



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

Board of County Commissioners
Supplemental Legislative Analysis

November 03, 2009
9:30 AM
Commission Chamber

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Commission Auditor
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Miami, Florida 33128
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**Miami-Dade County Board of County Commissioners
Office of the Commission Auditor**

**Board of County Commissioners
Meeting Agenda**

November 03, 2009

Supplemental Item(s)

8D1A
8D1B
8D1C
8D1D
8D1E
8E1A
8F1A
8G1C
8J1D
8O1B Sub
8O1C
8O1D
9A1

If you require further analysis of these or any other agenda items, please contact Guillermo Cuadra, Chief Legislative Analyst, at (305) 375-5469.

Acknowledgements--Analyses prepared by:
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Elizabeth Owens, Legislative Analyst
Lauren Young-Allen, Esq.

**MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**



Legislative Notes

Agenda Item(s): 8D1A, 8D1B, 8D1C

File Number: 092386, 092387, 092389

Committee(s) of Reference: BCC

Date of Analysis: October 9, 2009

Type of Item: Assignments of Options to Purchase

Sponsor/ Requester: DERM

Commission District: 9

Summary

Under the proposed resolutions, the Board of County Commissioners (BCC) is approving 3 separate option agreements to purchase all rights, interests and titles to real property located within an area zoned as wetland. The Nature Conservancy, a non-profit corporation which serves as the County's purchasing agent, has been assigned the option to consider acquiring several eligible parcels, and the right to exercise the option to purchase on behalf of the County. The Conservancy has negotiated with the individual sellers as set forth in the Option to Purchase Agreements.

The parcels, identified in Agenda Items 8D1A, 8D1B, and 8D1C, total approximately 120 acres collectively. The parcels are located within the South Dade Wetlands Environmentally Endangered Land (EEL) site, an area zoned as wetland between Everglades National Park and Biscayne National Park which is also within the watersheds of Florida Bay, Biscayne Bay, Card Sound and Barnes Sound. The parcels have been appraised on August 5, 2009 with a collective, total, appraisal value of \$579,900. The details of each transaction are set forth in the below chart.

Background

Seller	Lot Size	Location	Appraised Value	Purchase Price
Bullet Cement Corporation (active FL corporation)	54.5 acres (8 parcels)	District 9	\$255,300 as of 8/5/09	\$218,000 (\$4,684 per acre)
Bullet Cement Corporation (active FL corporation)	60.3 acres	District 9	\$298,900 as of 8/5/09	\$241,200 (\$4,957 per acre)
Charlotte Harvey (private citizen)	5 acres	District 9	\$25,000 as of 8/5/09	\$25,000 (\$5,000 per acre)

Policy Change and Implication

The current legislation is consistent with past practices. The BCC has routinely authorized similar assignments of options to purchase tax deeds and quitclaim deeds of eligible property located within wetland areas provided the purchase price is reasonable.

Budgetary Impact

It is anticipated that the EEL Acquisition Trust Fund will be used to acquire the various properties. If needed, Building Better Communities GOB Bonds will be issued to reimburse the EEL Trust Fund. The Administration reports that as of July 31, 2009 the balance of the EEL Trust Fund is \$58,845,692.

Prepared by: Lauren Young-Allen

**MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**



Legislative Notes

Agenda Item(s):	8D1D and 8D1E
File Number(s):	092698 and 092699
Committee(s) of Reference:	BCC
Date of Analysis:	October 9, 2009
Type of Item:	Intergovernmental Agreement Delegating Permitting Authority to the County
Sponsor/ Requester:	DERM
Commission District:	Countywide

Summary

Under Agenda Items 8D1D and 8D1E, the Department of Environmental Resources Management (DERM) is seeking authorization to execute:

- (1) an intergovernmental agreement with the Florida Department of Environmental Protection which will delegate to DERM the authority to administer the state's Environmental Resource Permitting program within the County; and
- (2) an intergovernmental agreement with the South Florida Water Management District also for purposes of delegating to DERM the authority to administer the state's Environmental Resource Permitting program within the County .

The term of both agreements is 10 years.

Background and Relevant Legislation

In accordance with statutory law, the Florida Department of Environmental Protection agency may delegate to local governments, such as the County, the authority to administer the Environmental Resource Permitting program, a program which: (1) oversees the management of wetlands (such as dredging and filling in wetlands), and (2) regulates the quality of surface water by regulating activities which alter the flow of surface water or activities that generate stormwater runoff from upland construction.

Local governments are delegated the responsibility of processing permit applications, and the authority to apply state criteria for approving or denying a permit application. (Source: www.dep.state.fl.us)

In a report issued by the Florida Department of Environmental Protection, the Department defined the purpose and scope of the Environmental Resource Permitting program as follows.

An environmental resource permit (ERP) program regulates virtually all alterations to the landscape, including all tidal and freshwater wetlands and other surface waters (including isolated wetlands) and uplands. The ERP addresses dredging and filling in wetlands and other surface waters, as well as stormwater runoff quality (i.e. stormwater treatment) and quantity (i.e. stormwater attenuation and flooding of other properties) including that resulting from alterations of uplands. This program regulates everything from construction of single family residences in wetlands, convenience stores in the uplands, dredging and filling for any purpose in wetlands and other surface waters (including maintenance dredging), construction of roads located in uplands and wetlands, and agricultural alterations that impede or divert the flow of surface waters. Issuance of the ERP also constitutes a water quality certification or waiver thereto under section 401 of the Clean Water Act, 33 U.S.C. 1341. In addition, issuance of an ERP in coastal counties constitutes a finding of consistency under Florida Coastal Zone Management Program under Section 307 (Coastal Zone Management Act). The ERP program is implemented jointly by the Department of Environmental Protection and the four water management districts, in accordance with an operating agreement that identifies the respective division of responsibilities.

(“Summary of the Wetland and Other Surface Water Regulatory and Proprietary Programs in Florida,” October 1, 2007.)

In this instance, Miami-Dade County will assume responsibility for implementing the Environmental Resource Permitting program within the geographical boundaries of the County.

Policy Change and Implication

In 1999, the BCC approved the execution of a delegation agreement with the Florida Department of Environmental Protection under the recommendation of the County’s Brownfields Task Force. (R-1355-99). The Brownfields Delegation Agreement conferred upon Miami-Dade County the authority to execute Brownfields Site Rehabilitation Agreements with eligible persons seeking to clean up and rehabilitate properties located in the designated brownfield areas within the County’s boundaries. Therefore, Items 4(I) and 4(H) are consistent with prior BCC policy.

Budgetary Impact

The Administration reports that collected permit fees, otherwise due the state, will cover the administrative costs incurred by DERM in administering the permitting program. A review of both agreements does disclose that the County may retain 100% of the permit application fees obtained from the delegated program permits. (See Sections 24, entitled “Permit Application & Fees,” of both Agreements).

Prepared by: Lauren Young-Allen

**MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**



Legislative Notes

Agenda Item: 8E1A

File Number: 092912 (formerly 092799)

Committee(s) of Reference: BCC

Date of Analysis: October 30, 2009

Type of Item: Resolution; Posting Additional Collateral to Secure a Leveraged Lease

Sponsor/ Requester: Finance

Summary

Under the proposed resolution, the Finance Department is seeking authorization to transfer up to \$10 million from the County's pool of investment revenues, and to post such funds in a third party escrow account or trust account for purposes of providing additional collateral to secure a Lease/Leaseback Transaction.

In addition, under the proposed resolution, authorization is sought, at some future date following the initial posting of the additional collateral, to negotiate for the substitution of a letter of credit or similar credit instrument to replace the additional collateral.

Background and Relevant Legislation

In December 1998, the County entered into a Leveraged Lease arrangement (a/k/a Equity Payment Undertaking Agreement or Equity Guaranteed Investment Contract) with Dana Commercial Credit Corporation and AMBAC Assurance Corporation, a subsidiary of AMBAC Financial Group, Inc. Under Leveraged Lease transactions, the County as a tax-exempt owner or acquirer of a particular capital asset has the option to sell or assign the tax benefits of ownership to a third party (referred to as an equity investor) while retaining ownership of and title to the asset. In exchange for the future depreciation tax benefits associated with the asset, the third party equity investor leases the asset back to the County at a lease rate which is lower than the debt rate which would have applied to the purchase of the asset. Under such leaseback transactions, the County may negotiate an early buyout option which permits the County to terminate the leaseback arrangement on a pre-set date.

In this instance, the County has leveraged the Stephen P Clark Center building as the underlying asset of the lease/leaseback transaction, and has sold or assigned the tax benefits to Dana Commercial Credit Corporation. Dana Commercial sold its equity interest to Rabo Bank (a Dutch bank). AMBAC Assurance Corporation, (a financial guarantee insurance company) is the County's financial guarantor,

guaranteeing the County's financial obligations such as termination payment obligations, early buyout options, and lender loan payments.

Since the inception of the transaction, the financial strength of AMBAC has steadily declined. In 2009, Moody's Investors Services, Inc. (Moody's) and Standard & Poor's Rating Services (S&P) have significantly downgraded AMBAC's financial strength to a "negative outlook" rating, placing AMBAC at a significant risk of bankruptcy and exposing the County to financial liability. Under the lease/leaseback contract, in the event AMBAC declares bankruptcy, Rabo Bank is entitled to declare the County in technical default and demand termination payments.

To avoid the potential of termination sanctions, the Administration has conducted negotiations with Rabo Bank. In May 2009, the County proposed 8 terms and conditions which are detailed in the legislation. The proposal essentially requires the County to post additional collateral to a third party trust account in amount not to exceed \$10 million. After protracted negotiations, Rabo Bank has recently agreed to accept the terms of the proposal. Now pending before the Board of County Commissioners (BCC) are the specifics of the proposal, a request for authorization to execute the provisions of the proposal, and authorization to enter into any ancillary agreements to facilitate and complete the agreement.

Policy Change and Implication

The BCC has authorized previous lease-leaseback transactions, i.e. leveraged lease transactions, and similar financial transactions. In 2001, under Resolution R-1135-01, the BCC authorized lease and leaseback arrangements regarding Metrorail cars, Metrorail maintenance facilities and parking garages. However, based on a cursory review of the County's legislative database, there are no instances in which the BCC has authorized the pending proposed arrangement in which the County is posting additional collateral to secure the leveraged lease over and above the original indemnification terms governing losses resulting from County action, defaults of other parties, or a casualty loss of the asset. Therefore, the proposed transaction may constitute new policy.

Committee Floor Amendments

At the October 27, 2009 Budget, Planning & Sustainability Committee meeting, the committee posed a number of questions regarding the particulars of the \$10 million additional collateral. Specifically, the committee questioned the mechanics of appropriating money from mortgaged-backed securities such as "FNMA (Federal National Mortgage Association) or other securities in the General Fund," as recommended by the Administration. The Committee expressed concern as to: (1) whether there is a penalty for cashing-out investments before their maturity date; (2) whether revenues, derived from security investments and deposited in the County's investment pool fund, have already been appropriated and placed in the General Fund in advance of the BCC's authorization; (3) whether in the event the County substitutes a Letter of Credit in place of the \$10 million additional collateral, the County will be obligated to post \$52 million and not the outstanding differential or \$10 million; and (4) whether the County is obligated to pay an upfront fee or pledge ad valorem revenues to secure the Letter of Credit, pay legal fees associated with such transactions, and pay an annual fee each year the substitute Letter of Credit is outstanding.

In light of the Committee's concerns, the Committee directed the Administration to first seek authorization from the BCC before negotiating with Rabo Bank any letters of credit or similar credit instruments. The Committee amended the legislation by deleting any and all text which delegated to the

Administration authority to execute letters of credit, ancillary agreements or other documents which the Administration may deem necessary. The Committee adopted the Administration's proposed amendment to delete from the legislation and the accompanying cover memo all references to the General Fund as the funding source.

Budgetary Impact

The Administration notes that by depositing up to \$10 million into a trust account, the County will avoid the risk of paying \$52 million as a termination payment, which is the equivalent present day value of the leveraged lease arrangement. However, the proposal to pay a maximum of \$10 million as additional collateral is unbudgeted. In the event further additional collateral is needed and the appropriation is appropriated from the emergency contingency funds, as suggested by the Administration, this may reduce the emergency contingency reserve below the threshold minimal recommended by industry standards. In addition, the sizeable payment to Rabo Bank, as collateral for the tax benefit that may be lost in the event of early termination, exceeds the upfront fee of \$3.2 million paid by the original investing bank (Dana Commercial) for entering into the transaction. Therefore, the proposal offsets any gains achieved.

Prepared by: Lauren Young-Allen

**MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**



Legislative Notes

Agenda Item: 8(F)1(A)

File Number: 092270

Committee(s) of Reference: Housing, Community and Development

Date of Analysis: October 27, 2009

Type of Item: Lease Agreement

Commission District: 1

Summary

This resolution approves a lease agreement at the Miami Gardens Neighborhood Service Center, with the Institute of Black Family Life, Inc (BFL).

Background and Relevant Legislation

	Resolution	Terms	Fiscal Impact
Original Lease Agreement	R-1412-95	<ul style="list-style-type: none"> • Approved in October 1995; • One year with four additional one year renewal option periods; • Annual rental revenue is \$1.00 • Tenant to make a good faith effort to identify funding to pay pro-rata share of building expenses (\$13.81 per square foot); • The Department of Human Resources will absorb the operating costs, estimated at \$2,374 (annual); and • BFL program is 100% funded by a grant from the Office of Community Development. 	<ul style="list-style-type: none"> • Annual Revenue to the County is \$1.
Second Lease	R 1050-00	<ul style="list-style-type: none"> • Approved October 3, 2000; • One year with four additional one year renewal option periods; 	<ul style="list-style-type: none"> • Annual rental revenue is \$2,777

		<ul style="list-style-type: none"> • Annual rental revenue is \$2,777 (\$13.81 per square foot); and • Rental rate for each renewal will be established by the Department of Human Services 	
Third Lease	R-1316-02	<ul style="list-style-type: none"> • Approved December 6, 2006; • One year with three additional one year renewal option periods; and • Annual rental revenue is \$3,139(\$18.25 per square foot); and • Rental rate for each renewal will be established by the Department of Human Services based on operational costs of the building 	<ul style="list-style-type: none"> • Annual rental revenue is \$3,139
Recommended Lease		<ul style="list-style-type: none"> • Annual revenue is \$3,388 (\$19.70 per square foot); • One year with three additional one-year renewal option periods; and • Rental rate for each renewal will be established by the Department of Human Services based on operational costs of the building 	<ul style="list-style-type: none"> • Annual rental revenue is \$3,388

The Institute of Black Family Life, Inc., a non for profit, has been providing services at this location since 1995. The services include: job training, counseling, community service and recreational activities.

Fiscal Impact

Annual revenue to the County is \$3,388.40.

Questions to General Services Administration

The following questions were submitted to the General Services Administration without a response.

What are the annual operational costs of this building? What is the pro-rata share to BFL?

Prepared by: Mia B. Marin

**MIAMI-DADE COUNTY
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Legislative Notes

Agenda Item: 8(G)1(C)

File Number: 092004

Committee(s) of Reference: Housing, Community Development

Date of Analysis: October 27, 2009

Type of Item: Resolution to submit a Section 32 Application and Plan to U.S Department of Housing and Urban Development (US HUD)

Summary

This resolution approves a Miami-Dade Public Housing Agency (MDPHA) Application and Plan to US HUD for the conversion of Heritage Village, from the Turnkey II Program to the Section 32 Homeownership Program.

Background and Relevant Legislation

According to the US HUD Housing and Communities website, information is available to the public for the Turnkey III and Section 32 Homeownership Programs.

Turnkey III was authorized by the Housing Act of 1937 and is administered by the Office of Public and Indian Housing. This program enabled Indian Housing Authorities (IHA) to help low-income families purchase a home. IHA's competed for funds through an annual Notice of Funding (NOFA). US HUD awarded funds to the IHA and then IHA would select program participants based on waiting lists.

The Turnkey III Program, the IHA would compensate the family by crediting certain amounts budgeted for maintenance to family equity accounts. Ownership of the unit would pass onto the family when the family's income and equity accounts increased to the point where it could obtain permanent financing for the unit or equaled the unamortized debt and closing costs. IHA's were eligible to apply for this program and their plans were approved by the local governing body. Persons eligible for the Turnkey III Program were low-income Indian families who could buy their own home.

Turnkey III program eligible activities included payments to IHA to cover debt service or direct funding of capital costs, IHA's training, counseling, collection losses, and repair of vacant units. Under Turnkey III, eligible program activities did not cover administrative overhead.

Currently, the Turnkey III program is no longer funded and HUD is no longer accepting applications for the development of these types of units.

The U.S. Housing Act of 1937, through Section 32 (Homeownership Program), allows public housing authorities (PHA) to make public housing dwelling units available for purchase by low-income families as their principal residence.

Under Section 32, a PHA may do the following:

- Sell all or a portion of a public housing development to eligible public or non-public housing residents;
- Provide Capital Fund assistance to public housing families to purchase homes;
- Provide Capital Fund assistance to acquire homes that will be sold to low-income families.

Under the Section 32 Homeownership Program, the PHA must submit a Homeownership Plan along with the application. The required components of the Homeownership Plan must include: method of sale, property description, repair/rehabilitation assessment. The PHA must provide information on the purchaser requirements relative to eligibility, selection criteria and restrictions. Additionally, the PHA must demonstrate the practical workability of the Homeownership Plan based on the data analysis of purchase prices, cost of repair and/or rehabilitation, homeownership costs, family incomes, closing costs, and financing availability. Furthermore, a PHA may realize gross sales proceeds in connection with selling homes under Section 32 Homeownership program and must include in the Homeownership Plan the likely sources for gross sale proceeds.

Policy Change and Implication

According to the MDPHA, the approval of this resolution will simply convert from an old US HUD homeownership program to a new homeownership program. The provisions, rules and regulations of the program will be essentially the same.

Budgetary Impact

The conversion of US HUD homeownership programs will not create a negative fiscal impact to Miami-Dade County (County). However, the County has incurred rehabilitation and maintenance costs for the years 2007, 2008 and 2009. The incurred cost for the respective years is as follows:

2007	2008	2009
\$515,000	\$303,000	\$22,000

Prepared By: Mia B. Marin

**MIAMI-DADE COUNTY
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Legislative Notes

Agenda Item: 8(J)1(D)
File Number: 092748
Committee(s) of Reference: Board of County Commissioners
Date of Analysis: October 29, 2009 (Supplemental to October 21, 2009 analysis)
Type of Item: Bus Route Service Adjustments

The chart below illustrates all Miami-Dade Transit (MDT) routes and identifies which ones require a public hearing versus those that are being changed by administrative authority.

Commission District	Total Number of Routes in the District	Routes changed requiring Public Hearing	Routes changed by Administrative Authority	Routes with No Change
1 Jordan	23	13	5	5
2 Rolle	40	16	12	12
3 Edmonson	45	15	17	13
4 Heyman	35	18	8	9
5 Barreiro	49	14	17	18
6 Sosa	27	13	8	6
7 Gimenez	45	15	18	12
8 Sorenson	22	5	14	3
9 Moss	15	4	9	2
10 Souto	20	7	11	2
11 Martinez	19	8	9	2
12 Diaz	22	12	7	3
13 Seijas	16	12	0	4

Source: MDT

Municipal Services

According to the MDT staff, the *Service Efficiency and Restructuring Initiative* (SERI) team coordinated with all 35 municipalities regarding MDT routes and municipal services. All municipal circulators contribute to the decisions made during the planning phase of the routes. For the December line-up specifically, MDT was able to restructure several routes due to duplicate service with

the Aventura and Hialeah Transit municipal circulators. In future line-ups, we will continue to work with the municipalities and restructure/re-align MDT routes as appropriate to minimize/eliminate route duplication with the circulators.

Municipality	Service Operator	Service Miles	Notes
Aventura *	Contractor	141,998	
Bal Harbour Village	Contractor	36,728	
Bay Harbor Islands	Contractor	11,700	
Biscayne Park	N/A	N/A	
Coral Gables	Contractor	214,000	Planned Expansion
Cutler Bay	Proposing MDT	N/A	Future service
Doral	Contractor	120,000	
El Portal	N/A	N/A	
Florida City	N/A	N/A	
Golden Beach	N/A	N/A	
Hialeah *	Contractor	402,252	w/Hialeah Gardens
Hialeah Gardens *	Contractor	N/A	w/Hialeah
Homestead	Proposing MDT	N/A	Future service
Indian Creek Village	N/A	N/A	
Islandia	N/A	N/A	
Key Biscayne	N/A	N/A	
Medley	Contractor	1,464	Shuttle & Demand Response
Miami	Contractor	N/A	Future service
Miami Beach	Miami Dade Transit	included in MDT	
Miami Gardens	N/A	N/A	Future service
Miami Lakes	N/A	N/A	Demand Response
Miami Shores Village	Contractor	15,860	
Miami Springs	Contractor	24,675	w/Virginia Gardens
North Bay Village	Municipality	13,500	
North Miami	Contractor	99,918	
North Miami Beach	Municipality	51,046	
Opa Locka	N/A	N/A	Future service
Palmetto Bay	Contractor	21,813	
Pinecrest	N/A	N/A	
South Miami	N/A	N/A	Future service
Sunny Isles Beach	Municipality	103,159	
Surfside	Contractor	25,896	
Sweetwater	Municipality	36,000	
Virginia Gardens	Contractor	2,400	w/Miami Springs
West Miami	Municipality	20,000	
Total Estimated Mileage (Municipalities)		1,342,409	

Legend:

Total: 35 municipalities

Existing municipal service	21
Future municipal service	6
No current or planed service	6

* Adjusted MDT service to reduce/eliminate duplication.
Remaining municipal services will continue to be evaluated and MDT routes will be adjusted in future line-ups.

Prepared By: Michael Amador-Gil

**MIAMI-DADE COUNTY
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Legislative Notes

Agenda Item: 8(O)1(B) Substitute
File Number: 092814
Committee(s) of Reference: Board of County Commissioners
Date of Analysis: October 30, 2009
Type of Item: Option-to-Renew Period for Competitively Bid Contracts

Summary

This procurement package includes a total of four (4) competitively bid contracts containing options-to-renew (OTR) clauses which, if exercised, would bring the cumulative value of each contract in excess of \$1 million.

At the October 6, 2009 Board of County Commissioners (BCC) meeting, the original 8O1B Item was bifurcated. This competitive bid package includes only those contracts bifurcated and deferred by BCC on October 6, 2009. In addition, this substitute item is a request to authorize only one OTR period under each of the remaining contracts instead of the multiple OTR periods originally requested. The initial contract value of Item No. 2 is increased from \$850,000 to \$941,000 to reflect the actual expenditures authorized under the initial term of this contract.

On October 20, 2009, the Board of County Commissioners approved a 30-day extension for the financial advisory contracts Items 2 and 3. The terms and conditions remained the same.

Background and Relevant Legislation

Pursuant to Section 2-8.1 of the Code and Master Procurement Administrative Order AO 3-38, BCC's authorization is required to exercise such OTR clauses when the combined value of the contract's initial term and the option-to-renew exceed \$1 million.

The Administration notes the following: (1) The initial term for the contracts in this package were awarded prior to the implementation of BCC approval for contracts with the combined value exceeding \$1 million; (2) prior to this request to exercise the options period, market research was conducted to ensure that pricing and quality are competitive; and (3) the allocation represents the maximum spending authority based on past usage.

Policy Change and Implication / Budgetary Impact

Item No. 1 – Printed Case File Folders

This item authorizes the County Mayor or his designee to exercise the second OTR periods to purchase printed case file folders for the Clerk of Courts.

The vendor, Advanced Filing System Inc., is local vendor with the following principals: Jan and David Stoutamire.

DOLLAR AMOUNT EXPENDED UNDER CONTRACT		
	Blanket Purchase Order (BPO)	Total Releases
Initial Term	\$327,715.99	\$209,401.56
First OTR	\$343,774.08	\$217,890.97
• TOTAL	\$671,490.07	\$427,292.53

Information provided by Finance

Item No.	Initial Contract Term & Amount	Request to Exercise and Funding Source	Amount of OTRs	Previous Contract Amount per year
1	11/28/07 to 11/27/08 \$328,000 Comment The initial allocation amount was for \$178,000; however, due to the increase in the number of foreclosure filings, the contract amount was modified, increasing the initial amount to \$328,000.	The 2 nd OTR for \$344,000. <i>Funding Source: Clerk's Revenue</i> Exercising the 2 nd OTR will bring the cumulative value of the contract to \$1,016,000.	1 st - \$344,000 2 nd - \$344,000 3 rd - \$344,000 4 th - \$344,000 Each OTR period is for a one-year term. The Total Value of this Contract with OTRs is \$1,704,000.	<ul style="list-style-type: none"> Advance Filing System, Inc. <p><i>There are no performance or compliance issues with this firm.</i></p>

Item No.2 – Financial Advisory Services (General Segment)

This item authorizes the County Mayor or his designee to exercise the first OTR period to provide financial advisory services for the Finance Department for those departments that are not covered under the Aviation and Enterprise Segment agreements.

The vendor, Public Financial Management, Inc., is a non-local vendor with headquarters in Philadelphia, Pennsylvania. The following individuals serve as principals: John F. White (PCEO), Marty Margolis (VPT), Barbara Bisgaier (S), Glen Williard (MD), Keith Curry (MD).

DOLLAR AMOUNT EXPENDED UNDER CONTRACT		
	Blanket Purchase Order (BPO)	Total Releases
Initial Term	\$850,000.00	\$0
• TOTAL	\$850,000.00	\$940,049.81

Information provided by Finance

Item No.	Initial Contract Term & Amount	Request to Exercise and Funding Source	Amount of OTRs	Previous Contract Amount per year
2	<p>11/02/06 to 11/01/09</p> <p>\$941,000</p> <p>Comments The initial allocation amount was \$850,000; however, due to the instability of the financial market and increase in bond activity, the contract value was increased to \$941,000 to account for the increased usage.</p> <p>The annual amount under the initial contract is \$313,667 and under each of the OTR periods is \$283,500.</p>	<p>The 1st OTR period for \$567,000.</p> <p><i>Funding Source: Bond Proceeds and Bond Administration Funds</i></p> <p>Exercising the 1st OTR will bring the cumulative value of the contract to \$1,508,000.</p>	<p>1st - \$567,000 2nd - \$567,000</p> <p>Each OTR period is for a two-year term.</p> <p>The Total Value of this Contract with OTRs is \$2,075,000.</p>	<ul style="list-style-type: none"> Public Financial Management <p><i>There are no performance or compliance issues with this firm.</i></p>

Item No. 3 – Financial Advisory Services (Enterprise Segment)

This item authorizes the County Mayor or his designee to exercise the first OTR period to provide financial advisory services for the Finance Department to assist the Seaport, Solid Waste, Transit, and Water and Sewer departments.

The vendor, Public Resource Advisory Group, Inc. is a non-local vendor with headquarters in St. Petersburg, Florida. The following individuals serve as principals: William W. Cobbs (P), Wesley C. Hough (VP), and Steven Peyser (ST).

DOLLAR AMOUNT EXPENDED UNDER CONTRACT		
	Blanket Purchase Order (BPO)	Total Releases
Initial Term	\$850,000.00	\$0
• TOTAL	\$850,000.00	\$846,182.76

Information provided by Finance

Item No.	Initial Contract Term & Amount	Request to Exercise and Funding Source	Amount of OTRs	Previous Contract Amount per year
3	11/02/06 to 11/01/09 \$850,000 Comment The annual amount under the initial contract is \$283,333 and under each of the OTR periods is \$283,500.	The 1 st OTR period for \$567,000. <i>Funding Source: Bond Proceeds and Bond Administration Funds</i> Exercising the 1 st OTR will bring the cumulative value of the contract to \$1,417,000.	1 st - \$567,000 2 nd - \$567,000 Each OTR period is for a two-year term. The Total Value of this Contract with OTRs is \$1,984,000.	<ul style="list-style-type: none"> Public Resource Advisory Group, Inc. <p><i>There is no performance or compliance issues with this firm.</i></p>

Item No. 4 – Towing Services (County Vehicles)

This item authorizes the County Mayor or his designee to exercise the first OTR period to purchase towing services for several County departments including Aviation, Fire Rescue, GSA, Housing, Police, Park and Recreation, Transit, and Water and Sewer.

The eight (8) vendors are all local and do not have compliance issues. They include the following companies:

Westbrook Motors, Inc.

- Principals include Raul Suarez (PD), Raul Suarez Jr. (VPD), and Gretel Gonzalez (ST).
- Performance Issues**
 - During this contract’s current term, this company had performance issues regarding their invoicing procedures.
 - On RFQ 97, Towing Services for the Miami-Dade Police Department (MDPD), this firm did not have sufficient inside storage space.
 - Both issues have been resolved.

Blanco Towing, Inc.

- Principals include Zeida Blanco (PS), Mario Blanco (T), and Manuel Blanco (V).

Banos Towing Services

- Principals include Domingo Banos (PTD) and Emelia Banos (SD).

Excalibur Towing Services

- Principals include Ramon Crego (P) and Maria C. Crego (S/T).
- **Performance Issues**
 - During this contract's current term, this company had performance issues regarding their invoicing procedures.
 - This issue has been resolved.

Kauff's of Miami, Inc.

- Principals include Francis G. Russell (PD) and Monica D. Russell (STD).
- **Performance Issue**
 - On RFQ 97, Towing Services for MDPD, this firm was overcharging citizens for towing services and failed to follow notification procedures.
 - This issue has been resolved.

Midtown Towing of Miami

- Principals include Lauraine Lichtman (PTD).
- **Performance Issues**
 - During this contract's current term, this company had performance issues regarding their invoicing procedures.
 - This issue has been resolved.

A-1 Redland Economy Tow

- Principals include Sandra L. Vanderford (DPT) and Hollis R. Vanderford (DS).
- **Performance Issue**
 - On RFQ 97, Towing Services for MDPD, this firm was overcharging citizens for towing services.
 - This issue has been resolved.

Southwest Transport, Inc.

- Principals include Peter F. Hernandez (P) and Robert J. Muriedas (VP).

Comments/Questions

The unallocated amount of \$169,000 may be used to supplement department allocations in order to satisfy service requirements.

According to the Department of Procurement Management, (DPM) no citations were issued to any of the vendors or their drivers for the performance issues noted above.

This contract consolidates the Transit contract for towing buses (Contract No. 7001) which had different terms and higher prices. The Transit contract had divided the County into two zones; this contract (Contract No. 8736) divides the County into eight zones, thereby providing lower prices. However, the towing requirements (industry standards) are the same on both contracts. According to DPM, by consolidating these contracts, the County experiences a 40% savings.

DOLLAR AMOUNT EXPENDED UNDER CONTRACT		
	Blanket Purchase Order (BPO)	Total Releases
Initial Term	\$1,465,005.00	\$498,140.88
• TOTAL	\$1,465,005.00	\$498,140.88

Information provided by Finance

Item No.	Initial Contract Term & Amount	Request to Exercise and Funding Source	Amount of OTRs	Vendor (s) / Performance Record
4	12/15/08 to 11/30/09 \$1,467,000	The 1 st OTR period for \$1,467,000. <i>Funding Sources: Proprietary Revenue, Fire District Fund, Internal Service Funds, Federal Funds, General Fund, and MDT Operating Fund.</i> Exercising the 1 st OTR will bring the cumulative value of the contract to \$2,934,000.	1 st - \$1,467,000 2 nd - \$1,467,000 3 rd - \$1,467,000 4 th - \$1,467,000 5 th - \$1,467,000 Each OTR period is for a one-year term. The Total Value of this Contract with OTRs is \$8,802,000	<ul style="list-style-type: none"> • Westbrook Motors, Inc. • Blanco Towing, Inc. • Banos Towing Services • Excalibur Towing Service • Kauff's of Miami, Inc. • Midtown Towing of Miami • A-1 Redland Economy Tow • Southwest Transport, Inc. <p>Several vendors had performance issues (see above); however, none had compliance issues.</p>

Prepared By: Elizabeth N. Owens

**MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**



Legislative Notes

Agenda Item: 8(O)1(C)
File Number: 092677
Committee(s) of Reference: Board of County Commissioners
Date of Analysis: October 30, 2009
Type of Item: Procurement Package for Bid Waivers

Summary

This resolution waives formal bid procedures for specified purchases, authorizing the County Mayor or his designee to award such contracts, with authority to exercise subsequent options-to-renew (OTR). This Bid Waiver Package includes only one (1) contract: a sole source contract for the Miami-Dade Police Department (MDPD) to purchase software equipment.

Background and Relevant Legislation

Pursuant to § 2-8.1 of the Miami-Dade County Code and § 5.03(D) of the Home Rule Charter, the Board of County Commissioner’s (BCC) approval is required to award these contracts.

Policy Change and Implication / Budgetary Impact

- **One (1) Sole Source Contract:**

Item 1.1 - GuideSTAR Software Licenses, Maintenance, Support, Training, and Professional Services Agreement

This item allows MDPD to acquire the GS/1 Eagle software licenses, maintenance, support, training, and professional services provided by GuideSTAR Technologies, Inc. GS/1 Eagle software is a collaborative intelligence analysis software system.

Item No.	Contract Title	Contract Term & Amount	Vendor’s Performance Record
1.1	GuideSTAR Software Licenses, Maintenance, Support, Training, and Professional	Term: 2 years with 4, 1-year OTRs Initial Amount: \$475,000 Each OTR is valued at \$200,000	There are no performance / compliance issues for GuideSTAR Technologies, Inc., a non-local vendor. <u>The Department of Procurement Management</u>

	Services Agreement	Total Contract Amount with Subsequent OTRs: \$1,275,000	<u>(DPM) contacted the following 6 firms for market research:</u> <ul style="list-style-type: none"> • i2, Inc. • Memex, Inc. • Bair Software Inc. • DaProSystems, Inc. • ACISS Systems, Inc • MetaCarta
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Questions / Comments

The funding source for the initial allocation is listed as the Urban Areas Security Initiative (UASI) Grant and General Fund. According to the Department of Procurement Management (DPM), the initial term of the contract will be paid through the UASI grant. MDPD is allocated \$200,000 per year for this project. The reason that both funding sources are listed is in the event that MDPD requires to purchase optional items such as additional licenses or professional services are required, those optional items as defined in the contract agreement may be purchased with general funds on an as needed, when needed basis if required. This provides MDPD with the ability to further expand the system.

The UASI Grant expires in 2010; however this System has been deemed critical to assist MDPD in the preparation and security for the Super Bowl XLIV and Pro Bowl that will be taking place in January 2010.

- If this application is not in place, what other projects related to the Super Bowl and Pro Bowl may be in jeopardy?

GS/1 Eagle Overview

This contract allows MDPD to acquire GS/1 Eagle software licenses, maintenance, support, training, and professional services to be utilized by the Narcotics Bureau, Homeland Security, and Robbery Division.

According to the GuideSTAR websiteⁱ, GS/1 is a powerful tool for national law enforcement to facilitate collaboration in detecting and interdicting potential criminal and security threats and investigating and resolving sophisticated criminal events.

GS/1 increases the effectiveness and efficiency of teams of investigators and intel analysts. The system has been architected to be highly flexible in interacting with any conceivable data source, a particularly important capability in light of the enormous and ever-increasing variety of electronic information sources available to law enforcement, including internal, federally-sourced, commercial and open sources. GS/1 can connect to almost any number of internal or external systems and organize the data into the familiar case-oriented person, place, thing or event structure. The system has sophisticated historical data tracking features that continue to monitor older cases while staying completely in compliance with the Code of Federal Regulations (28CFR).

GS/1 runs on the investigator’s or analyst’s desktop or laptop computer, providing a performance boost over browser-based approaches and permitting a more flexible and powerful user interface. Because the system is installed software, it is implicitly more secure than SaaS or ASP architectures which put significant functionality and/or data outside the law enforcement firewall.

GS/1 acts as a gateway to all other law enforcement systems, providing a convenient universal sign-on. Integrated into the application is flexible threat monitoring and “set and forget” AlertGuard technology that permits electronic monitoring of potential threats and instant alerts when a user-set threat level is reached.

GS/1 includes sophisticated analytic capabilities, including a family of Guide–Detect scores, integrated mapping and InfoCell technology to correlate investigations across jurisdictions and over time. The system includes relationship visualization tools to aid investigators and analysts in understanding complex rings or cells.

GS/1 is available in three editions, depending on the needs of the user organization. The Eagle edition is utilized for large departments.

Intelligence-led Policingⁱⁱ

Intelligence-led policing was originally articulated as a law enforcement operational strategy that sought to reduce crime through the combined use of crime analysis and criminal intelligence in order to determine crime reduction tactics that concentrate on the enforcement and prevention of criminal offender activity, with a focus on active and recidivist offenders. This approach emphasizes information gathering through the extensive use of confidential informants, offender interviews, analysis of recorded crime and calls for service, surveillance of suspects, and community sources of information. These sources are analyzed so that law enforcement managers can determine objective policing tactics in regard to enforcement targets, prevention activities and further intelligence gathering operations. In the last few years, the interpretation of intelligence-led policing appears to be broadening in scope. While still retaining the central notion that police should avoid getting bogged down in reactive, individual, case investigations, intelligence-led policing is evolving into a management philosophy that places greater emphasis on information-sharing and collaborative, strategic solutions to crime problems at the local and regional level.

Prepared by: Elizabeth N. Owens

ⁱ <http://guidestartech.com/GS1/index.php>

ⁱⁱ <http://www.jratcliffe.net/research/ilp.htm>

**MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**



Legislative Notes

Agenda Item: 092911
File Number: 8(O)1(D)
Committee(s) of Reference: Board of County Commissioners
Date of Analysis: October 30, 2009
Type of Item: Competitive Contract Package

Summary

This Competitive Contracts Package includes a total of eleven (11) procurement actions.

This item differs from the October 27, 2009 Budget, Planning and Sustainability Committee item and substitute (092676 and 092844) in that it eliminates a page that was inadvertently added in Item 2.1, amends the funding source for Public Works in Item 3.2, deletes Item 3.6, and correct scrivener's errors in Items 3.3 and 4.2.

Policy Change and Implication / Budgetary Impact

• **Two (2) Competitive Contracts:**

Item 1.1 – Lift Station Pump Out and Maintenance

This contract is to purchase maintenance, repair, cleaning, and pump-out services for lift stations for various County departments. This contract is for a one-year term in the amount of \$1,588,000 with four, one-year options-to-renew (OTR) in the amount of \$1,588,000 for a cumulative total of \$7,940,000.

Questions / Comments

This contract consolidates the following three contracts with a total allocation of \$1,382,975:

- 6590-3/08-3 Lift Station Pump Out Services
 - Vendors: Pollution Elimination Corp. and Miami Industrial Services Inc.
- 7522-4/09-4 Lift Stations Maintenance & Repair
 - Vendor: Pollution Elimination Corp.
- 103-HH12 Grease Trap Septic Tank Pump out Services
 - Vendor: Carlos Rivero Plumbing & Septic Tank

Item No.	Contract Term & Amount	Amount per year	Previous Contract Term & Amount	Previous Contract Amount per year
1.1	\$1,588,000 for 1 years	\$1,588,000	This contract consolidates three contracts with a total allocation of \$1,382,975.	unknown

Item 1.2 – Armored Trucks

This contract is to provide armored trucks for the Miami-Dade Transit (MDT) Department. This contract is for a one-year term in the amount of \$466,471. There are no OTRs under this contract. In addition, according to the Manager’s memo, there is no prior contract to compare with this contract. This contract is to replace four (4) armored trucks that have over 200,000 miles.

Questions / Comments

The following responses were provided by DPM.

Why not utilized the Armored Car Services contract for this item?

- The armored car services contract is for transport of funds by vendors. These monies are transported to banks to make deposits of funds received from customer transactions. This additional service is operation of collecting which cannot be added to the existing competitive contract because it differs significantly in terms of scope and risk. If the County were to add this service, the County would have to reissue a new solicitation.
- Using in-house services compared to outsourcing yields a net annual savings of \$397,619.
- These trucks will also transport safes that contain money. These safes, each weighing in excess of 2,000, are opened by County staff for integrity and security purposes. The existing armored services contract is used by departments other than transit, and does not allow for the transport of safes.

How much will insurance and liability cost for operating these trucks? Is this included under the scope of the contract?

- The County is self-insured. Liability is subject to the limitations of FS – State Sovereign Immunity Statute 768.28, which reads:
“Limits state and local government liability to \$100,000 on a claim or judgment by any one person and \$200,000 for each incident or occurrence. Judgments in excess of that amount may be reported to the Legislature and paid only by further act of the Legislature. Legislature does not provide funds to pay for local government suits.”
- Cost will be determined by claims incurred. Insurance and liability are not included under the scope of the contract to purchase armored trucks.

How much does it cost to staff the drivers to operate these armored trucks and is the cost included in the contract?

- Drivers transport monies from 22 stations and 3 bus garages locations, and the service frequency is 7 times per week for each location. Total monies paid to the four drivers are approximately \$295,000 per year to operate these trucks.

- These drivers are also responsible for replenishing the fare collection machines at each station. A total of 61 Ticket Vending Machines are serviced at the 22 Metrorail stations. Each TVM is equipped with number of coin hoppers and coin/currency containers. Revenue services include swapping out locked cash boxes (weighing up to 40 lbs.) daily. Personnel must also have security access to TVM maintenance/diagnostic menus to record activities.
- Six to nine mobile safes are collected from three bus garages daily. These weigh up to 2,000 pounds when filled with unorganized coins and currency.

When and how did MDT purchase the 4 current trucks that have over 200,000 miles? Who was the vendor?

- The four trucks were purchased from Atlantic Ford Truck Sales, Inc. in 1995.

What other contracts does the County have with Atlantic Ford Truck Sales, Inc.?

- Special Purpose Trucks-Prequalification (7855-4/10-4)
- Automotive and Truck Parts and Specialized Repair Services (1070-5/14)
- Truck Canes, Aerial Devices and Related Equipment Prequalification- (1745-4/10-3)
- Model Year 2009 Vans (5203-0/10)
- OEM Equipment, parts and service (5380-6/14-1)
- OEM Parts/Repair Services/Passenger Cars, Vans, etc. Prequalification (5387-5/13-1)
- Automotive Vehicles Prequalification (8193-6/14-2)

This contract under vendors not recommended for award mentions items 1 and 2. What is item 1 and 2?

- Item 1 includes three (3) Armored Trucks Minimum GVWR of 17,950 lbs.
- Item 2 includes one (1) Armored Trucks Minimum GVWR of 33,000 lbs.

PTP funds are utilized in this allocation.

Item No.	Contract Term & Amount	Amount per year	Previous Contract Term & Amount	Previous Contract Amount per year
1.2	\$466,471 for 1 year.	\$466,471	None.	None.

- **Two (2) Bid Rejections**

Item 2.1 – Microfiltration / Ultrafiltration Membrane System

This item rejects all bids received in response to a solicitation to establish microfiltration / ultrafiltration membrane system for the Miami-Dade Water and Sewer Department (WASD). On July 16, 2009, the County Attorney’s Office (CAO) determined that all of the bids were non-responsive and could not be accepted. WASD staff has decided to acquire the microfiltration membrane system as part of the main construction contract for the plant and facility.

Item 2.2 – Dual Fuel Engine and Pump Assembly

This item rejects all bids received in response to a solicitation to establish a contract to purchase a dual fuel engine and pump assembly for WASD AT THE Alexander Orr, Jr. Water Treatment Plant. On July 16, 2009, the County Attorney’s Office (CAO) determined that all of the bids were non-responsive and could not be accepted. WASD is considering several additional options to acquire this equipment including re-issuing the solicitation as a Request for Proposal, a Bid Waiver, or for purchase of a standard diesel-powered or natural gas-powered engine and pump assembly.

- **Five (5) Contract Modifications:**

Item No.	Contract Title and Modification Reason	Initial Contract Term & Amount	Modified / Extended Term	Increased Allocation	Record of Vendors’ Performance
3.1	Fire Extinguishers <u>Reason:</u> Additional spending authority to provide MDT an allocation funded by MDT Operating Funds to purchase and service fire extinguishers.	\$143,000/ 1 year	No change.	\$30,000	No Compliance / Performance Issues reported for the four (4) vendors.
3.2	Uniforms for Various County Departments <u>Reason:</u> Additional spending authority to provide MDT an allocation funded by MDT Operating Fund to purchase embroidered windbreakers and jackets. Questions / Comments – <u>see below chart.</u>	\$382,000 / 1 year	No change.	\$22,000 This amount does not increase the total contract amount because it is covered under unallocated funds.	No Compliance / Performance Issues reported for the three (3) vendors.
3.3	Psychological Testing Services <u>Reason:</u> Additional time to allow the Miami-Dade Police and Corrections and Rehabilitation Departments to purchase psychological testing.	\$448,000 / 18 months	6 months	No change.	No Compliance / Performance Issues reported for this firm.
3.4	Fence Materials <u>Reason:</u> Additional spending	\$585,000 / 5 years	No change.	\$165,000	No Compliance / Performance Issues reported

	<p>authority to provide MDT an allocation funded by MDT Operating Funds to purchase fencing materials.</p> <p>Comment PTP funds are utilized as part of MDT's Operating Funds.</p>				for the three (3) firms.
3.5	<p>Polymeric Flocculants</p> <p><u>Reason:</u> Additional spending authority for WASD to purchase polymeric flocculants used in the wastewater treatment process.</p>	\$1,216,000 / 1 year	No change.	\$495,000	No Compliance / Performance Issues reported for this vendor.

Item 3.2 – Questions / Comments

The following responses were provided by DPM.

If this item is to utilize unallocated funds and MDT was not a part of the original allocation, why is the funding source listed as MDT Operating Funds? Will MDT Operating funds be used to reimburse the allotment?

The unallocated “funds” are monies managed by DPM that have been approved by the Board to be allocated to departments when there is a need. The “funding source” is identified once there is an approved department allocation. This modification withdraws \$22,000 in unallocated funds. Transit’s funding source (MDT Operating funds) is reflected accordingly.

Should the unallocated funds be exhausted, a modification for additional money will then be presented to the Board for approval.

There is a current contract for MDT uniforms (8302-4/12). Why not extend this contract?

Contract 8302-4/12 Uniforms and Accessories for Miami-Dade Transit is active. There is no need to extend. The County has been addressing performance issues with the vendor awarded this contract. Management has made a decision to not add these items to Contract 8302. Transit is the only department using contract 8302-4/12. **Contract 8336-3/11-2 was awarded under full and open competition.**

This contract includes embroidered windbreakers and jackets as required by the Transport Workers Union Collective Bargaining Agreement.

- **Two (2) Purchases Made Under Competitively Awarded Contract of Other Governmental Entity:**

Item No.	Contract Title and Modification Reason	Initial Contract Term & Amount	Modified / Extended Term	Increased Allocation	Record of Vendors' Performance
4.1	Laboratory Safety Supplies and Equipment <u>Reason:</u> Modification of this contract to provide additional spending authority for MDPD and Miami-Dade Fire Rescue departments to purchase laboratory and safety supplies and equipment. Questions/Comments – <u>see below chart.</u>	\$3,971,000 / 5 years	No change.	\$1,179,000	No Compliance / Performance Issues reported for this firm.
4.2	Tires <u>Reason:</u> For various county departments to access a competitive contract established by the State of Florida for the purchase of tires.	\$7,474,000 / 27 months	n/a	n/a	No Compliance / Performance Issues reported for these firms.

Item 4.1 Questions / Comments

The following response was provided by DPM.

The modified allocation amount for police and fire is almost double the existing allocation (**Police:** existing allocation = \$829,000 modified allocation = \$1,658,000; **Fire:** existing allocation = \$450,000, modified allocation = \$800,000). Why was the initial allocation under-estimated by so much?

The Police Department has identified three bureaus that will require additional contract allocations:

- Crime Lab Bureau: Laboratory Supplies are required to complete analysis on criminal case evidence submitted to the Crime Lab Bureau for processing.
- Crime Scene Investigation Bureau: Protective Safety Equipment is used by field personnel when responding to and processing crime scenes.
- Special Patrol Bureau: Contamination Detection Equipment allows personnel to evaluate hazardous sites safely and take proper, protective action.

Between 2007 and 2009, the Police Crime Lab Bureau was awarded over \$3 million in grants (average \$1.5 million per year). New grant opportunities are identified each year. The grants have specific timelines that must be met, each with varying deadlines. The requested modification would increase Police's allocation to \$1,658,000, which is in line with the \$1.5 million average grant amount received for each of the past two years.

Fire-Rescue has received time sensitive grants which have consumed a significant part of the original allocation. Changes in care standards have required the department to make appropriate accommodations. For example, the pandemic threat of H1N1 illustrates an unforeseen expense in which Fire Rescue had to respond to in short order.

All equipment meets Florida state mandated inspections, including:

- Draeger simultest kits
- Spill filters
- Tie back coveralls
- Level B fire suits
- Face shields
- Boots
- Draeger P100 tank pipes and seals

The funding source includes the following federal grants:

- Hazard Task Force Restitution Grant
- UASI (Urban Area Security Initiative)Training grant
- Florida Mandated Inspection Safety Hazmat Grant

Prepared by: Elizabeth N. Owens

MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR



Legislative Notes

Agenda Item: 9(A)1
File Number: 092849
Committee(s) of Reference: Board of County Commissioners
Date of Analysis: October 29, 2009
Commission District: 6
Type of Item: Ratification

Summary

This resolution ratifies the County Mayor's or designee's actions taken from August 22, 2009 through September 30, 2009 in expediting capital improvement project as authorized by Ordinance No. 09-60 extending the "Economic Stimulus Plan" (ESP). During this period, **one (1)** project in the amount of **\$19,914,842.82** was awarded to:

- General Asphalt Co., Inc. for work at the Miami international Airport. ¹

This project was advertised as an Invitation to Bid on April 30, 2009. Four (4) bids were received and opened on May 28, 2009. The bids were reviewed and tabulation was prepared by TY Lin International HJ Ross, the consulting engineer. The low bidder offered a bid of \$18,063,349.50, which is 30.53% under the Engineer's Estimate of \$26,001,658.10. The second low bidder offered \$19,945,413.90 which is 10.42% higher than the low bidder. The third low bidder was 5.34% above the second low bidder.

- **Question:** Has General Asphalt received any other awards under the ESP, American Recovery and Reinvestment Act (ARRA) and alternative methods awarding mechanism, pursuant to Ordinance 09-60?²

¹ The Department of Small Business Development's (SBD) History of Violation's report lists no violations for this contractor.

² The Office of the Commission Auditor was unable to confirm whether a project under the MCC/CICC 7360 ARRA Roadway Resurfacing was awarded to General Asphalt totaling \$586,021.97.

Background and Relevant Information

In May 2008, more than 500 industry representatives attended a meeting with the Office of Capital Improvements (OCI), the Directors of the County's 16 capital departments, and the Departments of Procurement and Small Business Development to discuss how the County can accelerate its capital projects.

On July 17, 2008, the Board of County Commissioners (BCC), through Ordinance 08-92, authorized the Mayor or his designee the following responsibilities in order to expedite capital projects under the ESP:

- (a) Issue bid and proposal documents;
- (b) Receive, open and review bids and proposals;
- (c) Appoint standing selection committee members to obtain professional services in accordance with the Code of Miami-Dade County; and
- (d) Award or reject bids for contracts including professional service agreements and construction contracts and issue Notice to Proceed (the award value of the contract must be reviewed by OSBM, the base value of a recommended award does not exceed the base estimate by more than 20%), Negotiate and settle contractor claims, and issue change orders (change orders or amendments are timely in submission and do not exceed \$500,000 or 15% of the contract price), retroactive change orders must be submitted to the Board for approval.

Economists view this type of government intervention as an *"Economic Multiplier Concept."* The multiplier effect is a tool used by governments to stimulate aggregate demand. This can be done in a period of recession or economic uncertainty. The money invested by a government creates more jobs, which in turn will mean more spending. For example, a company spends \$1 million to build a factory. The money does not disappear, but rather becomes wages to construction workers and revenue to suppliers etc. The construction workers will have higher disposable income as a result, so consumption, therefore aggregate demand will rise as well. This creates an additional cycle of more labor income and more spending.

According to OCI's October 16, 2009 weekly ESP updates:

- \$532.6 million from the original \$625.7 million list of ESP projects have been expedited;
- \$32.6 million in projects that were added to the list via resolution have been expedited; and
- \$19.1 million in ARRA projects, which are automatically part of the ESP, have been expedited (Most are Public Works projects and some Housing projects)

Below is the current percentage of projects expedited based on both number of projects and dollars:

- Percentage of projects from the original list expedited based on number of projects: 88% (119 of total 135 projects)
- Percentage of projects from the original list expedited based on dollar value: 85% (\$532.6 million of \$625.7 million)

Local Construction Industry

According to the October 2009 labor Statistics report by the Beacon Council, Miami-Dade County's unemployment rate for September 2009 was 11.3 percent. This was a decline of 0.5 percent compared to August 2009 and an increase of 5.0 percent compared to September 2008. This is the first time this

year that the unemployment rate decreased compared to the previous month. The unemployment rate for the State of Florida was 11.2 percent and the United States was 9.5 percent in September 2009.

The construction sector continues to be of major concern, although the rate of decline has slowed down. It experienced a decrease in employment of 6,600 jobs or 14.4 percent between September 2008 and September 2009.

Question: Did the ESP meet the 2,619 projected additional employment positions for year one (1)? (See File No. 082232 BCC 7A Supp No. 2-Fiscal Impact)

Question: How is OCI staff measuring the ESPs impact on the local workforce?

- Third party verification of results is not required or even contemplated under current ESP legislation.
 - On June 30, 2009, the BCC, through Ordinance 09-60, approved several amendments to the ESP Ordinance. One of the amendments included the *Department of Procurement Management* review ESP purchases. The Office of Strategic Business Management and OCI have been monitoring the ESP since its inception (July 2008).

Legislative History

In October 2001, following the events of September 11, 2001, former Mayor Penelas presented an emergency plan that contained a similar proposal to expedite county spending on construction projects. On October 11, 2002, a report was presented to the BCC relating to expedited capital contracts. During the discussion, members of the BCC suggested the following: (1) area residents be hired for jobs generated by the capital projects under the expedited process; (2) jobs generated be advertised in the County's Job Clearinghouse; and (3) provide a status on the hiring of area residents.

The BCC also suggested an oversight and monitoring committee be added to the expedited process.³

- ***On October 11, 2001, Resolution 1084-01 was adopted 8-1, approving invocation of Emergency purchase procedures under the "General Building/Engineering and Specialty Trade Contractors".***

The BCC, through Section 2-8.2.11 of the Miami-Dade County Code, also authorized the County Mayor or his designee to accelerate the processing and procurement of contracts and agreements for various Water & Sewer Department projects (Accelerated Ordinance). This process allows that the items be able to bypass Committee review and be forwarded to the BCC for award.⁴

³ See File No. 012667 Special Item No. 2

⁴ See Nov 3rd BCC Item 8(R)(1)A

The following questions were posed to OCI staff:

- How many workers may be hired for the MIA project?
- How was the community notified of this project? What sources were used to advertise the project?
- Since the ESPs inception (July 2008), how many residents have been hired using ESP and alternative methods?

Prepared By: Michael Amador-Gil