



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

**Legislative Analysis**

**Airport and Seaport Committee**

March 12, 2009

9:30 AM

Commission Chamber

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**Airport and Seaport  
Agenda Notes  
March 12, 2009**

Item No.	Subject Matter	Background	Analysis / Comments / Questions
3(A)	Award Recommendation to Merkury Corporation in the Amount of \$5,843,250	<p>This resolution recommends an award to Merkury Corporation d/b/a Merkury Development in the amount of \$5,843,250 to refurbish Miami-Dade Aviation Department (MDAD) Buildings 3094 and 3095. Building 3095 is the old Pan Am round hangar and Building 3094 is a seven-story parking garage adjacent to Building 3095.</p> <p>The project consists of general repair and refurbishment of the seven-story post-tensioned, exposed concrete parking garage and general repair and refurbishment of the exterior exposed concrete and corrugated steel panel siding of an eleven-story hangar. The County Manager's memorandum gives a detailed project description including repair of drainage system; prefabricated stairs and railings; several electrical related repairs and many other items.</p> <p>However, the project description on the Capital Project Fact Sheet (CPFS) only states that the buildings will be:</p> <ul style="list-style-type: none"> <li>• Surveyed to determine extent of exterior damage.</li> <li>• Pressure cleaned to remove mold, mildew, and peeling paint.</li> <li>• Damaged surfaces will be patched or replaced as appropriate.</li> <li>• All exterior surfaces will be sealed and/or painted to preserve them.</li> </ul> <p>According to MDAD, the CPFS is an internal document used for budgeting purposes and the project description narrates the conceptual scope of work. The description on the County Manager's memo is the same description used in the advertisement of bids. It reflects the final scope of work and is more elaborate for bidders.</p> <p>There are no annual operation or maintenance costs associated with</p>	<p>The CPFS, hand written p. 16, lists the project schedule as follows:</p> <ul style="list-style-type: none"> <li>• Start Design 5/15/06,</li> <li>• Advertise 3/19/08,</li> <li>• Award 8/20/08,</li> <li>• NTP 10/21/08, and</li> <li>• Completion 10/21/09.</li> </ul> <p>Why has this taken so long to come before the BCC?</p> <p>Pursuant to MDAD:</p> <ul style="list-style-type: none"> <li>• Bid Opening: 10/8/08,</li> <li>• A/E completed Bid Evaluation: 10/27/08,</li> <li>• MDAD requested CSBE Compliance Review from SBD: 12/03/08,</li> <li>• SBD issued Compliance Review Memorandum: 12/24/08, and</li> <li>• MDAD submitted complete Contract Award Recommendation: 1/13/09.</li> </ul> <p>The CPFS, hand written p. 17, shows a column stating Actual Paid as of 10/5/05 in the amount of \$151,106. What is this? Has this been paid?</p> <ul style="list-style-type: none"> <li>• Pursuant to MDAD, the \$151,106 has been paid to the A/E for the design services completed up to that date.</li> <li>• <i>Why was the payment on 10/5/05 if the</i></li> </ul>



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		<p>this contract. The refurbishment will provide an additional 40 years life expectancy to the buildings that are approximately 25 years old. It will also bring the buildings into compliance with the South Florida Building Code and National Fire Prevention Association.</p> <ul style="list-style-type: none"> <li>• <b><i>What are those buildings currently used for? The current tenant in the hangar and the lower two office floors is American Airlines. The upper offices are vacant because they are not code compliant. The parking garage is used by AA, MDAD Police, TSA, CPB and some MDAD employees.</i></b></li> <li>• <b><i>Why haven't the buildings been painted or maintained for the past 25 years? The buildings have received routine maintenance as per MDAD's procedures. However, with age they require more comprehensive maintenance work that is often combined into a large competitively bid contract.</i></b></li> </ul> <p><u>Funding Source</u>  The funding source for this project is Airport Development Funds in the amount of \$8,926,000. The A/E, Douglas Wood &amp; Associates, Inc., provided the estimate for this project at \$7,192,802, however, the contract award is for \$5,843,250.</p> <p>According to MDAD, the A/E estimate was based on market conditions when the construction industry was booming. Bids for this project were received when the market conditions had changed significantly. MDAD received seven bids of which six are below the A/E estimate. The difference between the estimate and the contract amount will be returned to the MDAD finance division accounts for use on other MDAD unfunded projects.</p> <ul style="list-style-type: none"> <li>• <i>Was this project part of the approved budget?</i></li> <li>• <i>Can this project be done with \$1,892,802 less than the A/E estimate? The County is protected by Bid Bond, Performance Bond and Payment Bond on the project.</i></li> </ul>	<p><i>A/E consultant start date was 5/15/06?</i></p> <p>Additional response from MDAD:  May 15, 2006 was the start date for the A/E consultant professional services. The time from 5/15/06 through 3/19/08 was for a complete survey of existing conditions, Schematic Design; Design Development; Preparation of construction/Bid Documents; Reviews by MDAD; HNTB; Building Department; Fire Department; and other Regulatory Agencies. The estimate prepared by the A/E upon completion of the above noted activities (prior to the scheduled advertisement date of 3/19/08) was higher than the project budget. Therefore, MDAD staff reviewed each scope item in the design documents and identified selected items that were deleted to stay within the budget. The A/E consultant needed additional time to revise the bid documents to reflect those changes.</p> <p>What were the discrepancies described in the recommendation letter dated October 27, 2008 from Douglas Wood &amp; Associates to MDAD (hand written p. 8)?</p> <ul style="list-style-type: none"> <li>• Pursuant to MDAD, the discrepancies in this bid were judged to be minor and correctable.</li> </ul>

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		<p><u>Contract Measures</u>  The contract measures are 24% CSBE and 29% CWP.  Merkury Development will be performing 12% of the CSBE measure, Solares Electrical Services will be performing 6% and C.L. Elias Construction will be performing the remaining 6%.</p> <p><u>According to the Capital Improvements Information System (CIIS):</u></p> <ul style="list-style-type: none"> <li>• Merkury Development is a Level 3 CSBE, has 4 contracts listed totaling \$3,591,187, and has 5 evaluations posted with an average rating of 3.6.</li> <li>• Solares Electrical Services is a Level 2 CSBE, has 4 contracts listed totaling \$4,475,607, and has 2 evaluations posted with an average rating of 3.5.</li> <li>• C.L. Elias is a Level 1 CSBE.</li> </ul>	