

Memorandum



Date: April 16, 2009

To: Honorable Chairman Dorrin D. Rolle
and Members, Airport & Seaport Committee

From: George M. Burgess
County Manager

Subject: Monthly Report from the Florida Department of Transportation on the Port of Miami Tunnel

ASC

Agenda Item No. 7B

Attached is a report provided by the Florida Department of Transportation regarding the Port of Miami Tunnel Project. The report responds to a request made during consideration of the Port Tunnel item on July 24, 2007 that the Board be updated on the status of the project on a monthly basis.


Assistant County Manager



Florida Department of Transportation

CHARLIE CRIST
GOVERNOR

1000 NW 111th Avenue
Miami, Florida 33172-5800

STEPHANIE C. KOPELOUSOS
SECRETARY

April 7, 2009

The Honorable Dorrin Rolle
Commissioner, District Two
Stephen P. Clark Center
111 NW 1st Street, Suite 220
Miami, FL 33128

RE: Monthly Progress Report on the Port of Miami Tunnel

Dear Commissioner Rolle:

Enclosed is the Monthly Progress Report for March, 2009 on the Port of Miami Tunnel for inclusion in the April Airport and Seaport Committee meeting of the Board of County Commissioners.

If you or your colleagues have questions or comments, please feel free to contact me at 305-470-5197.

Sincerely,

A handwritten signature in black ink, appearing to read "Gus Pego".

Gus Pego, P.E.
District Secretary

Enclosure

cc: Ysela Llort, Assistant County Manager
Bill Johnson, Seaport Director
Ric Katz, POMT Public Affairs Consultant
Alice Bravo, P.E., Director of Transportation Systems Development



**Port of Miami Tunnel (POMT) Program Progress Report to the
Airport & Seaport Committee of the Miami-Dade Board of County
Commissioners**

March, 2009

Status

- FDOT posted the award of the Concession Agreement to Concessioner Miami Access Tunnel on Friday, February 15th, 2008.
- December 12th, 2008 – Secretary Kopelousos informed Miami-Dade County and City of Miami Mayors that procurement process had been halted since the Miami Access Tunnel Team as originally presented was no longer viable due to global financial market conditions affecting the 90% equity partner Babcock & Brown.
- January 18, 2009 – Tour of Port of Miami by elected officials and agency representatives
- January 29, 2009 – MPO meeting – Assistant Secretary Kevin Thibault attended to provide an update and answer MPO board member questions regarding the procurement:
- April 1, 2009 letter from Stephanie C. Kopelousos to the Honorable David Rivera, Chairman, Florida House Full Appropriations Council on Education & Economic Development, (attached). Letter outlines options for re-procurement of the project and timeline to accomplish same.



Florida Department of Transportation

CHARLIE CRIST
GOVERNOR

605 Suwannee Street
Tallahassee, FL 32399-0450

STEPHANIE C. KOPELOUSOS
SECRETARY

April 1, 2009

The Honorable David Rivera, Chairman
Florida House Full Appropriations Council
On Education & Economic Development
State Representative, District 112
222 The Capitol
402 South Monroe Street
Tallahassee, FL 32399-1300

Subject: Project Status Update – Port of Miami Tunnel (POMT)

Dear Chairman Rivera:

Earlier this month, the Florida Department of Transportation (FDOT) provided information to the Chairman of the Miami-Dade Metropolitan Planning Organization indicating our schedule in reviewing options associated with the development of the Port of Miami Tunnel (POMT) project. As we have discussed on a number of occasions, and as is evident with the many contacts I have received from commissioners and other officials from Miami-Dade County and the City of Miami, I am well aware of the importance of this project to the community, to the port, and to the region. That is why I committed to take a step back and perform the review we did in recognition of that community support.

The department focused its review on the following four possible scenarios to develop the project further:

- A. Re-establish negotiations with the selected firm
- B. Re-establish negotiations with the No. 2 ranked firm
- C. Proceed with a new procurement with Miami-Dade County being the lead government entity, recognizing the significant talent within county staff and allowing local government to control the project's destiny
- D. Proceed with a new procurement by the Florida Department of Transportation

Option A would require the department to evaluate the proposed substitution of the major equity partner on the selected team, with the hopes that a successful conclusion could be reached, that project costs stay within the budget of the parties, and a financial close could be achieved in a reasonably short period of time. The initial concern with this proposal is that a great period of time has elapsed since the proposals were even submitted, costs currently (and for many months to come) are very competitive and the financial markets have changed to a point that there may

The Honorable David Rivera, Chairman

April 1, 2009

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be other entities willing to embark in this project. In addition, and a serious consideration when the goal would be to reach a successful conclusion in a timely manner, is the important fact of the qualifications of the substituted equity partner. A cursory review by staff has indicated that if that partner were proposed in the original submission several years ago, that consortium would not have met the minimum qualifications presented for this project.

Option B re-opens a negotiation with the No. 2 ranked proposer. Although this proposer has expressed recent interest in being a part of a discussion similar to this option, two strong concerns that seriously eliminate the merit of this option are that the proposer accepted the payment of all fees associated with the proposal and failed to provide documentation that their original proposal (albeit significantly higher in cost than the selected concessionaire) would still be honored beyond the original time period identified in the procurement documents.

This agency has seen an unprecedented number of bidders on its projects, and significant cost savings on its bids that has helped us keep some projects in the work program even when funds have been reduced based on decreased revenue estimates. It therefore appears to us that the best overall solution is to re-procure this project either using Option C or D mentioned above. Option C allows the county to utilize the expertise of its staff that were department employees and are very familiar with the project and its development and recognizes the significant contribution local government will be providing to the project. Option D recommends the department proceeding with the procurement on a revised schedule, based on a funding scenario acceptable to the parties.

In order to proceed with the development of this project, the department will be calling together representatives from the city, county as well as our district and central office staff to layout the procurement schedule, overall funding strategies (since the timeline and revenues associated have changed) and make a presentation back to the parties no later than July 1, 2009. That time schedule will also allow the parties to make the necessary adjustments to their overall budgets in response to recent revenue forecasts.

Please do not hesitate to contact me should you have any questions.

Sincerely,



Stephanie C. Kopelousos
Secretary

SCK/KJT/pc

cc: Miami-Dade Congressional Delegation
Miami-Dade County Delegation
The Honorable Carlos Alvarez, Mayor Miami-Dade County

The Honorable David Rivera, Chairman
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The Honorable Manuel A. Diaz, Mayor City of Miami
The Honorable Dennis C. Moss, Chairman, Board of County Commissioners
George M. Burgess, County Manager
Ysela Llort, Assistant County Manager
Bill Johnson, Director Port of Miami
Pedro G. Hernandez, City Manager
Jose Luis Mesa, MPO Director
Gus Pego, District Secretary- District 6