARANJA LAKES  
COMMUNITY REDEVELOPMENT AGENCY (CRA)  
MARCH 21, 2007**

The Naranja Lakes Community Redevelopment Agency (CRA) Board met in the South Dade Government Center, Room 203, 10710 S.W. 211 Street, Miami, Florida, at 6:00 p.m., March 21, 2007; there being present upon roll call: Mr. Rene Infante, Mr. Moe Hakssa, Mr. Stuart Archer, Mr. Kenneth Forbes and Chairperson Nina Betancourt, (Ms. Marlene Volkert, Mr. Daniel Lipe and Mr. Parsuram Ramkisson were absent); Assistant County Attorney Mandana Dashtaki; Mr. Mike Iturrey, CRA Coordinator, Office of Strategic Business Management; Mr. Alberto Gonzalez, CRA Analyst, Office of Strategic Business Management; and Deputy Clerk Jill Thornton.

**I. Call to Order**

Chairperson Betancourt called the Special Meeting of the CRA to order at 6:11 p.m.

**II. Roll Call**

Upon roll call and a quorum being present, the Board proceeded to consider tonight's agenda.

**III. Approval of the Agenda**

It was moved by Mr. Forbes that the agenda for tonight's meeting (3/21) be approved. This motion was seconded by Mr. Archer, and upon being put to a vote, passed unanimously by those members present.

**V. Special Meeting Business**

**Construction Consultant Contract Proposal**

It was moved by Mr. Archer that the proposal for construction management services, submitted by CMF International Group Incorporated, be approved and that Mr. Carlos Flores be hired as the new Construction Consultant for the CRA, as recommended by staff. This motion was seconded by Mr. Forbes for discussion.

Mr. Forbes noted he reviewed the two proposals submitted by Mr. Flores, which differed in that one provided for an in-depth analysis at a higher cost and the other provided a preliminary review. Mr. Forbes stated he was opposed to paying over \$30,000 for a preliminary report that would review work already performed and paid for, when the CRA's Redevelopment Agreement included a schedule of values and a Guaranteed Maximum Price (GMP) that could be compared with the request for payment applications. He pointed out this CRA Board anticipated that the developer would come forth with a future request that the GMP be reconsidered and he would provide a similar report at that time. Mr. Forbes stated he would support hiring Mr. Flores as the new construction consultant, without a preliminary review.

Following questions by Mr. Archer regarding the need for the preliminary review, Mr. Iturrey maintained that the preliminary review was necessary in order for the developer, Mr. DeGuardiola, to be paid.

In response to Mr. Forbes comments that the CRA could authorize staff to make payments without a report, Mr. Iturrey noted he would not recommend doing so and would seek to have the CRA Board sign off on those payments. He noted he would be remiss if he did not emphasize the magnitude of the issues related to the two pending “request for payment” applications.

Mr. Infante pointed out the County already made twenty payments without the CRA’s authorization, which was why he questioned the CRA’s Legal Counsel regarding the liability of the CRA members. He questioned why the pending payment issues were not disclosed earlier to the CRA.

Mr. Iturrey noted he brought this matter to the CRA’s attention the moment he received the payment applications and discussed it with each CRA member, the County Attorney, Legal Counsel for the CRA, and the former construction consultant. He stated he could not convey the magnitude of the need to have a new construction consultant review this process.

Chairperson Betancourt said she believed the need to have a new construction consultant review this process had been conveyed to the CRA Board extensively; and that she felt the CRA needed a status report on cost overruns and changes to scope of work. She emphasized the importance of any discrepancies in the work performed be analyzed and reconciled.

Mr. Archer questioned whether this report would be a forensic-type document used to make payments legal or would serve to recover any losses.

Mr. Iturrey noted this report would serve as an informational document to advise the CRA of the status of the request for payment applications, the change orders, and the options available to the CRA.

Mr. Forbes indicated the first proposal submitted would provide for a more in-depth “forensic type” analysis, whereas the second proposal would provide a preliminary review, which he felt would not benefit the CRA.

Chairperson Betancourt stated she was unaware of any change orders this Board ever approved and that the CRA needed to account for payments made to the developer.

Mr. Iturrey noted the subject payment applications included additional scope of work that was not approved in the schedule of values. Additionally, Mr. Iturrey pointed out the CRA’s negotiating team held two meetings with Mr. Flores to negotiate his proposals. At those meetings, Mr. Flores stated he believed that core testing or a huge amount of fieldwork was not necessary to inspect the work performed, only a reconciliation of payments made for the work done, which was why he reduced his proposed cost to provide a preliminary report.

In response to Chairperson Betancourt’s question regarding whether any change orders had been submitted and paid, Mr. Iturrey noted it was his opinion that dollars had been reduced on one side of the ledger and increased on the other side in order to make the payments.

Mr. Infante noted he was opposed to the CRA paying for a preliminary review when the County's staff had signed off on the first (twenty) payments. He suggested those payments be separated out from future payments and dealt with by the department that made the error.

Upon Mr. Hakssa's suggestion, Mr. Iturrey provided an overview of a document entitled "Naranja Lakes Community Redevelopment Agency Summary of Developer Payment Issues." He noted the first payment received under his direction involved payment application No. 21, and payment application No. 22 was received less than two weeks ago. Mr. Iturrey pointed out discrepancies in the payment applications versus the Redevelopment Agreement between the NLCRA and the developers, Naranja Lakes LLC and D.R. Horton. Directing the Board's attention to Attachment A, Tab 1 and Attachment B, Tab 2 of the subject document, he noted Tab 1 described improvements to Canal Street in the Redevelopment Agreement and Tab 2 described itemized water distribution work in the payment applications. Mr. Iturrey noted while the first amendment to the Redevelopment Agreement included a description for water distribution work, the request for payment applications submitted included a \$93,000 request for water distribution work on Canal Street even though Canal Street was not included as part of the improvements.

In response to Chairperson Betancourt's question regarding parts four and six of Change Order No. 3, Mr. Iturrey noted this was a request to Naranja Lakes, LLC from Solo Construction. Mr. Iturrey continued to point out other discrepancies in the subject payment applications and change orders.

Chairperson Betancourt noted, in defense to the County, the CRA hired a Construction Consultant who signed off on the payments that were made.

Mr. Iturrey noted as the CRA's Executive Director, he had discovered discrepancies in payment applications that he was trying to correct, and his intentions were to bring them to the attention of CRA Board.

Mr. Forbes noted someone from County staff had to review and approve the twenty payments signed off by Mr. John Ritsema, the former construction consultant for the CRA. He reiterated he did not see the feasibility of paying \$30,000 for a preliminary review that would not reveal any additional information.

In response to Mr. Iturrey's request, Mr. Flores appeared before the CRA and said he would be unable to recommend and execute the two pending payments without providing a preliminary assessment.

Mr. Archer stated he felt the preliminary report was necessary in order to resolve the issues at hand, despite the cost. He pointed out that any future report this CRA anticipated from the developer would not show any shortcomings on his behalf. Mr. Archer questioned whether the intent of the negotiated proposal would accomplish getting the developers and the CRA back on track in terms of the Redevelopment Agreement and questioned the CRA's options if they were not satisfied with the preliminary report.

Mr. Steven Zelkowitz, Legal Counsel for the CRA, advised that the drafted agreement included an elective termination provision that would enable the CRA to terminate the contract, pending a 30-day notice. The only caveat, he noted, would be for the CRA to engage in the process again for another consultant.

Mr. Archer questioned the process used by the CRA, as well as the multiplier. He also questioned why the CRA could not go forward with a bid as done in other service contracts.

Mr. Zelkowitz explained the process engaged in by the CRA and the multiplier. He noted the CRA solicited for Engineering and Architectural services, which was a selection process based on qualifications, unlike Request for Proposals (RFPs) for construction projects that are based on the lowest bidder. He explained further that cost cannot be a factor in an RFP selection process based on qualifications, but the price could be negotiated after the selection was made. He noted the CRA could reject the selected candidate if it was not satisfied with the price and move on to the next qualified candidate; however, that candidate may be more expensive. Mr. Zelkowitz noted seventeen firms responded to the CRA's RFP and the multiplier used was a number agreed to by the County that was used as a multiplier in other County contracts, similar in nature. He noted he was in the process of confirming with County departments that the multiplier had been agreed to in the past, along with the "same rate" schedule.

Mr. Infante questioned whether the CRA could have hired a consultant already qualified and contracted by the County. He also questioned whether this report would yield sufficient information to inform the CRA of the status of work performed versus payments.

Mr. Zelkowitz noted the CRA was required to do its own bid, otherwise it would be considered "piggybacking," which may be permitted for contracts of smaller goods, but not permitted for engineer and construction services. He further noted the CRA could pre-qualify and establish a pool of consultants to pick from time to time, but this process was usually done with multiple projects, and in this case, the CRA was hiring for one particular job.

Mr. Flores, owner of CMF International, Inc., appeared before the CRA and noted the first proposal submitted by him provided for a more in-depth analysis than the proposal currently on the table. He noted, however, the issue would be the number of hours needed to verify the work performed compared to the scope of work agreed to in the Redevelopment Agreement amendment. Mr. Flores stated he agreed to reduce his cost in the first proposal to provide a preliminary report that would identify deficiencies in the work performed versus payments and would provide recommendations. He noted he would come back before the CRA to request an extension if items found in need of further review. Mr. Flores further noted the preliminary report would assist him in becoming familiar with the project, which he had limited knowledge of, and would guide him on how to proceed when he moved forward as the new Construction Consultant. He clarified he did not invent the multiplier but it was a standard number pulled from an existing County contract.

Chairperson Betancourt referred to the spread sheet prepared for the CRA when considering each proposal and pointed out the modifications in the second proposal (for a preliminary report) were adjusted to a lesser cost that coincided with the hours of civil and field engineers. She noted this report would provide CRA members with a level of comfort when proceeding with payments.

Mr. Iturrey stated he could not guarantee the report produced by Mr. Flores would be a final report or that it would not uncover other issues. He noted Mr. Flores reassured him that he could prepare the report while simultaneously reviewing the two pending payment applications. Mr. Iturrey clarified the recommendation to hire Mr. Flores was submitted by the CRA's negotiating team, not staff and the decision to hire Mr. Flores would be made solely by the CRA.

Mr. Iturrey noted County staff could proceed in making partial payments for work performed and confirmed by the consultant and continue reporting to the CRA on any future issues that arise with the payment applications. He noted he already pointed out discrepancies in payment applications of Solo Construction that were never signed off or certified, which posed an issue.

Following further discussion, Chairperson Betancourt requested to hear from the developers' representative.

Mr. Scott Hedge, Vice-President, Architecture and Planning, DeGuardiola Properties, appeared before the CRA on behalf of the developers and stated he concurred with some representations made by Mr. Iturrey and CRA members. He noted the CRA had a competent construction consultant who signed off on payment applications for work already performed in the field. He noted the developers would rely on the new construction consultant to determine what was relative to the payment applications versus the schedule of values and this analysis should address how the schedule of values in Amendment No. 1 differed from line items pointed out in some documents that Mr. Iturrey viewed as change orders. Mr. Hedge noted changes in scope were necessary in order to build the roadways, however, they were within the agreed amount in the schedule of values and approved by the former construction consultant. He noted he believed the new consultant could determine this without having to punch holes in the ground. Mr. Hedge respectfully requested that he be permitted to meet with the new construction consultant once he was hired, to provide him with an update on the line items that were billed versus the work in place.

Mr. Infante questioned why the preliminary report was needed if the work was already inspected by County inspectors.

Chairperson Betancourt noted the CRA had a GMP for certain items to be paid. She stated it was not a matter of whether the work was inspected but whether they spent the money on something else, which should be determined in part by this report.

Mr. Infante concurred with the comments of Chairperson Betancourt and that a third party was needed to review this process.

Mr. Hedge noted the added scope was still within the permitted value agreed upon in the Redevelopment Agreement for the improvement of that road. He noted it did not increase any amounts but shifted some of the values of each of the line items for certain roadways, which did not increase the total value agreed upon.

Mr. Iturrey agreed that in doing so, it resulted in a decrease of the amount for other items.

Mr. Forbes concurred that the CRA should have been made aware of the changes in scope but noted the County staff agreed to the changes at that time and proceeded forward. He questioned the necessity of a report that would say what was already known.

Chairperson Betancourt clarified that the proposed construction consultant stated on the record of tonight's meeting that he could not go forward without this report.

Mr. Iturrey noted the report was necessary in determining the \$93,000 worth of added scope of work described under Tab 1, Attachment A, that does not line up with what was approved in the

Redevelopment Agreement. He noted although Mr. Hedge represented they did not exceed the total value, he was trying to point out that added scope in one area would affect the amount in another area and the developer would need to come back with a request for more money.

Chairperson Betancourt noted what complicated this matter, was the mixed messages received by this Board when it was lobbied last year for additional funds and now they were no longer seeking those funds.

Mr. Hedge clarified that all of the improvements in the first amendment had been completed according to the schedule of values and they were not asking for more dollars or change orders. He noted they needed to complete all the roadways within the agreed upon scope of work and the contract amount. He stated he believed the new construction consultant would be able to review and compare the schedule of values in the first amendment to the payment applications to show how the dollars were distributed within those particular items. He reiterated they were not asking for more money, but just a reconciliation of the two documents in question in order to move forward.

Mr. Zelkowitz clarified for the record, that nearly \$100,000 worth of additional improvements were completed that were not part of the scope of work agreed upon in the terms of the Redevelopment Agreement. In addition, he noted no one at the county level nor Mr. John Ritsema was authorized to allow additional scope to be completed, much less approve a payment request for this work. He noted if the developer was able to complete this road segment at a lesser value, than the cost savings should have accrued to the benefit of the CRA and not to the developer.

Following discussion, Mr. Iturrey pointed out that the CRA needed a report that identified what scope of work was completed that was not approved by this Board in order to decide payments.

Mr. Zelkowitz advised that he would be presenting a revised agreement to the new construction consultant and to the CRA at the March 26<sup>th</sup> CRA meeting for final approval.

Following further discussion, the CRA Board proceeded to vote on the foregoing motion on the floor to accept the proposal submitted by CMF International Incorporated. Upon being put to a vote, the motion failed 5-1. (Chairperson Betancourt, Mr. Infante, Mr. Hakssa, Mr. Forbes and Mr. Ramkissoon voted No)

It was moved by Mr. Forbes that the CRA continue its discussions on the subject proposal to possibly amend the language. This motion was seconded by Mr. Infante for discussion.

Mr. Forbes noted the CRA's subcommittee worked with staff and the CRA's legal counsel to bring forth this proposal. He questioned how soon Mr. Flores would be able to start.

Mr. Flores stated he just received the draft yesterday and would need to review the contract with his attorney. He reminded the CRA that at the time he presented his proposal, he stated he would begin work once the contract was signed by the CRA Board and he received a notice to proceed. He also noted the preliminary report was what the CRA requested in the RFP and he would provide that report based on the scope of work delineated in his proposal.

In response to Mr. Forbes' question regarding how long it would take to review the revised draft, Mr. Flores noted he understood it was forthcoming, and he wanted to review it with his attorney before entering into a contract.

Chairperson Betancourt noted if the CRA Board proceeded with accepting the proposal of CMF International Inc., than Mr. Zelkowitz could work out the terms of the contract.

Mr. Zelkowitz advised that he provided a complete working draft of the contract, but based on statements made by Mr. Flores in his presentation, minor changes were needed to address a team of consultants rather than an individual entity. Mr. Zelkowitz directed a question to Mr. Flores regarding the amount of time needed to review the revised draft with his attorney once he received it.

Mr. Flores stated he believed five working days was sufficient to review the draft with his attorney and he was willing to work with the CRA to expedite this matter.

In response to Chairperson Betancourt's question regarding whether the cost of the proposal was within the CRA's budgeted amount for a construction consultant, Mr. Iturrey noted it would exceed the budgeted amount, however, the CRA could draw on its reserves to offset the difference in dollars. Mr. Iturrey advised that the County Attorney would also need to review the final draft.

Mr. Zelkowitz clarified the draft was 95% completed and had already been reviewed by the County Attorney but a revision was needed just to include provisions that dealt with a consultant team as opposed to an individual entity in order to cover professional liability concerns. He noted he could provide Mr. Flores with a revised draft of the agreement by the close of business tomorrow (3/22) with the revisions that included other parties who would be working with the CRA under this contract. He noted the CRA could subsequently allow Mr. Zelkowitz two weeks to review and negotiate this agreement.

Following further discussion, it was moved by Mr. Forbes that the proposal submitted by CMF International, Inc. be approved; that Mr. Flores be provided two weeks upon receipt of the revised draft to review and negotiate it with all concerns parties; and that the contract be accepted by April 5<sup>th</sup>, 2007 or the CRA would proceed in negotiations with the next qualified consultant. This motion was seconded by Mr. Lipe, and upon being put to a vote, passed unanimously by those members present.

## **V. Adjournment**

There being no further business to come before the Naranja Lakes Community Redevelopment Agency, the meeting was adjourned at 7:38 p.m.

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Chairperson Betancourt, Chairperson  
Naranja Lakes Community Redevelopment Agency