Memorandum

MIAMI-DADE COUNTY

Date: July 7, 2011

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

Agenda Item No. 8(O)(1)(A)

From: Alina T. Hudak
County Manager

Subject: Recommendation to Reject Proposal for RFP No. 718: Lease, Operation and Management of Dade County Auditorium

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RECOMMENDATION

It is recommended that the Board of County Commissioners reject the proposal received for Lease, Operation and Management of Dade County Auditorium for Park and Recreation Department.

RFP NO: 718

RFP TITLE: Lease, Operation and Management of Dade County Auditorium

TERM: Fifteen years with two, five-year options to renew

APPROVAL TO ADVERTISE: March 28, 2010

METHOD OF AWARD: To the responsive and responsible vendor whose offer results in the best value to the County. A full and open competitive Request for Proposals process was used.

PREVIOUS CONTRACT AMOUNT: Not Applicable

CONTRACT AMOUNT: $350,000 estimated revenue to the County for the initial fifteen-year term

USING/MANAGING AGENCY AND FUNDING SOURCE:

Department	Allocation	Funding Source	Contract Manager
Park and Recreation	$350,000	Revenue Generating	Jon Seaman
Total	**$350,000**		
The allocation and funding source has been reviewed and approved by the Office of Strategic Business Management. There is no fiscal impact beyond what is stated in this award recommendation.			

DPM CONTRACTING OFFICER: J.C. Romano, CPPB, Department of Procurement Management

VENDORS RECOMMENDED FOR AWARD:	None
VENDOR NOT RECOMMENDED FOR AWARD:	Eventus Marketing, Inc.
REVIEW COMMITTEE DATE:	Not Applicable
CONTRACT MEASURES:	Pursuant to Administrative Order 3-41, contract measures do not apply to revenue generating contracts.
LIVING WAGE:	The services being provided are not covered under the Living Wage Ordinance.
USER ACCESS PROGRAM:	The User Access Program provision would not apply as this is a revenue generating contract.
LOCAL PREFERENCE:	The Local Preference was applied in accordance with the Ordinance and did not affect the outcome.
ESTIMATED EFFECTIVE DATE:	Ten days after date adopted by the Board of County Commissioners, unless vetoed by the Mayor.

BACKGROUND

The Park and Recreation Department operates the Dade County Auditorium (DCA) located at 2901 West Flagler Street, Miami, Florida. DCA is a multi-purpose facility, which includes a 2,400 seat proscenium-style theatre, dressing rooms, box offices, administrative offices, and concession stands. Due to budgetary reasons, the County considered pursuing alternative operating arrangements for the auditorium.

The County issued a solicitation to lease, operate and manage the DCA through a long-term lease. The selected operator would provide oversight of all activities at the auditorium. One proposal was received in response to the solicitation. The proposal was rated by the Evaluation/Selection Committee and recommended for negotiations. Subsequent to the evaluation but prior to commencing the negotiations, the department reassessed its need to outsource these services

Park and Recreation is considering various options to operate the auditorium within budget. One option being pursued is increasing the number of revenue generating shows. Additionally, Park and Recreation is working with the Office of Strategic Business Management to develop a plan to address subsidy needs for the facility. It is deemed in the best interest of the County to reject the proposal and to explore these options in lieu of outsourcing these services.

Assistant County Manager

MEMORANDUM

(Revised)

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

DATE: July 7, 2011

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

SUBJECT: Agenda Item No. 8(O)(1)(A)

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**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(O)(1)(A)
7-7-11

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO REJECT THE PROPOSAL RECEIVED FOR THE REQUEST FOR PROPOSALS (RFP) TO LEASE, OPERATE AND MANAGE DADE COUNTY AUDITORIUM RFP NO. 718

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 approves the rejection of the proposal received for Request for Proposals No. 718 to the lease, operate and manage Dade County Auditorium.

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
Esteban L. Bovo, Jr.	Jose "Pepe" Diaz
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this 7th day of July, 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.

Monica Rizo

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

Legislative Notes

Agenda Item:	**8(M)1(A) and 8(O)1(A)**
File Number:	**111063 and 111070**
Committee(s) of Reference:	**Board of County Commissioners**
Date of Analysis:	**June 9, 2011**
Type of Item:	**Resolution**

Summary

These resolutions approve the following:

- Legislative Item No. 111063- Ratifying decision of the County Mayor or County Mayor's designee to reject the unsolicited proposal from Eventus Marketing, Inc. (Eventus) for a long term facility management agreement for the Dade County Auditorium (DCA); and
- Legislative Item No. 111070- Authorizing the County Mayor or County Mayor's designee to reject the proposal received for the request for proposals to lease, operate and manage Dade County Auditorium RFP No. 718.

Background

On September 13, 2010, the County Manager issued a Memo on the Dade County Auditorium's proposed level of funding for FY2010-2011 that would reduce staffing and operation levels to allow for the currently contracted revenue generated events and rentals to occur. Additionally, the memo further explains the decreasing revenues being earned by DCA along with the escalating costs of operating the facility, have required these efficiencies in response to the reduced amount of subsidy available.

Furthermore, the Memo mentions that the Dade County Auditorium will continue to be open for all groups that have held events there, there will be no change in cost to the community art groups for booking events, and any proposed changes to the rates would have to be presented to the Board of County Commissioners (BCC) for approval.

Finally, the Memo details the County's plan for DCA in FY2010-2011 to include information on an unsolicited proposal it received from Eventus to manage DCA and a subsequent RFP (RFP No. 718) issued by the County for the lease, operation and management of DCA.

Unsolicited Proposal –Legislative Item No. 111063

According to the Manager's Memo for Legislative Item No. 111063, On March 5, 2009, the County received an unsolicited proposal from Eventus to manage the DCA which included the following elements:

- Create an exhibit space within the facility to showcase Hispanic/Latin cultural contributions;
- Renovate and reconfigure the DCA; and
- Design and build a restaurant, black-box theatre and recording studio
- County would continue to maintain supporting service levels for maintenance, custodial and landscaping service for five years

The proposed resolution ratifies the rejection of the unsolicited proposal and requires the County to return a monetary deposit to Eventus (deposit retained by the County upon submittal of the unsolicited proposal) minus any direct costs associated with evaluating the proposal.

RFP 718-Legislative Item No. 111070
According to the Manager's Memo, on April 20, 2010, the County issued a Request for Proposals for the Lease, Operation and Management of the Auditorium (RFP No. 718). Subsequently, the County notified Eventus of RFP No. 718 and Eventus was the only respondent.

However, at the September 13, 2010, Recreation and Cultural Affairs Committee meeting, discussion ensued regarding options that would allow the County to continue operating the DCA. Subsequently, on October 19, 2010, the former Mayor of Miami-Dade County, held a press conference to announce that the County would continue to operate DCA.

Consequently, County administration has been working with community arts promoters and producers, to increase revenues of the facility and therefore recommending to reject the proposal received under RFP No. 718.

Recent legislation
On June 3, 2010, the BCC approved Resolution R-589-10, approving a significant modification to General Obligation Bond (GOB) Program Project No. 292-Dade County Auditorium, decreasing the allocation from $8 million to $4 million in order transfer the Hispanic Black Box Theatre from Miami-Dace County Auditorium to GOB Project No. 286 - Construction of the Westchester Community Arts Center.

Budgetary Impact
In FY2009-2010, DCA was budgeted at $1.009 million in expenses with projected revenues of $561,000 requiring the subsidy of $447,600. The FY2010-2011 adopted budget includes the subsidy of $220,500 in expenses.

Comments

The following questions were posed to MDPR, followed by their responses, relating to DCA:

1. What is the budget for DCA for the last 3 years?

	Budget FY 07-08	Actual FY 07-08	Budget FY 08-09	Actual FY 08-09	Budget FY 09-10	FY 09-10
Revenues (fees and charges)	559,600	651,225	578,100	522,414	571,942	557,803
Expenses	1,061,900	1,358,407	1,082,300	947,960	1,008,600	851,640
GF Subsidy	(502,300)	(707,182)	(504,200)	(425,546)	(436,658)	(293,837)

2. How much has the County subsidized to DCA in the last three years? **Total three years subsidy from FY 07-08 to FY 09-10 $1,426,565 (see above table).**
3. How many shows are needed to increase revenues for DCA to operate within budget? **Not provided.**
4. What is included in the DCA subsidy needs plan being developed by OSBM? **Revenue - $610,000, Expenses - $826,000 Net ($216,000) 4 FT positions, 7 PT positions**
5. What has been the attendance for DCA in the last 3 years?
   Total attendance at the Miami-Dade County Auditorium over the past three years is 365,419.
   2008/2009 = 101,963
   2009/2010 = 129,287
   2010/2011 = 134,169 (projected)
6. What was the amount of the deposit retained by the County upon submittal of the unsolicited proposal by Eventus? **$25,000**
7. Were there any direct costs incurred by the County associated with evaluating the proposal? **No direct costs.**

Prepared by: Mia B. Marin