

Memorandum

MIAMI-DADE
COUNTY

Date: September 04, 2007

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager 

Subject: Supplemental Report: Resolution Retroactively Authorizing County Mayor or His Designee to Negotiate and Execute Change Orders to Agreement Between Miami-Dade County and C.G. Chase Construction Management, Inc., ("Chase") for Construction of Cruise Terminals D & E., ("Project") in Amount Not to Exceed \$1,992,181 from Available, Unspent Project Funds

Supplement to
Agenda Item No. 8(Q)1C

This Supplemental is provided to address the concerns raised at the Transit Committee meeting of July 18, 2007, regarding the use of the 2005 Sunshine State Loan proceeds.

On July 7, 2005, the Board approved Ordinance 05-154, authorizing a loan in aggregate not to exceed \$75 million from Sunshine State Governmental Financing Commission for purpose of paying cost or reimbursing costs of certain capital improvements for the Miami-Dade Seaport Department. One of the projects to be funded with this loan was the remaining costs of approximately \$40 million associated with the construction of Cruise Terminals D & E.

On September 8, 2005, via Resolution No. R-1043-05, the Board authorized the County Manager to negotiate and execute change orders to increase amount and time and modify scope to the agreement between the County and C.G. Chase for the construction of Cruise Terminals D & E. The amount of the change order was not to exceed \$9,453,013. Under the same resolution the Board was advised that this change order would be funded from the 2005 Sunshine State Loan proceeds, authorized in Ordinance 05-154.

Some of the projects identified and approved by the Board within the loan agreement for the 2005 Sunshine Loan had supplementary costs. For example, for the Phase II Dredging Project (Project), the Board approved Memorandum of Agreement between the County and U.S. Department of the Army (R-681-05) for the completion of the Project which required payment in the amount of \$6,819,833. Also, the aforementioned Project was supplemented by a required mitigation activity that was approved by the Board via Resolution No. R-367-02, which increased the Project funding by an additional \$2 million for the Oleta River State Park Mitigation Project. The Seaport is in the process of procuring the services of a contractor to perform this work, and the contract award will come before the Board for approval this fall. These supplementary costs and others totaled \$9.4 million.

Given that some of these supplementary costs were of a more immediate need for funding, a portion of the \$9.4 million were paid and committed to be paid (not expended), by the prior Seaport administration, from the 2005 Sunshine Loan. This resulted in additional payments and commitments to be paid in the amount of \$9.4 million in excess of the \$75 million. The supplementary projects and some of the prior commitments will be submitted for funding from the 2007 Sunshine State Loan, currently being drafted by the Finance Department to be submitted for your consideration this fall.

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Since timely completion of the Cruise Terminals D & E is crucial to avoid placing the County in a vulnerable position for future claims as well as not fulfilling prior commitments to its tenants, the Seaport conducted an analysis of the committed funds (funds committed but not yet paid) from the 2005 Sunshine State Loan and has re-prioritized the prior commitments to cover the \$9,453,013 million of improvements to Terminals D & E, as originally authorized by the Board in September 2005, via resolution R-1043-05.

A complete audit of this Project will be undertaken and provided to the Board upon completion.


Assistant County Manager

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