



MEMORANDUM
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FC
Agenda Item No. 6(D)

TO: Honorable Chairman Esteban L. Bovo, Jr.
and Members, Finance Committee

DATE: July 8, 2014

FROM: Christopher Agrippa, Director
Clerk of the Board Division

SUBJECT: Approval of Commission
Committee Minutes

The Clerk of the Board's office is submitting the following Clerk's Summary of Minutes for approval by the Finance Committee:

June 10, 2014

CA/ae
Attachment

**CLERK'S SUMMARY OF
Meeting Minutes
Finance Committee**

Esteban L. Bovo, Jr. (13) Chair; Juan C. Zapata (11) Vice Chair; Commissioners Sally
A. Heyman (4), and Dennis C. Moss (9)

Tuesday, June 10, 2014

9:30 AM

COMMISSION CHAMBERS

Members Present: Esteban L. Bovo, Jr., Dennis C. Moss, Juan C. Zapata.

Members Absent: Sally A. Heyman.

Members Late: None.

Members Excused: None.

Members Absent County Business: None.

1 MINUTES PREPARED BY:

Report: *Alan Eisenberg, Commission Reporter, (305) 375-2510*

**1A INVOCATION AS PROVIDED IN RULE 5.05
(H)**

Report: *Sergeant at Arms Michael Roan opened today's (6/10) meeting with an invocation.*

1B ROLL CALL

Report: *Chairman Bovo called the meeting to order at 9:45 a.m.*

In addition to the Committee members, the following staff members were present: Assistant County Attorneys Monica Rizo and Daniel Frastai; and Deputy Clerks Jovel Shaw and Alan Eisenberg.

Deputy Clerk Shaw noted that Commissioner Heyman submitted a memorandum that she would be absent from today's (6/10) meeting.

Assistant County Attorney Rizo announced that Item 3L was to be added to today's (6/10) Agenda; that Item 4E was requested to be withdrawn; and that Items 3A and 3I contained amendments that would be read into the record when those items were presented.

It was moved by Commissioner Moss that the June 10, 2014 Finance Committee Meeting Agenda be approved with the corrections noted by Assistant County Attorney Rizo, pursuant to County Commission Chairwoman Rebeca Sosa's Requested Changes to the Finance Committee Agenda memorandum, dated June 10, 2014. This motion was seconded by Chairman Bovo, and upon being put to a vote, passed by a unanimous vote.

1C PLEDGE OF ALLEGIANCE

Report: *Commissioner Zapata led the Committee in the Pledge of Allegiance.*

1D **REASONABLE OPPORTUNITY FOR THE
PUBLIC TO BE HEARD AS PROVIDED IN
RULE 6.06**

Report: *Assistant County Attorney Monica Rizo noted pursuant to Florida Statute, each item on today's (6/10) agenda was open to public comment and anyone wishing to speak should come forward, provide their name and address, and present their issue.*

Chairman Bovo noted anyone wishing to speak could do so at the time each item was presented.

Seeing no one wishing to speak, Chairman Bovo closed the floor to public comments at this time.

1E **SPECIAL PRESENTATIONS**

1F **DISCUSSION ITEMS**

1G **PUBLIC HEARINGS**

1G1

141116 Ordinance**Rebeca Sosa**

ORDINANCE REPLACING REFERENCES TO "COUNTY MANAGER" WITHIN ARTICLE XLVII RELATING TO THE COMMISSION AUDITOR; AMENDING SECTION 2-477 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA, TO REMOVE SUCH REFERENCES; AMENDING SECTION 2-479 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA, TO REMOVE SUCH REFERENCES; PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

Forwarded to BCC with a favorable recommendation

Mover: Moss

Seconder: Zapata

Vote: 3-0

Absent: Heyman

Report: *Assistant County Attorney Monica Rizo read the foregoing proposed ordinance into the record.*

Chairman Bovo opened the public hearing and called for persons wishing to appear before the Committee on the foregoing proposed ordinance. The floor was closed after no one appeared wishing to speak.

Hearing no questions or comments, the Committee proceeded to vote on the foregoing proposed ordinance, as presented.

2 COUNTY COMMISSION

2A

141247 Resolution Audrey M. Edmonson

RESOLUTION WAIVING REQUIREMENT THAT SMALL BUSINESS BOND COUNSEL AND DISCLOSURE COUNSEL LAW FIRMS MAINTAIN SEPARATE MALPRACTICE INSURANCE COVERAGE; AND DIRECTING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE IN ALL FUTURE SOLICITATIONS FOR BOND COUNSEL AND DISCLOSURE COUNSEL SERVICES TO ALLOW PARTICIPATION BY SMALL BUSINESS LAW FIRMS WITHOUT SUCH REQUIREMENT

Forwarded to BCC without a recommendation

Mover: Zapata

Seconded: Bovo, Jr.

Vote: 3-0

Absent: Heyman

Report: *Assistant County Attorney Monica Rizo read the foregoing proposed resolution into the record.*

Chairman Bovo opened the floor for public comments and called for persons wishing to appear before the Committee on the foregoing proposed resolution.

Mr. Jose Villalobos, 1 SE 3 Avenue, Miami appeared before the Committee and introduced Mr. Rayfield McGhee.

Mr. Rayfield McGhee, 19 West Flagler Street, Suite 501, Miami noted the County encouraged minority participation in the bond selection process, opening the door to women, Hispanic and African American law firms. He pointed out that the requirement for bond council to maintain a separate malpractice insurance policy was never imposed on minority firms and that their current policy was deemed sufficient. Mr. McGhee commented that he was not aware of any previous problems related to bond transactions issued by Miami-Dade County, noting that the County Attorney's office was always an instrumental party in developing these transactions. He said that implementation of the all insurance requirement would impose unintended consequences due to the high cost of legal liability insurance and its disproportionate financial impact on minority law firms. Mr. McGhee indicated that the liability premiums could potentially exceed the amount a law firm would earn for its work. He concluded that the requirement would favor the firms that could afford to pay.

Commissioner Moss inquired whether the senior law firm's insurance policy would assume responsibility for the transaction prior to the proposed all firm insurance requirement.

Mr. Frank Hinton, Director, Bond Administration Division noted he would provide the requested information later.

Commissioner Moss questioned whether the County ever assumed liability for the actions taken by junior law firms.

Mr. Hinton responded that that the County had never defended any such lawsuits or suffered any liability that would ultimately be transferred to the junior law firms.

Commissioner Moss inquired whether the senior law firms insurance currently covered the entire transaction or was the junior law firm also required to obtain its own insurance.

Mr. Hinton responded that this was a joint venture with a co-bound council, noting that both the senior and junior law firms were responsible for their own work. He said he did not believe that an insurance company would be willing to cover a loss unless the firm was originally signed as a recipient under the policy.

Mr. McGhee noted that a full coverage insurance policy was required. He indicated that requiring insurance from the junior law firm would provide 200 percent of the required insurance coverage. Mr. McGhee said that the senior law firms' full coverage insurance policy under the terms of the Request for Proposal (RFP) should be sufficient.

In response to Commissioner Moss' question whether the senior law firm was required to have full coverage, Mr. Hinton noted that this was a County requirement. He said that whether the insurance extended to the entire transaction, including both the senior and junior law firm depended upon the terms of the specific policy.

Mr. Daniel Cullen, Director, Risk Management pointed out that each contract required professional liability coverage for the individual bond council, noting the policy might not cover the entire amount of exposure, but would be sufficient to cover the reasonable amount of a potential claim. He said that both the senior and junior law firm obtained their own insurance to cover their portion of work and there would not be coverage exceeding the actual loss. Mr. Cullen pointed out that the senior law firms' insurance company would not cover the work of another

party unless there was a contractual connection between the two parties and an obligation underneath that contract. He said that the insurance policies were mutually exclusive for the work performed and the claims made against those policies, with separate policies for each firm.

Commissioner Moss questioned whether this would preclude the senior law firm from obtaining sufficient coverage for them and the junior firm.

Mr. Cullen responded that binding contractual language would be necessary and it would require the insurance company acceptance. He pointed out that it would be better for each party to obtain their own insurance. Mr. Cullen noted out that firms obtained insurance coverage for all their contracts for the entire year, not for each individual contract.

Commissioner Zapata questioned whether the County was proactive in attracting minority firms to perform both legal and bond work; the number of minority firms that participated in the program; the length of their contract; and how long they worked with the County.

Mr. Hinton responded that there was both a management agreement and a development agreement between the senior and junior law firms. He said the senior law firm would develop the junior firm over a five year program. Mr. Hinton noted the junior disclosure council was becoming more involved in preparation and development of required documents over time. He indicated there were currently three senior and three junior bond council firms as well as three senior and three junior disclosure council firms. Mr. Hinton noted that the contract was for a five year term. He said there were senior law firms working with the County for the past ten to fifteen years; that these senior firms retained the same junior firms for this period; and that new senior and junior law firms had also entered the pool during this period. Mr. Hinton pointed out that the number of senior bond council firms needed to increase in order to obtain additional junior firms.

Chairman Bovo inquired and Mr. McGhee confirmed that waiving the requirements was an impediment for minority bond councils.

Chairman Bovo questioned whether the insurance carried was sufficient to protect the County.

Mr. Cullen explained that the insurance was purchased on behalf of the bond council as collateral to protect the County in the event there was a claim; that the County Attorney ensured that there was indemnity and hold harmless language in the contract between the County and the bond council; and that the insurance also protected the bond council's financial assets from the costs of litigation and a potential judgment.

Chairman Bovo inquired whether a law firm's normal business insurance policy was sufficient.

Mr. Cullen responded that it would depend on the type and amount of insurance the law firm purchased. He noted other municipalities would require bond council firms to carry the insurance up to certain limits. Mr. Cullen pointed out that law firms would often obtain the amount of insurance that they could afford or that they could obtain based upon claim history. He noted the County required a specific amount of insurance coverage and would work with the law firm if they were not able to obtain sufficient coverage that would protect the County in the event of a loss.

Mr. Jose Villalobos appeared and noted his experience as a minority small business bond council and disclosure council with Mr. McGhee.

Commissioner Zapata noted the current requirement was for both the senior and junior law firms to have insurance. He inquired whether the full insurance coverage obtained by the senior law firm would be sufficient to hold the County harmless.

Mr. McGhee clarified that the person seeking to recoup would go after the largest insurance policy and then settle with the minority interest. He pointed out that he was not aware of any problematic bond transactions largely due to the fact that redundancy was built into the process with a large number of qualified individuals involved in each transaction. Mr. McGhee said that there remained the possibility that something could go wrong, although it was highly improbable.

Commissioner Zapata requested clarification as to whether the County would be fully protected in the event that the foregoing proposed resolution was approved, making the senior law firm responsible for the junior firms' malpractice insurance

coverage.

Mr. Cullen responded that the senior law firm would need to indemnify and hold harmless the junior firm through a separate agreement in order to protect the County from litigation. He cautioned that there was a potential risk if the loss exceeded the amount of required insurance.

Commissioner Zapata requested further clarification as to whether the County would be exposed to any additional risk in the event the junior law firm was not required to obtain insurance.

Assistant County Attorney Rizo responded that the proposed resolution removed a layer of protection by not requiring the junior law firm to obtain malpractice insurance.

Commissioner Zapata said that the RFP should contain a requirement that the senior law firm indemnified the junior firm. He inquired whether there should be a requirement that the senior firm carried additional insurance to further protect the County.

Mr. Cullen noted that in the event that the proposed resolution was approved, the Risk Management Department would work with the County Attorney's Office to require that the senior law firm indemnified and held harmless the junior firm. He indicated that this provision would need to be accepted by the senior law firm as it would impose an additional responsibility.

Commissioner Zapata inquired whether indemnifying and holding harmless the junior law firm would present any unintended consequences to the industry.

Mr. Villalobos responded that it would result in unintended consequences to the senior law firms.

Commissioner Zapata noted that the County had a policy which helped develop junior law firms and that this proposal was an attempt to relieve the burden the County placed on these firms. He expressed concern that the County would assume additional liability by not requiring the junior firms to obtain insurance. Commissioner Zapata said that a decision was necessary over the potential costs of any additional limited exposure in relation to the benefits gained by developing this junior talent.

Assistant County Attorney Rizo responded that the potential for additional legal malpractice insurance requirement exposure existed.

Chairman Bovo said that there would be additional exposure and that staff expressed concern to him that they were hesitant to support the proposal because of that additional risk.

In response to Chairman Bovo's question as to the available options, Assistant County Attorney Rizo explained that the Committee could either forward the item without recommendation to the Board with a unanimous vote and request the Administration provide additional information when heard by the Board or defer the item to the next Committee meeting in order to consider the requested information.

It was moved by Commissioner Zapata that the foregoing proposed resolution be forward to the Board of County Commissioners without recommendation and that information on the worst case scenario in the event of litigation be provided.

Mr. Villalobos noted his support for Commissioner Zapata's motion; that answers were needed; and that it was this Committee's responsibility to protect the County. He said the original RFP required a specific amount of malpractice insurance and that amount never went up to \$600 million.

Commissioner Moss inquired whether the co-council model was used anywhere else in the Country.

Mr. Hinton responded that the County was not unique, noting he estimated that 60 percent of municipalities had minority bond council participation and that there were municipalities where a single bond council (a senior Wall Street firm) was used for all of their bond transactions.

Commissioner Moss questioned whether there were problems related to transactions with junior law firms elsewhere.

Mr. Hinton noted he was not aware of any situations.

The floor was closed after no one further appeared wishing to speak.

Hearing no further questions or comments, the Committee proceeded to vote on the foregoing proposed resolution, without a recommendation.

2B

141238 Resolution**Rebeca Sosa**

RESOLUTION DIRECTING THE COMMISSION AUDITOR TO COMPLETE BACKGROUND RESEARCH ON APPLICANTS BEING CONSIDERED TO SERVE ON COUNTY BOARDS AND TRUSTS THAT REQUIRE NOMINATIONS AND/OR APPOINTMENTS BY THE BOARD OF COUNTY COMMISSIONERS AND TO PREPARE A REPORT DETAILING THE FINDINGS OF SAID RESEARCH; DIRECTING THE CLERK OF THE BOARD TO PROVIDE THE COMMISSION AUDITOR WITH THE APPLICANTS' NAMES AND TO PLACE THE REPORT ON THE AGENDA OR AS A SUPPLEMENT TO THE AGENDA

Forwarded to BCC with a favorable recommendation

Mover: Moss

Seconded: Bovo, Jr.

Vote: 3-0

Absent: Heyman

Report: *Assistant County Attorney Monica Rizo read the foregoing proposed resolution into the record.*

Chairman Bovo opened the floor for public comments and called for persons wishing to appear before the Committee on the foregoing proposed resolution. The floor was closed after no one appeared wishing to speak.

Commissioner Zapata questioned the number of applicants that would be impacted by this foregoing proposed resolution; the additional labor costs that would be incurred; and whether it would apply to board reappointments.

Mr. Keith Connor, Senior Budget Analyst, Office of the Commission Auditor responded that the Clerk of the Board estimated that 216 annual searches would be added to the existing workload and that existing staff would assume this responsibility.

Assistant County Attorney Rizo clarified that the proposed resolution would apply to reappointments.

Hearing no further questions or comments, the Committee proceeded to vote on the foregoing proposed resolution, as presented.

3 DEPARTMENTS

3A

141206 Resolution

RESOLUTION AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO TERMINATE ONE INTEREST RATE SWAP AND TO SUSPEND PAYMENTS TO COUNTY AND EXTEND TERM OF TWO OTHER INTEREST RATE SWAPS WITH LOOP FINANCIAL PRODUCTS I LLC WITH RESPECT TO CERTAIN SPECIAL OBLIGATION AND REFUNDING BONDS SECURED BY CONVENTION DEVELOPMENT TAX; PROVIDING THAT PAYMENT TO BE RECEIVED BY COUNTY BE USED FOR ANY LAWFUL PURPOSE OF COUNTY; AND AUTHORIZING COUNTY OFFICIALS TO TAKE ALL ACTIONS NECESSARY TO ACCOMPLISH SUCH PURPOSES (Finance Department)

Amended

Report: *Note: See Agenda Item No. 3A AMENDED, Legislative File No. 141456 for the amended version.*

3A AMENDED

141456 Resolution

RESOLUTION AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO TERMINATE ONE INTEREST RATE SWAP AND TO SUSPEND PAYMENTS TO COUNTY AND EXTEND TERM OF TWO OTHER INTEREST RATE SWAPS WITH LOOP FINANCIAL PRODUCTS I LLC WITH RESPECT TO CERTAIN SPECIAL OBLIGATION AND REFUNDING BONDS SECURED BY CONVENTION DEVELOPMENT TAX; PROVIDING THAT PAYMENT TO BE RECEIVED BY COUNTY BE USED FOR ANY LAWFUL PURPOSE OF COUNTY; AND AUTHORIZING COUNTY OFFICIALS TO TAKE ALL ACTIONS NECESSARY TO ACCOMPLISH SUCH PURPOSES [SEE ORIGINAL ITEM UNDER FILE NO. 141206] (Finance Department)

Forwarded to BCC with a favorable recommendation as amended

Mover: Moss

Seconded: Bovo, Jr.

Vote: 3-0

Absent: Heyman

Report: *Assistant County Attorney Monica Rizo read the foregoing proposed resolution into the record.*

Mr. Frank Hinton, Director, Bond Administration Division read amendments to the foregoing proposed resolution into the record. He noted that the changes permitted other terms of the agreement to be modified if it provided better benefits to the County; that the rate swap could be competitively bid with other counterparties if an agreement could not be reached with Loop Financial Products I LLC; and that the results of any new agreement would be presented to the Board for approval.

Chairman Bovo opened the floor for public comments and called for persons wishing to appear before the Committee on the foregoing proposed resolution. The floor was closed after no one appeared wishing to speak.

Commissioner Zapata inquired whether the County created these rate swaps at the time of the Miami Marlin's (Marlin's) Stadium financing approval.

Mr. Hinton responded that the rate swaps were initiated in 2000 and 2004 which was prior to the Marlins ballpark construction.

Commissioner Zapata questioned the benefits of a rate swap.

Mr. Hinton explained that rate swaps were used for debt management purposes. He said that the rate swap receipts were a return that would

reduce the County's debt service. Mr. Hinton indicated that a rate swap receipt was the exchange of one security for another and the difference between the two securities was the County's money. Mr. Hinton pointed out that the County would pay the counterparty in the event that the tax exempt rate would be higher than the taxable rate.

Commissioner Zapata inquired about the reason the County did not previously engage in the practice.

Mr. Hinton explained that the County wanted to use the termination payments associated with rate swaps in order to build up the County's reserves and reduce risk.

Commissioner Zapata questioned the advantages associated with closing one rate swap and not the others. He also questioned whether the County reduced its risk by extending the other two rate swaps.

Mr. Hinton noted that the County would receive money from terminating one rate swap and that the County would increase its risk by extending the other two rate swaps. He confirmed Commissioner Zapata's statement that risk was eliminated by terminating a rate swap and that it was increased by extending the swap.

Commissioner Zapata pointed out and Mr. Hinton confirmed that rate swaps were being used to help the County's immediate financial obligations at the expense of future obligations.

Ms. Jennifer Moon, Director, Office of Management and Budget explained that the original intent was to reduce risk for all County obligations related to the bed tax, noting that one obligation was the Marlin Stadium financing. She said that the debt service obligations in the bed tax portfolio were close to or exceeded \$100 million beginning in 2029/2030. Ms. Moon indicated that the intent of the shortfall reserve at the time the Marlins debt was issued was for the entire portfolio backed by the bed tax and not specific to only the baseball debt. She noted the Performing Arts Center, the convention center, and other cultural facility debt were among the other largest facilities funded by this debt. Ms. Moon said the County explored methods to reduce its risk due to potential tax law changes which could impact the positive position of the rate swaps.

Commissioner Zapata inquired whether the changes to the tax law were enacted.

Ms. Moon explained that Mr. Peter Shapiro, the County's financial consultant was asked to determine if any options existed for the County to further reduce its risk and that he would provide a market overview. She noted that Mr. Shapiro developed a plan where the County could get everything it originally anticipated by terminating all of the rate swaps. She said there were risks associated with terminating only one rate swap and keeping the other two, however, noted that the risk was not worse than it was before and that it would be extended for fifteen years from 2022 to 2037.

Mr. Peter Shapiro, Managing Director, Swap Financial Group LLC explained that the extension would match the term of the bonds.

Ms. Moon noted the transaction allowed the County to get the amount it originally anticipated by terminating all three rate swaps, but allowed the County to continue receiving rate swap receipts with an increased net present value in an amount higher than originally thought. She clarified that all of the risk was not being eliminated. Ms. Moon noted that the County could still terminate the remaining rate swaps in the future if tax law changes came up that would impact the risk.

Commissioner Zapata mentioned that the County was extending its risks on two swaps for fifteen years.

Mr. Shapiro pointed out that these were unusual rate swaps because the value was in-favor of the County. He noted that a governmental agency would pay a termination fee for a rate swap in the event it went bad because the value was against the government. Mr. Shapiro said the swaps were proposed based upon the differential between tax exempt and taxable rates, rather than the differential between fixed rates and floating rates, noting most swaps were based upon fixed rates. He noted the County negotiated a large cushion (the constant) that was a built in factor to protect against risk. Mr. Shapiro explained that the constant was a protective mechanism. He said the difference between the two floating rates, the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA), the

tax exempt rate paid by the County and the London InterBank Offered Rate (LIBOR), the taxable rate paid by the bank, was structured so that they should offset one another. He indicated that the County received a constant of 170 basis points just in case they did not offset one another.

Commissioner Zapata questioned the impact of U.S. interest rate policy on the LIBOR.

Mr. Shapiro responded that the LIBOR was impacted by the U.S. Federal Reserve's interest rate policy. He noted that the LIBOR being used in this transaction followed the Federal Funds rate.

In response to Commissioner Zapata's comment that the intention was to free up some cash for the County, Mr. Shapiro responded that it was to continue the positive cash flow the County was receiving every year from the rate swaps.

Commissioner Zapata inquired whether the additional cash flow was sufficient to offset the additional risk over the fifteen year period.

Mr. Shapiro noted the risk/reward tradeoff associated with this transaction favored the County. He said the worst case scenario would be in the event that the federal government, Congress and the President repealed the tax exemption on municipal bonds, making them all taxable. Mr. Shapiro indicated that the cash flow could turn negative if interest rates rose sharply in addition to the tax exemption repeal. He noted he did not believe that both of these conditions could happen simultaneously.

Commissioner Zapata questioned whether the Convention Development Tax (CDT) shortfall reserve was being replenished with the \$30 million. He also questioned the reason the shortfall existed.

Ms. Moon responded that the CDT reserve was being replenished to replace funds used to support the Parks, Recreation and Open Spaces Department (Parks) over the past two fiscal years.

Commissioner Zapata mentioned that the CDT Statute did not give the County the ability to support Parks. He proceeded to question whether the County was going to continue to use CDT reserves for Parks funding.

Ms. Moon responded that the County did not have the flexibility in the proposed Fiscal Year (FY) 2014-15 budget to free up funds to support Parks even with the \$30 million that would be received from the rate swap. She pointed out that a shortfall was not created; that the excess in the shortfall reserves was used during the past two years to support Parks; and that the shortfall will now be replenished in order to build a \$45 million reserve. Ms. Moon said the intent was to have sufficient reserves in order to protect the General Fund which was the secondary pledge on the bonds, in advance of the years when the obligations would be very high.

Commissioner Zapata questioned the rationale for a revenue loss while at the same time CDT growth.

Ms. Moon said instead of receiving rate swap receipts in FY 2014-15, FY 2015-16 and FY 2017-17, the County would receive the money early; would eliminate the risk on those receipts; would go a few years without receipts; and would begin receiving receipts later. She noted the transaction would change the multiyear pro forma relating to CDT expenditures.

Commissioner Zapata noted that future revenue would be pulled forward; that the shortfall would be fixed; and that there would be more need to rely on CDT funding in the future.

Ms. Moon clarified that the future revenue was being taken now and parked in a reserve account. She said the tradeoff was not receiving rate swap receipts for a few years and there would be more flexibility once the swap income started being received.

Commissioner Zapata inquired what would be offset by the growth of CDT, noting he was not comfortable with making changes today in anticipation of things being better in the future.

Ms. Moon explained that the Museum of Science, the Perez Art Museum, and the History Miami Museum were receiving subsidies out of CDT funding and that these were not legal obligations.

Commissioner Zapata noted he did not believe it was appropriate to use CDT funding to subsidize these institutions operations. He inquired whether this proposal would relieve the County from providing them with future funding.

Ms. Moon responded that the County would be able to maintain its current subsidies even though the County would not receive rate swap receipts in FY 2014-15 and FY 2015-16 because receipts would be offset by CDT growth for those two years.

Commissioner Zapata questioned whether CDT funding could be used for other purposes. He mentioned the Board never made a policy decision about the allocation of CDT funds. Commissioner Zapata pointed out that CDT funding should be used for rail projects. He said that tourism tax dollars should be invested in infrastructure projects to benefit visitors to this community. Commissioner Zapata noted this proposal would increase the County's risk in order to continue to fund local cultural institutions which the County was not obligated to fund but have decided to do so.

Ms. Moon said it was a policy decision of the Board.

Commissioner Zapata noted a policy decision was only made at the time the budget was adopted. He said he was uncomfortable with shifting funds and the management of CDT dollars.

Ms. Moon clarified that the reason for the rate swap was to take value today without risk and to place those funds in reserve to protect the General Fund.

Commissioner Zapata noted that the proposal as described by Ms. Moon was sound financial management up to a point. He expressed concern that the proposal gave flexibility to engage in activities that should not be done or committing funds into the future that should be directed elsewhere.

Ms. Moon commented that the proposal allowed the flexibility to change policy and have funding available for other projects.

Commissioner Zapata noted he supported investing freed up dollars in a significant infrastructure project. He said that careful projections over spending CDT funds and the accumulation of reserves was needed so that future commissioners were not left with the burden of determining how to pay off the Miami Marlins Ballpark debt. Commissioner Zapata noted

support; however, an additional conversation was necessary about how CDT funding would be spent.

Chairman Bovo commented that there were many promises made to the community that were not kept. He said it would be more pleasurable for visitors to easily get around this community, noting a system was needed to take us where we wanted to go and get us out of our cars. Chairman Bovo noted he supported replenishing the reserves that were used for parks. He said careful budget decisions were needed now rather than at the last minute during budget hearings.

Hearing no further questions or comments, the Committee proceeded to vote on the foregoing proposed resolution, as amended.

The foregoing proposed resolution be amended to insert "and Deutsche Bank AG" after Loop Financial Products I LLC in the first line of the first WHEREAS Clause on typed page 6; to delete ("Loop") in the same line and insert the term ("counterparty"); to replace all references to Loop with counterparty throughout all WHEREAS Clauses; and to add the wording "Including modifying any terms to maximize the economic benefits without materially increasing the risk to the County of the swapped restructuring, undertaking a competitive process to select a new counter party if negotiations with the current counter party are unsuccessful and representing the results of such competitive process to this Board" to the last sentence of Section 4 on typed page 7.

3B

141252 Resolution**Bruno A. Barreiro**

RESOLUTION APPROVING TERMS OF A RETROACTIVE LEASE AGREEMENT BETWEEN THE COUNTY AND THE CITY OF MIAMI FOR CERTAIN COUNTY-OWNED PROPERTY LOCATED AT 1701 N.W. 30 AVENUE, FOR PREMISES TO BE UTILIZED BY THE CITY OF MIAMI FOR ITS POLICE SPECIAL OPERATIONS UNITS FOR A RENTAL AMOUNT OF \$1.00 PER YEAR, AND AUTHORIZING EXECUTION BY THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE AND THE EXERCISE BY THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE OF ANY AND ALL OTHER RIGHTS CONFERRED THEREIN (Internal Services)

Forwarded to BCC with a favorable recommendation

Mover: Moss

Second: Zapata

Vote: 3-0

Absent: Heyman

Report: *Assistant County Attorney Monica Rizo read the foregoing proposed resolution into the record.*

Chairman Bovo opened the floor for public comments and called for persons wishing to appear before the Committee on the foregoing proposed resolution. The floor was closed after no one appeared wishing to speak.

Commissioner Zapata inquired about the number of County buildings that were currently rented to municipalities for one dollar as well as whether the municipalities rented any properties to the County for that same amount.

Ms. Miriam Singer, Assistant Director, Internal Services Department responded that she would provide Commissioner Zapata with that information. She noted that there was no internal operational use for the proposed facility and that it was in the County's best interest to proceed as proposed due to the renovation costs that would be required for County use. She said the City of Miami paid \$300,000 annually toward maintenance and operations of the facility.

Commissioner Zapata indicated that the County should sell the property to the City of Miami when we no longer had a need for that facility.

Ms. Singer responded that Commissioner Zapata's suggestion to sell the property would be explored.

Commissioner Zapata noted he believed the County could be more strategic with its assets rather than just looking at the short-term benefits.

Hearing no further questions or comments, the Committee proceeded to vote on the foregoing proposed resolution, as presented.

3C

141215 Resolution Audrey M. Edmonson

RESOLUTION DECLARING SURPLUS VACANT COUNTY-OWNED PROPERTY LOCATED AT 1560 NW 66 STREET, MIAMI, FLORIDA; AUTHORIZING A SALE TO AN ADJACENT PROPERTY OWNER IN ACCORDANCE WITH FLORIDA STATUTE 125.35(2) FOR NO LESS THAN \$5,746; WAIVING ADMINISTRATIVE ORDER 8-4 AS IT RELATES TO THE PLANNING ADVISORY BOARD; AND AUTHORIZING EXECUTION OF A COUNTY DEED FOR SUCH PURPOSE (Internal Services)

Forwarded to BCC with a favorable recommendation

Mover: Moss

Seconder: Zapata

Vote: 3-0

Absent: Heyman

Report: *Assistant County Attorney Monica Rizo read the foregoing proposed resolution into the record.*

Chairman Bovo opened the floor for public comments and called for persons wishing to appear before the Committee on the foregoing proposed resolution. The floor was closed after no one appeared wishing to speak.

Hearing no questions or comments, the Committee proceeded to vote on the foregoing proposed resolution, as presented.

3D

141197 Resolution**Barbara J. Jordan**

RESOLUTION APPROVING THE TERMS OF AND AUTHORIZING EXECUTION OF A LEASE AGREEMENT AT THE OPA-LOCKA NEIGHBORHOOD SERVICE CENTER, 16405 NW 25 AVENUE, OPA-LOCKA, WITH THE INSTITUTE OF BLACK FAMILY LIFE, INC., FOR PREMISES TO BE UTILIZED AS OFFICE SPACE, WITH A TOTAL FISCAL IMPACT TO THE COUNTY ESTIMATED TO BE \$44,991.81 IN REVENUE OVER THE INITIAL LEASE TERM AND THE ADDITIONAL FIVE-YEAR RENEWAL OPTION PERIOD; AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO EXERCISE ANY AND ALL OTHER RIGHTS CONFERRED THEREIN (Internal Services)

Forwarded to BCC with a favorable recommendation

Mover: Moss

Second: Bovo, Jr.

Vote: 3-0

Absent: Heyman

Report: *Assistant County Attorney Monica Rizo read the foregoing proposed resolution into the record.*

Chairman Bovo opened the floor for public comments and called for persons wishing to appear before the Committee on the foregoing proposed resolution. The floor was closed after no one appeared wishing to speak.

Hearing no questions or comments, the Committee proceeded to vote on the foregoing proposed resolution, as presented.

3E

141230 Resolution**Dennis C. Moss**

RESOLUTION DECLARING AS SURPLUS TWO VACANT COUNTY-OWNED REAL PROPERTIES LOCATED ON THE WEST SIDE OF SW 197 AVENUE BETWEEN SW 243 TERRACE AND SW 244 STREET, UNINCORPORATED MIAMI-DADE COUNTY; AUTHORIZING THE SALE TO AN ADJACENT PROPERTY OWNER IN ACCORDANCE WITH FLORIDA STATUTE 125.35(2) FOR NO LESS THAN \$6,730.00 FOR EACH PROPERTY; WAIVING ADMINISTRATIVE ORDER 8-4 AS IT RELATES THE PLANNING ADVISORY BOARD; AND AUTHORIZING EXECUTION OF A COUNTY DEED FOR SUCH PURPOSE (Internal Services)

Withdrawn

Mover: Moss

Second: Bovo, Jr.

Vote: 3-0

Absent: Heyman

3F

141218 Resolution**Sen. Javier D. Souto**

RESOLUTION APPROVING TERMS OF AND AUTHORIZING EXECUTION BY THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE OF A LEASE AGREEMENT BETWEEN MIAMI-DADE COUNTY AND MIAMI HORIZON CORP., A FLORIDA NOT-FOR-PROFIT CORPORATION, FOR PREMISES LOCATED AT THE KENDALL COMPLEX, 11025 S.W. 84 STREET, COTTAGE 10, UNINCORPORATED, MIAMI-DADE COUNTY, FLORIDA, FOR PREMISES TO BE UTILIZED AS AN ADULT DAY CARE FACILITY FOR AUTISTIC CLIENTS, WITH A TOTAL GROSS RENTAL REVENUE TO THE COUNTY ESTIMATED TO BE \$510,000.00 FOR THE INITIAL ONE-YEAR TERM OF THE LEASE AND THE ADDITIONAL FIVE-YEAR RENEWAL OPTION PERIOD; AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO EXERCISE ANY AND ALL OTHER RIGHTS CONFERRED THEREIN (Internal Services)

Forwarded to BCC with a favorable recommendation

Mover: Moss

Seconded: Zapata

Vote: 3-0

Absent: Heyman

Report: *Assistant County Attorney Monica Rizo read the foregoing proposed resolution into the record.*

Chairman Bovo opened the floor for public comments and called for persons wishing to appear before the Committee on the foregoing proposed resolution. The floor was closed after no one appeared wishing to speak.

Hearing no questions or comments, the Committee proceeded to vote on the foregoing proposed resolution, as presented.

3G

140904 Resolution

RESOLUTION AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO ADVERTISE A REQUEST FOR PROPOSALS (RFP-00031) TO ESTABLISH A CAR SHARING PROGRAM FOR MIAMI-DADE COUNTY (Internal Services)

Forwarded to BCC with a favorable recommendation

Mover: Moss

Seconded: Bovo, Jr.

Vote: 3-0

Absent: Heyman

Report: *Assistant County Attorney Monica Rizo read the foregoing proposed resolution into the record.*

Chairman Bovo opened the floor for public comments and called for persons wishing to appear before the Committee on the foregoing proposed resolution. The floor was closed after no one appeared wishing to speak.

Commissioner Zapata questioned whether the program presented in the foregoing proposed resolution could ever grow to more than supplementing the existing operation.

Ms. Miriam Singer, Assistant Director, Internal Services Department explained that the Request for Proposals (RFP) was an attempt to pilot the Downtown Loaner Pool (DLP) as an outsourcing initiative. She said that there appeared to be sufficient competition secure a best value deal. Ms. Singer pointed out that it was best to begin with the DLP because it was the largest of the County's five facilities and then roll out to other areas later if successful. She said it would be a substitute for the existing service and not a supplement.

Commissioner Zapata inquired whether other government agencies pooled vehicles in a single location or dispersed vehicles throughout the area. He noted that it would be more convenient for vehicles to be placed closer to employee work locations.

Ms. Singer responded that larger cities often placed vehicles at various locations. She pointed out the County's largest loaner pool operation was located downtown since there was a large concentration of employees' utilizing services at that location.

Commissioner Zapata said he believed that placing vehicles closer to where the employees worked and where County functions were being

performed was a better alternative. He noted there was a large concentration of vehicles downtown because people were now forced to come downtown to obtain loaner vehicles. Commissioner Zapata said placing vehicles at all County buildings could create efficiencies and lower costs by saving fuel and improving productivity and efficiency of the workforce. He pointed out the valuable real estate that was currently being used to park the County cars could be used for other purposes and generate income.

Hearing no further questions or comments, the Committee proceeded to vote on the foregoing proposed resolution, as presented.

3H

141266 Resolution

RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT IN THE AGGREGATE AMOUNT OF \$2,150,000 WITH AQUILA FITNESS CONSULTING SYSTEMS LTD, INC. TO OBTAIN EMPLOYEE FITNESS AND WELLNESS PROGRAM MANAGEMENT SERVICES, AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE AN AGREEMENT FOR AND ON BEHALF OF MIAMI-DADE COUNTY AND TO EXERCISE ANY CANCELLATION AND RENEWAL PROVISIONS, AND TO EXERCISE ALL OTHER RIGHTS CONTAINED THEREIN CONTRACT NO. RFP873 (Internal Services)

Forwarded to BCC with a favorable recommendation

Mover: Moss

Second: Bovo, Jr.

Vote: 3-0

Absent: Heyman

Report: *Assistant County Attorney Monica Rizo read the foregoing proposed resolution into the record.*

Chairman Bovo opened the floor for public comments and called for persons wishing to appear before the Committee on the foregoing proposed resolution. The floor was closed after no one appeared wishing to speak.

Commissioner Zapata requested clarification on the foregoing proposed resolution.

Ms. Miriam Singer, Assistant Director, Internal Services Department responded that the Wellness Center was a self-supporting operation; used by 1,000 County employees who paid \$9.00 bi-weekly. She noted the County received 20 percent of any product sold by the vendor. Ms. Singer said that the allocation was necessary because the vendor was paid by the County for their services even though it was a cost neutral program.

Hearing no further questions or comments, the Committee proceeded to vote on the foregoing proposed resolution, as presented.

31

141136 Resolution

RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT IN THE AGGREGATE AMOUNT OF UP TO \$7,398,000.00 WITH SHAW ENVIRONMENTAL, INC., TO PROVIDE THE OPERATION AND MAINTENANCE OF THE OLD SOUTH DADE LANDFILL, AND SOUTH DADE LANDFILL SEQUENTIAL BATCH REACTORS (SBR) AND ASSOCIATED GROUNDWATER EXTRACTION AND INJECTION WELL FIELDS FOR THE PUBLIC WORKS AND WASTE MANAGEMENT DEPARTMENT (PWWM), AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE AN AGREEMENT FOR AND ON BEHALF OF MIAMI-DADE COUNTY AND TO EXERCISE ANY CANCELLATION AND RENEWAL PROVISIONS, AND TO EXERCISE ALL OTHER RIGHTS CONTAINED THEREIN CONTRACT NO. RFP867 (Internal Services)

Amended

Report: *Note: See Agenda Item No. 31 AMENDED; Legislative File No. 141359 for the amended version.*

31 AMENDED

141359 Resolution

RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT IN THE AGGREGATE AMOUNT OF UP TO \$7,398,000.00 WITH SHAW ENVIRONMENTAL, INC., TO PROVIDE THE OPERATION AND MAINTENANCE OF THE OLD SOUTH DADE LANDFILL, AND SOUTH DADE LANDFILL SEQUENTIAL BATCH REACTORS (SBR) AND ASSOCIATED GROUNDWATER EXTRACTION AND INJECTION WELL FIELDS FOR THE PUBLIC WORKS AND WASTE MANAGEMENT DEPARTMENT (PWWM), AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE AN AGREEMENT FOR AND ON BEHALF OF MIAMI-DADE COUNTY AND TO EXERCISE ANY CANCELLATION AND RENEWAL PROVISIONS, AND TO EXERCISE ALL OTHER RIGHTS CONTAINED THEREIN CONTRACT NO. RFP867 [SEE ORIGINAL ITEM UNDER FILE NO. 141136] (Internal Services)

Forwarded to BCC with a favorable recommendation with committee amendment(s)

Mover: Moss

Seconder: Bovo, Jr.

Vote: 3-0

Absent: Heyman

Report: *Assistant County Attorney Monica Rizo read the foregoing proposed resolution into the record.*

Assistant County Attorney Rizo read amendments to the foregoing proposed resolution into the record, noting that the changes were distributed on the dais.

Chairman Bovo opened the floor for public comments and called for persons wishing to appear before the Committee on the foregoing proposed resolution. The floor was closed after no one appeared wishing to speak.

Commissioner Zapata inquired whether the total cost for the foregoing proposed resolution decreased from the amount originally requested.

Ms. Miriam Singer, Assistant Director, Internal Services Department responded that there was a \$950,000 reduction to the initial offer in the first round of negotiation and another \$650,000 in the second round.

Commissioner Zapata pointed out that the hourly rates appeared excessive and questioned the process used to determine these rates.

Ms. Singer responded that each proposer submitted rates through a competitive process and that the rates were subsequently reduced during the two rounds of negotiation. She noted hourly rates were for additional services that might be

needed by the Public Works and Waste Management Department. Ms. Singer said that it was important in a competitive process to set rates in advance, even though these rates were rarely used.

Commissioner Zapata said that the rates listed in the agreement needed to be lower if they were not the true rates since the County would be obligated to pay that amount.

Mr. Lee Casey, Chief, Solid Waste Management Technical Services and Environmental Affairs, PWWM Department clarified that hourly rates were only for instances where additional services were required. He noted the rates were commensurate with rates paid for consulting services. Mr. Casey said the hourly rates would apply to services beyond the scope of the agreement.

Commissioner Zapata noted concern that the hourly rates could escalate very rapidly.

Ms. Singer pointed out that these were ceiling rates and individual work orders with actual hourly rates would be negotiated by the department when services were needed.

Commissioner Zapata said the listed rates were at a very high starting point and could be lower. He said the rates should be closer to actual salaries and not inflated.

Ms. Singer indicated she would address these concerns with the firm and present additional information to the Board of County Commissioners when this item was considered.

Hearing no further questions or comments, the Committee proceeded to vote on the foregoing proposed resolution, as amended

It was moved by Commissioner Moss that the foregoing proposed resolution be amended to replace Appendix B Price Schedule located on typed page 42 as noted by the Assistant County Attorney with the revised version distributed on the dais, containing the following changes: Section A Initial Term to reflect a Total Price for Both Landfills for the Initial Term of \$4,050,000.00 rather than \$4,700,000.00; Section C Additional Services to reflect changes to the Maximum Hourly Rates. (See Exhibit) This motion was seconded by Chairman Bovo, and

upon being put to a vote, passed by a vote of 3-0,
(Commissioner Heyman was absent).

3J

141191 Resolution

RESOLUTION AUTHORIZING AWARD OF LEGACY CONTRACT BW9562-1/24, JANITORIAL SERVICES FOR VARIOUS COUNTY DEPARTMENTS TO FLORIDA ASSOCIATION OF REHABILITATION FACILITIES, INC. D/B/A RESPECT OF FL TO PROVIDE JANITORIAL SERVICES IN THE AGGREGATE AMOUNT OF \$45,694,000.00, AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE AN AGREEMENT FOR AND ON BEHALF OF MIAMI-DADE COUNTY AND TO EXERCISE ANY CANCELLATION AND RENEWAL PROVISIONS, AND TO EXERCISE ALL OTHER RIGHTS CONTAINED THEREIN (Internal Services)

Forwarded to BCC with a favorable recommendation

Mover: Moss

Seconder: Bovo, Jr.

Vote: 3-0

Absent: Heyman

Report: *Assistant County Attorney Monica Rizo read the foregoing proposed resolution into the record.*

Chairman Bovo opened the floor for public comments and called for persons wishing to appear before the Committee on the foregoing proposed resolution. The floor was closed after no one appeared wishing to speak.

Commissioner Moss questioned whether the proposed resolution related to Respect Florida and both Assistant County Attorney Rizo and Ms. Miriam Singer, Assistant Director, Internal Services Department confirmed that it did.

Chairman Bovo noted he understood that the disabled would be able to perform work under this agreement and Ms. Singer responded that they would be able to do so.

Commissioner Zapata inquired whether Miami International Airport had a separate contract to which Ms. Singer responded that they did.

Hearing no further questions or comments, the Committee proceeded to vote on the foregoing proposed resolution, as presented.

3K

141249 Resolution

RESOLUTION AUTHORIZING AMENDMENT NO. 2 IN THE AMOUNT OF \$450,000.00 AND 1,095 DAYS TO A PROFESSIONAL SERVICES AGREEMENT BETWEEN MIAMI-DADE COUNTY AND BERMELLO, AJAMIL & PARTNERS, INC. FOR THE JOSEPH CALEB CENTER NEW COURTHOUSE ANNEX/ADDITIONS AND NEW PARKING GARAGE, ISD PROJECT NO. A07-GSA-02 ESP GOB, ISD CONTRACT NO. W70308/Z00051; AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO MODIFY AMENDMENT NO. 2 AS NEEDED AND TO EXERCISE ANY AND ALL RIGHTS CONFERRED THEREIN (Internal Services)

Deferred to next committee meeting

Mover: Moss

Secunder: Bovo, Jr.

Vote: 3-0

Absent: Heyman

Report: *Assistant County Attorney Monica Rizo read the foregoing proposed resolution into the record.*

Chairman Bovo opened the floor for public comments and called for persons wishing to appear before the Committee on the foregoing proposed resolution. The floor was closed after no one appeared wishing to speak.

Commissioner Zapata questioned whether there were any previous amendments to this contract and whether the forgoing proposed resolution was for an additional amendment.

Ms. Miriam Singer, Assistant Director, Internal Services Department noted one previous amendment in 2010 for \$698,631 used to enclose the atrium and to replenish the contingency fund. She said that this agreement represented an additional amendment required due to a change in scope and design of the contract. Ms. Singer explained that the original intention was to build a self-standing courthouse at the Joseph Caleb Center (JCC). She noted that the need for an additional structure was reconsidered; that two floors of the existing tower would be converted into courtrooms; that two additional floors would be renovated; and that the atrium would be enclosed. Ms. Singer said the design contract which was also an oversight contract once construction begins needed to be replenished as a result of these changes.

Commissioner Zapata noted the scope of this agreement was for engineering and architectural work. He questioned whether there was any additional construction costs anticipated as a result of the design changes.

Ms. Singer responded that they did not foresee additional construction costs. She noted that in addition to the significant design changes there were significant code changes that needed to be complied with.

Commissioner Zapata inquired why there would not be any construction costs but there would be for design and construction management.

Ms. Jennifer Moon, Director, Office of Management and Budget commented that the County did not have sufficient funds to build the project according to the original plan. She noted that the scope was now being reduced making the project less expensive and that the funds for design changes plus construction costs were now within the available budget.

Chairman Bovo questioned whether there was any money spent on the original design and whether this proposal would incur additional costs.

Ms. Singer said she would provide the figures to Chairman Bovo later. She also confirmed that additional costs would be incurred under this proposal.

Chairman Bovo pointed out and Ms. Singer confirmed that the County would be spending money twice on design and redesign.

Chairman Bovo inquired about the source of permitting changes.

Ms. Singer explained that the JCC was located in the City of Miami (City) and that the City passed the Building 21 initiative which contained additional regulatory requirements for construction. She said that both the regulatory changes and the redesign changes would incur additional costs.

Chairman Bovo questioned the timeline on the changes to the court design.

Ms. Moon explained that the JCC was historically a courthouse with two courtrooms, clerk's offices, and other offices. She said that the courthouse was shut down in 2002 due to mold issues. Ms. Moon noted there were plans to renovate the building through the Building Better Communities General Obligation Bond program as well as using Court funding. Ms. Moon indicated that a

second building was envisioned with a change to the parking structure when the real estate market deteriorated and construction costs declined. She indicated that the cost estimates for these plans exceeded the available funding and the project needed to be re-scoped. Ms. Moon said that the construction costs increased during the time it took to design and advertise the project. She said that the foregoing proposed resolution was now similar to the previously proposed construction plans in early 2000.

Chairman Bovo inquired whether the courthouse was necessary.

Ms. Singer responded that the Chief Judge had expressed a continuing need for the two courtrooms. She mentioned that it was Miami-Dade County's regulatory changes which impacted the facility and not the City of Miami's as previously mentioned.

Chairman Bovo questioned the amount of money already paid to Bermello, Ajamil & Partners Inc. (B&A) the engineering firm.

Ms. Singer responded that B&A had received \$1.8 million which included the garage. She said that in addition to the courthouse and the tower renovation, B&A had completed design of the garage which was bid out and a protest hearing was scheduled for June 19, 2014.

Commissioner Zapata questioned the construction costs.

Ms. Singer noted construction would be \$10.7 million.

Commissioner Zapata questioned the timeline for this portion of the project.

Ms. Singer said the contract was awarded on April 29, 2009 and that the original award included the self-standing courthouse. She said that estimates were completed; that a solicitation was issued for construction costs; and that bids came in higher than anticipated at that time.

Commissioner Zapata said he did not believe a clear plan was ever developed for the project, thus the need for Amendment 2.

Ms. Singer responded that code changes impacted the project. She said that design changes were

necessary because the original plan to build a self-standing structure was modified to renovate the tower and close the atrium.

Commissioner Zapata inquired what the reason for the change in project scope was.

Ms. Singer noted the change was financially driven. She also noted the Court identified that the need for courtrooms at that facility continued to exist. Ms. Singer said the District Commissioner also concurred that the facility and surrounding community required the provided services.

Commissioner Zapata questioned the amount the revised design estimate differed from the original estimate and the total project cost.

Ms. Singer responded that design bids were approximately \$8 million higher than the estimate and that the total project cost was \$26 million.

Commissioner Zapata noted the design bid was approximately 30 percent of the total project cost and inquired whether this was a common practice.

Ms. Singer responded that it was not common practice to pay such a large amount toward design costs.

Commissioner Zapata pointed out that the County proceeded based upon an estimate, noting B&A did not do their job very well.

Ms. Singer said the County negotiated with B&A to reduce their fee to complete the project as currently envisioned, taking into consideration the fees already paid.

Commissioner Zapata said B&A played a major role in the project not being completed as initially envisioned. He noted he would not support the proposed resolution to pay a higher price.

Chairman Bovo noted the discrepancy between the original estimate and the final costs and questioned what a normal variation should be.

Ms. Singer responded that a 30 percent difference was a significant discrepancy and the amount differed based upon the project and the timing of the release of bids to the marketplace. She said that Administration believed it was in the County's best interest to continue with B&A rather than

begin with a new firm because of the investments already made. Ms. Singer indicated that B&A was helpful with the garage design, noting that she was hopeful that this project would be awarded in the near future.

Chairman Bovo said there was a mentality to just spend money because it was available. He commented that B&A should have agreed to perform its services for free taking into consideration that they made a 30 percent mistake in their estimate.

Ms. Singer concurred that the difference between the original estimate and the outcome of the competitive process was excessive. She noted that through the negotiation process there was consideration given to the County by B&A. Ms. Singer said she would not recommend the foregoing proposed resolution for consideration if she did not believe it was a reasonable deal.

Commissioner Moss said it was clear that the courtrooms were needed as well as parking improvements at the JCC. He questioned the timeframe required for a new process and whether the desired redesign could be obtained at a better price.

Ms. Singer responded that she did not believe that hiring a new design firm would save the County any money. She said that a new solicitation process would take approximately six months. Ms. Singer noted that a new firm would result in additional costs to design the surface lot, completion of the oversight of the garage, and renovation of four floors and two courtrooms in the tower.

Commissioner Moss said that the concerns expressed by his colleagues were valid concerns. He noted the Board should develop a policy to hold vendors accountable for differences in their estimates from construction costs. Commissioner Moss pointed out that the project needed to proceed; that the facility needed to be renovated; and that ample parking was needed. He recommended that the foregoing proposed resolution could be forwarded to the Board without recommendation or be deferred to the next Committee meeting to obtain additional comments. Commissioner Moss said that he did not believe the County could obtain a better deal by obtaining a new solicitation; that the six month delay was excessive; and that the current proposal

should be closely monitored to ensure that B&A delivered the project on time.

It was moved by Commissioner Moss to forward the foregoing proposed resolution to the Board of County Commissioners without a recommendation.

Commissioner Zapata questioned the total amount B&A was paid for professional services, including the charges in the proposed agreement.

Ms. Singer responded that the total amount was \$2,951,472, including the cost of Amendment 2.

In response to Commissioner Zapata's question whether B&A knew the amount of money the County had available for this project at the time of the agreement, Ms. Singer noted they did.

Commissioner Zapata inquired whether the County had any recourse because B&A designed a project inconsistent with the available budget.

Ms. Singer responded that B&A was required to have professional liability insurance.

Commissioner Zapata said that the JCC was an important facility which met a community need; however, the message needed to be made clear that vendors receiving taxpayer funds needed to be held responsible. He noted it was wrong to pay B&A \$3 million in taxpayers' funds for professional services and assessments that were not accurate. Commissioner Zapata said he believed that B&A was paid enough and that he supported deferring the foregoing proposed resolution to send a clear message that vendors will not be paid more money for their mistakes.

Chairman Bovo seconded Commissioner Moss' motion to defer the foregoing proposed resolution. He pointed out that it needed to be made clear as to what additional information would be required when the item was reconsidered.

Commissioner Zapata inquired about the percentage of the total project that was considered the design phase.

Ms. Singer responded that the design component should normally be approximately ten-percent and B&A was paid 10.7 percent in this agreement.

Commissioner Zapata said the County had already paid enough for this project and no more

money should be spent.

Commissioner Moss questioned whether the \$3 million paid included the projected construction management fee.

Ms. Singer responded that the \$3 million included design oversight and construction management oversight. She said that the surface lot and parking garage would be constructed at the same time the contractor was renovating the tower.

Commissioner Moss inquired whether a breakdown of design services and construction management costs was available.

Ms. Singer noted she would provide the Committee the requested information.

Commissioner Zapata suggested that Ms. Singer renegotiate the contract amount and provide additional protection that the cost of this project would not increase prior to its completion.

Hearing no further questions or comments, the Committee proceeded to vote to defer the foregoing proposed resolution.

3L

141307 Resolution

RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT WITH GLOBAL TEL*LINK CORPORATION FOR THE ACQUISITION OF PAY PHONES, PAY PHONE SERVICES, PAY PHONE SUBSCRIPTION SERVICES, INMATE TELEPHONE SERVICES, AND A JAIL MANAGEMENT SYSTEM (JMS) FOR THE MIAMI-DADE CORRECTIONS AND REHABILITATION , INFORMATION TECHNOLOGY AND MANAGEMENT AND BUDGET DEPARTMENTS, AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE THE A CONTRACT FOR AND ON BEHALF OF MIAMI-DADE COUNTY AND TO EXERCISE ANY CANCELLATION AND RENEWAL PROVISIONS, AND TO EXERCISE ALL OTHER RIGHTS CONTAINED THEREIN CONTRACT NO. 847 (Internal Services)

Forwarded to BCC with a favorable recommendation

Mover: Moss

Seconder: Zapata

Vote: 3-0

Absent: Heyman

Report: *Assistant County Attorney Monica Rizo read the foregoing proposed resolution into the record.*

Chairman Bovo opened the floor for public comments and called for persons wishing to appear before the Committee on the foregoing proposed resolution. The floor was closed after no one appeared wishing to speak.

Hearing no questions or comments, the Committee proceeded to vote on the foregoing proposed resolution, as presented.

4 COUNTY MAYOR

5 COUNTY ATTORNEY

6 CLERK OF THE BOARD

7 REPORTS

8 ADJOURNMENT

Report: *Hearing no further business, the Finance Committee was adjourned at 11:52 a.m.*