



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

**Legislative Analysis**

**Transit, Infrastructure & Roads**  
**Committee**

January 13, 2010  
2:00 P.M.  
Commission Chamber

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

**Legislative Notes  
Transit, Infrastructure & Roads Committee  
Meeting Agenda**

**January 13, 2010**

Written analyses and notes for the below listed items are attached for your consideration:

**Item Number(s)**

2(C)
3(A)
3(B)

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



Legislative Notes

**Agenda Item:** 2(C)  
**File Number:** 093347  
**Committee(s)  
of Reference:** Transit, Infrastructure & Roads Committee  
**Date of Analysis:** January 13, 2010  
**Prime Sponsor:** Senator Javier D. Souto  
**Type of Item:** Resolution

**Summary**

This resolution: (1) establishes policy that design and construction of Neighborhood Public Infrastructure Improvements be given funding priority from any uncommitted and unexpended Building Better Communities General Obligation Bond (BBC-GOB) proceeds; (2) directs the County Mayor or his designee to make a recommendation to the Board of County Commissioners (BCC) identifying improvements suitable for accelerating funding from such bond proceeds; and (3) directs the administration to submit the recommendation directly to the BCC without committee review within thirty days of the effective date of this resolution.

**Background and Relevant Information**

The BBC-GOB program is a \$2.9 billion, multi-year capital improvement program funded by the periodic issuance of general obligation bonds. BBC-GOB surplus and premium funds may be generated as part of the program and may become available at any given time.

On January 10, 2008, the BCC, through Resolution 67-08, directed the Mayor or his designee to recommend a process to allocate surplus, premium, and other bond funds received from the sale of BBC-GOB. On March 17, 2009, the BCC, through Resolution 290-09, approved Implementing Order 3-47 (IO) relating to the administrative process for the use of surplus funds, premium funds and unspent bond proceeds.

The Office of Capital Improvements (OCI) manages the BBC-GOB Program in conjunction with the Office of Strategic Business Management (OSBM). A primary responsibility of administering the program is to apply bond proceeds to projects that are ready to move forward. Pursuant to the IO, BBC-GOB Surplus Funds, Premium Funds and Unspent Bond Proceeds will be used primarily to fund budget shortfall in projects, subject to Board approval, and to accelerate projects, through the process described in the IO. The status of Surplus and Premium Funds continues to be detailed in the BBC-GOB Quarterly reports to the BCC.

The IO will be presented at the January 21, 2010, BCC meeting to extend the sunset date through January

2012. The request to extend the sunset date was presented at the December 9, 2009, Transit, Infrastructure and Roads Committee.

Questions posed to OCI:

1. What formula is used for the distribution of bond proceeds, per commission district?
2. What is the current balance for uncommitted and unexpended Series 2005 and 2008B proceeds?
3. How much of that may be used for Neighborhood Improvement projects?
4. Which projects are pending and /or ready-to-go under the Neighborhood Improvement projects?

**Prepared by:** Michael Amador-Gil

**MIAMI-DADE COUNTY  
BOARD OF COUNTY COMMISSIONERS  
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Legislative Notes

**Agenda Item:** 3(A)  
**File Number:** 093392  
**Committee(s)  
of Reference:** Transit, Infrastructure & Roads Committee  
**Date of Analysis:** January 13, 2010  
**Type of Item:** Resolution

**Summary**

This resolution establishes an Implementing Order (IO) which includes processes and guidelines for the County's Public Involvement Plan (PIP) for projects that exceed \$1 million in construction cost.

On handwritten page 6, it states:

“County departments may request an exemption from the requirements from this IO for other situations not listed herein by submitting an exemption request to their respective Assistant County Manager for review and approval.”

**Question:** Will the public be notified when an exemption is authorized by the Assistant County Manager?

**Background and Relevant Information**

Through a memorandum dated August 31, 2006, the County Manager directed the Office of Capital Improvements (OCI) and all County departments that conduct construction-related activities, to ensure that the PIP is incorporated in all projects in excess of \$1 million that may adversely impact neighboring businesses.

OCI provides support services to 19 County departments and agencies for a wide range of pre-construction and construction activities with more than 1,500 capital projects now underway or in planning stages throughout Miami-Dade. This includes the \$2.9 billion voter-approved Building Better Communities Bond Program

OCI also monitors federal, state and local legislative initiatives to ensure that projects meet regulatory requirements and works closely with Miami-Dade departments and the County Attorney's Office to mitigate construction claims and ensure that the County's relationship with construction industry remains fair and balanced. OCI provides in-house resources to prepare and solicit architectural, engineering contracts and construction contracts and works with outside consultants to coordinate these activities with County departments who have direct oversight for capital construction.

According to a People's Transportation Plan 90-Day Report dated January 20, 2006, the County Manager delegated the PIP to the OCI for final public input and final development. An outreach brochure soliciting public comments was developed by OCI.

**Prepared by:** Michael Amador-Gil

**MIAMI-DADE COUNTY  
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Legislative Notes

**Agenda Item:** 3(B)  
**File Number:** 093423  
**Committee(s)  
of Reference:** Transit, Infrastructure & Roads Committee  
**Date of Analysis:** January 13, 2010  
**Type of Item:** Economic Stimulus Plan

**Summary**

This resolution adds County projects to the Economic Stimulus Program (ESP). The addition of these projects to the County's ESP list will allow them to benefit from the expedited process currently in place under this program.

**Question:** When the next ESP award list is presented to the Board of County Commissioners (BCC) for ratification, will the names of all firms awarded contracts, details describing the solicitation processes used to select such firms, and an estimate of the number of jobs created by such awards be included?

**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 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 Notices 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 December 31, 2009 weekly ESP updates:**

\$519.3 million from the original \$625.7 million list of ESP projects have been expedited. This number is lower than the \$522.5 million reflected during the last reporting period by \$3.2 million because projects were awarded this period for less than the amounts reflected in the requests -to-advertise (RTA) processed under the ESP.

- \$32.6 million in projects that were added to the list via resolution have been expedited; and
- \$30 million in ARRA projects, which are automatically part of the ESP, have been expedited (Public Works and Housing projects).
- \$582 million - Grand Total - ESP Projects Expedited

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% (118 of total 135 projects)
- Percentage of projects from the original list expedited based on \$\$ value: 83% (\$519.3 million of \$625.7 million)

**American Recovery and Reinvestment Act (ARRA)**

According to the ARRA 2009 Job Creation and Grant-Related Activities Report, the County has applied for over \$578 million in ARRA funding, and approximately \$230 million has been awarded. Based on information from departments, 49 jobs have been identified.<sup>1</sup>

**Local Construction Industry**

According to the latest Beacon Council's unemployment figures, Miami-Dade County's unemployment rate for November 2009 was 10.5 percent. This was a decrease of 1.3 percent compared to October 2009 (11.8%) and an increase of 4.3 percent compared to November 2008. The unemployment rate for the State of Florida was 11.5 percent and the United States was 9.4 percent in November 2009. The Miami-Dade County unemployment rate is lower again than the State of Florida.

The construction sector continues to be of major concern, although the rate of decline has slowed down. It experienced a decrease in employment of 6,700 jobs or 14.9 percent between November 2008 and November 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 measuring the ESP's impact on the local workforce?

- Third party verification of results is not required or even contemplated under current ESP legislation.

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<sup>1</sup> Under Federal Office of Management and Budget guidelines, an ARRA-created job is defined as a new position created and filled or an existing unified position that is filled as a result of ARRA. A retained job is an existing position that would have been eliminated if not for ARRA. A job cannot be counted as both created and retained.

- 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.<sup>2</sup>**

- *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".*

**Prepared by:** Michael Amador-Gil

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<sup>2</sup> See File No. 012667 Special Item No. 2