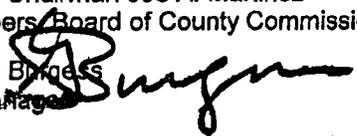


Memorandum



Date: February 7, 2011

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: George M. Burgess
County Manager 

Subject: Request to Ratify the Rejection of the Unsolicited Proposal from Innovative Traffic Group, LLC for the Design, Build and Finance of the Countywide Upgrade of Existing Outdated Traffic Signal Support Systems with Mastarm Support Systems (Project No. UP10-PW-02; Contract No. 20100449)

RTC
Agenda Item No. 4(G)

Recommendation

It is recommended that the Board of County Commissioners (Board) ratify the County Manager's rejection of an Unsolicited Proposal submitted by Innovative Traffic Group, LLC (ITG) pursuant to Section 2-8.1(k) of the Miami- Dade County Code (Code), which establishes procedures for the evaluation, development, acceptance and rejection of unsolicited proposals for County contracts. On July 28, 2009, the County received an unsolicited proposal from ITG for the *Design, Build and Finance for the Replacement of all Traffic Signal Spanwire Support Systems with Mastarm Support Systems Countywide*. However, the proposal submitted by ITG and the subsequent revision on May 11, 2010 was lacking the detail required by the Code, such as identifying the exact locations and, most importantly, providing a detailed financing plan that lays out the annual costs to the County and the payment structure. Therefore, the requirements established by the Code required the proposal to be rejected and for the rejection of the proposal to be ratified by the Board.

Scope

The work proposed to be performed under this Unsolicited Proposal was the design, construction and financing of a Countywide project to replace approximately 236 spanwire traffic signal support systems with mastarm support systems.

Fiscal Impact/Funding Source

The fiscal impact of the Unsolicited Proposal is estimated to be \$44,503,864.00, not including financing costs, and would be funded from Secondary Gas Tax and future Road Impact Fees. However, the Unsolicited Proposal submitted did not provide sufficient detail of the proposed financing plan to determine the complete fiscal impact and costs to the County.

As part of the new solicitation, the Proposer is to provide short term construction financing for all project costs and be reimbursed contingent upon a final long term financing plan acceptable to the County that can be funded within projected available resources at successful completion of agreed upon milestones. The FY 2010-11 Proposed Multi-Year Capital Plan includes \$9.456 million for Mastarm Upgrades (Capital Budget Project No. 608510, page 76). The Public Works Department (PWD) has identified Secondary Gas Tax and Road Impact Fees that may be reallocated to fund this project. Additionally, PWD continues to apply for and seek out all available hazard mitigation funding opportunities for mastarm upgrades. Nonetheless, the complete funding for any permanent financing plan has not yet been identified, budgeted, or appropriated until an acceptable financial plan is submitted as part of the proposals.

Background

On July 28, 2009 the County received an unsolicited proposal from Innovative Traffic Group, LLC to design, build and finance a complete countywide mastarm upgrade program, using a public-private

partnership, design-build-finance model. This proposal was revised on May 11, 2010 (see Attachment A). However, the proposals still lacked the sufficient details and information as required by the Code.

The proposal consists of a baseline proposal to upgrade existing traffic signal spanwire support systems at approximately 236 intersections with mastarm support systems within a period of 36 months. The original proposal submitted contained a base list of 302 spanwire supported intersections which was subsequently reduced to 236 intersections, since many of the locations had already been upgraded or programmed for upgrades through other projects. The proposal also included alternatives, such as the upgrade of 152 additional spanwire supported signals on State of Florida roadways and upgrade of 63 school flashers and 133 substandard mastarm signals for a total of approximately 650 mastarm upgrades, improving all remaining outdated traffic signal support structures in Miami-Dade County.

The unsolicited proposal renders an expedited timeframe for completion of the mastarm conversion effort countywide, thereby providing increased safety to the general public, savings of indirect costs associated with hurricane recovery (clean-up, signal restoration, police officers, and PWD staff that are reassigned in order to direct traffic at downed traffic signal locations). It must be noted that, during a storm event, Federal Emergency Management Agency (FEMA) Disaster funds have always been limited to temporary repairs of traffic signals and as such consistently fund recurring costs with each storm event, leaving the permanent conversion to mastarms unaddressed.

On September 12, 2006, in the aftermath of Hurricanes Katrina and Wilma, the Board adopted Resolution No. R-1032-06 directing the County Manager to develop a plan for phasing out all of the older-type traffic signals mounted on spanwire support systems and replacing them with the newer-type of traffic signals mounted on mastarm support systems that are better able to withstand hurricane force winds. Citing concerns over public safety and emergency response subsequent to these events, PWD was directed to carry out this task. In order to follow this Board directive, PWD applied for FEMA assistance for the conversion to mastarm support systems on a countywide basis. Upon local confirmation of available funds, PWD proceeded to program 12.5% in matching funds over a five (5) year period. This request for \$84,700,000, which included a requirement of 25% in matching funds (\$21,175,000) to be shared between the Florida Department of Transportation (FDOT) and the County, was ultimately denied at the Federal level. Subsequently, the County has submitted three (3) funding requests under the FEMA Hazard Mitigation program with only one funding grant of \$1,568,386 for 15 locations having been approved by FEMA (Board Resolution No. R-1335-08 approved in fiscal year 2008-09). The two (2) other grant funding requests are being considered, but have not yet been approved by FEMA.

Upon notification of the single grant approval, PWD immediately proceeded to design the 15 signal locations, and all are currently under some stage of construction. Based on the history of securing mitigation funds, PWD projects that it will be able to accomplish the upgrade of system-wide spanwire support systems to mastarm support systems at a rate of 15 signal locations every other year. As such, the current approach to harden the baseline signal system intersections could take up to 30 years to complete. Given the expansion and growth of the County in the past years, PWD's traffic signalization efforts have been focused on the implementation of new traffic signals, and the retrofit of existing ones has remained unaddressed, mainly due to funding constraints. The implementation of this unsolicited proposal would expedite the upgrade to mastarm support systems for the approximately 236 spanwire supported intersections under the County's jurisdiction.

Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners
Page No. 3

PWD staff reviewed the proposal and is supportive of the project concept, as it furthers public safety and emergency preparedness. Therefore, while the Unsolicited Proposal submitted cannot be accepted due to its lack of detail, it has been determined that the proposal may be viable depending upon financing options that may be available and determination of the final scope of work (including the exact intersections). As such, PWD has initiated the process to advertise a Request for Proposals to design, build, and finance the conversion of the County's baseline spanwire supported system to mastarms support systems. If the proposals received are favorable and in the best interests of the County, a recommendation will subsequently be forwarded to the Board for consideration.

BUDGET APPROVAL
FUNDS AVAILABLE:  9/17/10
OSBM DIRECTOR DATE

APPROVED AS TO
LEGAL SUFFICIENCY:  _____
COUNTY ATTORNEY DATE

CAPITAL IMPROVEMENTS
CONCURRENCE:  9/21/10
OCI DIRECTOR DATE

 9/22/10
ASSISTANT COUNTY DATE
MANAGER

CLERK DATE _____
DATE



MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: February 1, 2011

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No.

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

5

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No.

RESOLUTION NO. _____

RESOLUTION RATIFYING THE REJECTION OF THE UNSOLICITED PROPOSAL FROM INNOVATIVE TRAFFIC GROUP, LLC FOR THE DESIGN, BUILD AND FINANCE OF THE COUNTYWIDE UPGRADE OF EXISTING OUTDATED TRAFFIC SIGNAL SUPPORT SYSTEMS WITH MASTARM SUPPORT SYSTEMS (PROJECT NO. UP10-PW-02; CONTRACT NO. 20100449)

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board pursuant to Section 2-8.1(k) of the Miami-Dade County Code which establishes procedures for the evaluation, development, acceptance and rejection of unsolicited proposals for County contracts hereby ratifies the rejection of the Unsolicited Proposal from Innovative Traffic Group, LLC for the Design, Build and Finance of the Countywide Upgrade of Existing Outdated Traffic Signal Support Systems with Mastarm Support Systems (Project No. UP10-PW-02; Contract No: 20100449) in substantially the form attached hereto and made a part hereof.

The foregoing resolution was offered by Commissioner ,
who moved its adoption. The motion was seconded by Commissioner
and upon being put to a vote, the vote was as follows:

	Joe A. Martinez, Chairman
	Audrey M. Edmonson, Vice Chairwoman
Bruno A. Barreiro	Lynda Bell
Jose "Pepe" Diaz	Carlos A. Gimenez
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Natacha Seijas	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 1st day of February, 2011. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

HBS/

Hugo Benitez



May 11, 2010

Frank Aira
Miami-Dade County
Stephen P. Clark Center
111 N.W. 1st Street, Suite 2910
Miami, Florida 33128

Re: ITG Mast Arm Replacement Unsolicited Proposal

Dear Mr. Aira,

We are submitting to you the revised base offer sheet of **Innovative Traffic Group, LLC**. The document is entitled "OFFER OF INNOVATIVE TRAFFIC GROUP, LLC PUSUANT TO MIAMI-DADE COUNTY'S UNSOLICITATED PROPOSAL ORDINANCE (REVISED 05/10/10)". The purpose of this document is to inform you of revisions as of May 10, 2010. If you should have any questions concerning our project and our document please feel free to contact Vicente Gonzalez at 305-821-0322.

Sincerely,



Vicente Gonzalez, Director
Innovative Traffic Group, LLC

**OFFER OF INNOVATIVE TRAFFIC GROUP, LLC PURSUANT TO MIAMI-DADE COUNTY'S
UNSOLICITED PROPOSAL ORDINANCE (Revised 05/10/2010)**

The following constitutes the firm offer of **Innovative Traffic Group, LLC** pursuant to ordinance 08-79 (the "Offer Term Sheet").

In the event this offer is accepted by Miami-Dade County in its discretion, **Innovative Traffic Group, LLC** agrees to be bound by a contract subject to the following material terms. For more details in connection with this offer, please refer to **Mast Arm Upgrades**, unsolicited proposal dated July 27, 2009 (the Unsolicited Proposal"). In the event of any inconsistency between the Unsolicited Proposal and this Offer Term Sheet, the provisions of this Offer Term Sheet shall govern:

1. **PRICE:** The proposed design and construction work shall be performed at a total lump sum price of \$ 44,503,864.11 exclusive of contingencies. This price includes the following items:

- o Base List – 236 County Span Wire Signals re-constructed according to current Miami Dade County traffic signal standards and specifications within 36 months from notice to proceed.
- o All required ADA upgrades at the locations constructed.
- o Replacement of all ground mounted signs if required.
- o Permitting.
- o Maintenance of Traffic

The price does not include the following:

2. **FINANCING:** The conceptual finance plan was developed using an indicative interest rate based on market conditions as of the date of the submittal. Financing costs will be finalized in partnership with the County to secure the market rate at the time of contract execution.

ITG proposes to finance this project over a fifteen-year period, with 15 equal yearly payments by Miami Dade County without any upfront payments.

3. **ENVIRONMENTAL COSTS:** The contractor will perform sufficient due diligence to identify any and all known pre-existing environmental issues and costs associated with the proposed project scope, as well as any value engineering solutions which may minimize any environmental impacts.

4. **DURATION OF THE PROJECT:** As proposed, the project duration is 36 months and will be carried out based upon mutually agreed project milestones. The

contractor reserves the right to extend the contract duration for a mutually agreed upon timeframe for project delays related to the following:

- a) County opting to rectify any and all environmental issues.
- b) Delay caused by the issuance of a "Declaration of Emergency" for any "Force Majour Event"
- c) Any other delay caused as a direct result of County actions.

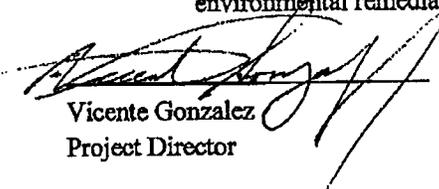
5. **LAND ACQUISITION:** The project does not anticipate the need for land acquisition. Should any locations require any additional right-of-way, the actual cost of land acquisition by the contractor will be the responsibility of the County or the County may seek to acquire the right-of-way by its own means.

6. **OTHER COSTS NOT INCLUDED:** As proposed the project cost estimate does not include the following:

1. Geometric/phasing modifications

2. Payment and performance bond costs will not exceed one percent of the total contract award amount.

7. **RISK ALLOCATION:** The contractor waives any and all claims against the County resulting from project design and delays resulting from land acquisition and environmental remediation.



Vicente Gonzalez
Project Director