

Memorandum

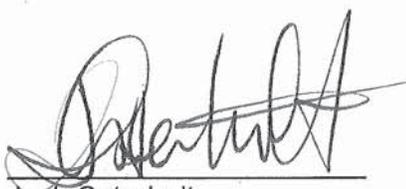


Date: February 18, 2015
To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners
From: Carlos A. Gimenez 
Mayor

Supplement to
Agenda Item No. 8(O)1

Subject: Supplemental Information for Item 8O1 – Resolution approving award of a design-build contract to Ric-Man Construction Florida, Inc. with a contract amount not to exceed \$11,326,347.00 and a total contract term of 910 days from the notice to proceed for a project entitled “Design-Build Services for Replacement of Water Mains and Service Conversions in the Shenandoah Area (Phase A)”, Project No. DB13-WASD-03

At the February 3, 2015 Board of County Commissioners (Board) meeting, staff was directed to prepare a report addressing concerns raised in regard to the referenced recommendation to award. The concerns related to similar company and corporate officers’ names among the competing firms. The award recommendation was deferred. A careful and detailed review of the ownership and relationships among the competing firms indicates there is no apparent evidence of actual collusive activity for this bid among the four firms referenced in the report (attached). The report finds that although there may be an appearance of collusion based upon familial relationships of the principals of the four firms, any potential presumption of collusion has been rebutted by Ric-Man Construction Florida, Inc. through affidavits and information provided at a February 5, 2015 Responsibility/Collusion Meeting.



Jack Osterholt
Deputy Mayor

Attachment

Memorandum



Date: February 12, 2015

To: Lester Sola
Director
Internal Services Department

Through: Miriam Singer, CFP® 
Sr. Assistant Director
Internal Services Department

From: Faith Samuels 
Sr. A/E Consultant Selection Coordinator
Internal Services Department

Subject: Responsibility/Collusion Review - ISD Project No. DB13-WASD-03 – Design-Build Services for Replacement of Water Mains and Service Conversions in the Shenandoah Area (Phase A)

Background

Pursuant to Section 287.055, Florida Statutes, Sections 2-8.1 and 2-10.4 of the County Code, Implementing Order 3-34, and Administrative Order (A.O.) 3-39, the referenced solicitation was advertised on April 11, 2014 on behalf of the Miami-Dade Water and Sewer Department (WASD). The Internal Services Department (ISD) issued a solicitation for acquisition of design-build services for the replacement of water mains and service conversions in the Shenandoah Area (Phase A).

The scope of services included, but is not limited to, surveying, geotechnical investigations, engineering, design, technical specifications, permitting, construction, testing and commissioning services, customer contact, negotiation and agreement execution for the implementation of new 8-inch water mains, and for the service conversion. The project consists of the replacement of the existing undersized and deteriorated water mains in order to improve system pressure and provide fire flow protection, and for water service conversions (transfer of services from the rear to the front of properties) in the Shenandoah Area (Phase A) of the City of Miami. The project location is the area bounded by S.W. 17 Avenue, S.W. 27 Avenue, S.W. 8 Street and S.W. 16 Street.

The project includes the following main elements: Approximately 38,900 linear feet of 8-inch and 1,100 linear feet of 6-inch ductile iron water main pipe and fittings to include, but not be limited to the following: all required resilient seated gate valves; all required fire hydrant assemblies with guard posts; approximately 1,160 water services; 761 water service conversions from rear of property to front of property to include all required piping, fittings and accessories, testing and restoration within private property including providing safety and protection of homeowner's property; tapping connections of various sizes to existing mains including tapping sleeves and valves; in-line water main connections to existing mains of various sizes; air release valve and flushing valve outlet assemblies; polyethylene encasement for ductile iron pipe and fittings, if ordered by the engineer; sheeting and shoring ordered left in place by the engineer; additional suitable backfill, if needed; furnish all materials, equipment and supplies necessary for cleaning, testing and disinfecting the mains; removal of existing asphalt pavement and sod; milling and resurfacing of existing asphalt pavement; removal, transport, salvage and legal disposal of demolition material; placing existing water mains out of service upon completion of work; traffic control; installation and restoration of pedestrian curb ramps and installation of detectable warning surfaces, temporary and permanent replacement of any utilities, pavement, sidewalk, curb &

gutter, valley gutter, traffic circle roundabout, tree, landscaping, sod, pavement markings, and/or driveway damaged by construction and all other appurtenant and miscellaneous items and work for a complete and fully functional installation.

The design-builder will design and construct all ancillary piping, tapping, temporary bypass, and tie-in connections to facilitate successful construction and commissioning the new 8-inch water mains without any interruption of service to the existing Miami-Dade Water and Sewer customers. The design and construction services rendered by the design-builder shall result in a complete, functional, and operable piping project with a minimum 80 year design life. In addition, the design-builder must comply with the "Buy America Requirements" based upon state revolving fund requirements.

The solicitation was advertised in order to secure a Design-Build Agreement with substantial completion on, or before, 545 calendar days after the date of Notice to Proceed, with final completion on, or before, 910 calendar days after the date of issuance of the Notice to Proceed. A two-step selection process was used for this solicitation, Step 1 – Evaluation of Qualifications, and Step 2 – Evaluation of Technical and Price Proposals. Step 1 is the evaluation of the design-build team's qualifications based on their proposals. Step 2 is the evaluation of competitive technical and price proposals for firms deemed responsive and responsible at Step 1.

Nine proposals were received on May 7, 2014. On July 23, 2014, the Competitive Selection Committee (CSC) evaluated the nine proposers. The CSC voted to advance four of the nine proposers (Layne Heavy Civil, Inc., Man-Con Incorporated, Ric-Man International, Inc., and Ric-Man Construction Florida, Inc.) to the Step 2 evaluation. The four proposers, Layne Heavy Civil, Inc., Man-Con Incorporated, Ric-Man International, Inc., and Ric-Man Construction Florida, Inc. submitted technical and price proposals by September 12, 2014. Two of the four proposers, Ric-Man International, Inc. and Man-Con Incorporated were found non-compliant with the Community Small Business Enterprise goal established for the solicitation and were therefore eliminated from further evaluation. On October 15, 2014, the CSC heard oral presentations from two proposers, Ric-Man Construction Florida, Inc. and Layne Heavy Civil, Inc. and evaluated them based on the evaluation criteria established for Step 2 in the solicitation. The chart below indicates the final ranking:

Respondent	Technical Score	Base Price Proposal	Adjusted Bid (Price divided by score)	Final Rank
Ric-Man Construction Florida, Inc.	447	\$9,699,987	21,700.19	1
Layne Heavy Civil, Inc.	427	\$12,436,402.56	29,125.06	2

The CSC members recommended that the County Mayor approve negotiations with Ric-Man Construction Florida, Inc. (Ric-Man), the highest ranked responsive proposer. The County Mayor's designee authorized negotiations with Ric-Man on October 27, 2014. Negotiations with Ric-Man concluded successfully on December 1, 2014.

Due diligence and pre-award compliance was conducted by the Water and Sewer and Internal Services departments in accordance with Resolution No. R-187-12. The contract award recommendation was approved by the County Mayor on December 29, 2014 and presented to the Infrastructure and Capital Improvements Committee (ICIC) on January 13, 2015. The ICIC forwarded the contract award recommendation to the Board of County Commissioners (Board). At the February 3, 2015 Board meeting, the Board raised concerns regarding the award of a contract to Ric-Man Construction Florida, Inc. (Ric-Man) specifically related to a potential presumption of collusion among some of the firms that competed for this contract. The concerns raised surrounded similar company names and corporate

officers' names. The award recommendation was deferred, and staff was instructed to prepare a report to address the concerns raised by the Board. A summary of the specific components of the February 5, 2015 meeting with Ric-Man that followed the BCC discussion is provided herein.

Responsibility/Collusion Review

A meeting was conducted with Ric-Man on February 5, 2014. The following representatives were in attendance:

Mr. Jose Villalobos, Akerman LLP
Ms. Catalina Mancini, Ric-Man Construction Florida, Inc.
Mr. Daniel Mancini, Ric-Man Construction Florida, Inc.
Mr. Oren Rosenthal, Assistant County Attorney, County Attorney's Office
Mr. Henry Gillman, Assistant County Attorney, County Attorney's Office
Mr. Amos Roundtree, Director Purchasing Division and Procurement Competition Advocate, ISD
Ms. Patty David, Chief, Intergovernmental Affairs Section, WASD
Ms. Faith Samuels, Sr. A/E Consultant Selection Coordinator, ISD
Mr. Curt Williams, Sr. A/E Consultant Selection Coordinator, ISD

Scope of Responsibility/Collusion Review

During this meeting, the following matters were addressed in regard to the firm:

- Corporate structure and ownership inclusive of all officers of Ric-Man Construction Florida, Inc. (Ric-Man);
- Relationship (financial, corporate or management) if any, between Ric-Man, Ric-Man International, Inc., Man-Con Incorporated and David Mancini & Sons, Inc.;
- Any direct or indirect ownership interest amongst the aforementioned firms and the other proposers for ISD Project No. DB13-WASD-03;
- Individual(s) responsible for preparing the proposal for DB13-WASD-03 inclusive of the price proposal;
- Individual(s) responsible for preparing the proposal for DB13-WASD-03 inclusive of the price proposal have a direct or indirect interest (financial, corporate or management) if any, with Ric-Man International, Inc., Man-Con Incorporated and David Mancini & Sons, Inc.;
- Competition against the aforementioned firms;
- Communications with other relatives or firms proposing on ISD Project No. DB13-WASD-03 regarding preparation of the bid for the aforementioned bid or any other bids;
- Communications with other relatives regarding selection of vendors;
- Instances where one of the firms (Ric-Man, Ric-Man International, Inc. Man-Con Incorporated and David Mancini and Sons, Inc.) was the purported winner of the bid and subsequently withdrew their bid; and
- Joint interest in any other company and/or property.

ISD staff has conducted a detailed review of the documentation regarding Ric-Man's corporate structure and ownership, information provided at the February 5, 2015 meeting, and subsequent information submitted on February 5th and 6th, 2015. Additionally, ISD requested information regarding the corporate structure and ownership for the following firms with similar company names and family names: Ric-Man International, Inc., Man-Con Incorporated and David Mancini and Sons, Inc.

The following documents were received from Ric-Man:

1. Original articles of Incorporation dated July 6, 2004;
2. Name change of RMEC to Ric-Man Construction Florida, Inc. dated May 13, 2009;

Responsibility/Collusion Report on ISD Project No. DB13-WASD-03
 Design-Build Services for Design-Build Replacement of Water Mains and Service Conversions
 in the Shenandoah Area (Phase A)

3. Amended Articles of Incorporation filed December 27, 2013;
4. Plan of Recapitalization for Stockholders dated December 16, 2013 listing Daniel Mancini owning 333 1/3 shares, Steven Mancini owning 333 1/3 shares and, Edward Mancini owning 333 1/3 shares;
5. Copy of 2014 Sunbiz Annual Report;
6. Current Stock Certificates for Ric-Man Construction Florida, Inc.; and
7. Affidavits from Daniel Mancini, Stephen Mancini, Edward Mancini, and Catalina Mancini.

The aforementioned affidavits affirm the ownership and corporate officers of the recommended company for award. The affidavits from the owners, Daniel Mancini, President (33 1/3%), Stephen Mancini, Vice President (33 1/3%) and Edward Mancini, Treasurer (33 1/3%) affirm that they do not own any stock or have any interest, direct or indirect ownership interest in, nor in any parent company of the following firms: Ric-Man International, Inc., Man-Con Incorporated and David Mancini & Sons, Inc. In addition, it also affirms that Daniel Mancini, Stephen Mancini and Edward Mancini (the Ric-Man Construction Florida, Inc. company principals) do not have direct or indirect ownership interest in any other company that bid on ISD Project No. DB13-WASD-03, Design-Build Services for the Replacement of Water Mains and Service Conversions in the Shenandoah Area (Phase A). The affidavit from Catalina Mancini, Secretary of Ric-Man Construction Florida, Inc. affirms the corporate officers, ownership, and that Ric-Man is neither a subsidiary nor a parent company of any other company or legal entity, and the ownership structure has remained the same since the inception of the company on July 6, 2004. Also, the initial company name RMEC, Inc. was officially modified on May 13, 2009 to Ric-Man Construction Florida, Inc. This information was provided at the February 5, 2015 responsibility/collusion meeting.

The reported familial relationship with the firms, to Daniel Mancini's knowledge is as follows: Ric-Man International, Inc. is owned by Daniel Mancini's sister (Lisa Jankowski) and brother-in-law (Paul Jankowski), David Mancini & Sons, Inc. is owned by Daniel Mancini's brother, David Mancini; and Man-Con Incorporated is owned by Daniel Mancini's cousins, Guy and Jeffery Mancini. Mr. Mancini could not confirm if Mr. Anthony Mancini (uncle) was an owner for Man-Con Incorporated; however, Man-Con Incorporated provided a copy of their 2014 Annual Report filed with the Secretary of State which indicated that Mr. Anthony Mancini is not an owner. In addition, to Mr. Mancini's knowledge, the aforementioned firms are wholly owned and not publicly traded firms.

Corporate structure and ownership documentation was requested from Ric-Man International, Inc., Man-Con Incorporated and David Mancini & Sons, Inc. Information on the firm, Ric-Man Construction, Inc. is included in the below chart. The information received was verified in Sunbiz and is as follows:

Company Name	Officers	Date of Incorporation
Ric-Man Construction Florida, Inc. (former name RMEC)	Daniel Mancini, President Edward Mancini, Treasurer Steven Mancini, Vice President Catalina Mancini, Secretary (2014 information on-line)	2004
Ric-Man International, Inc.	Lisa M. Jankowski, Director , Secretary and Treasurer Paul C. Jankowski, Jr., Vice President Rene L. Castillo, President Paul Richard Jankowski, Vice President	1983

	<p>Michael Robert Jankowski, Vice President (2014 information on-line)</p> <p>Sunbiz indicates that from 1995 through 2004, the following individuals: Steven Mancini, David Mancini, Edward Mancini and Daniel Mancini were officers of Ric-Man International, Inc.</p> <p>2005 records did not include Steven, Edward and Daniel Mancini as officers in the corporate structure of the firm.</p> <p>Records dating from 2005 through 2010 included David Mancini, and from 2011 through 2014 records did not include David Mancini</p>	
<p>David Mancini & Sons, Inc.</p>	<p>David Mancini, President Albert Dominguez, Secretary David A. Mancini, Jr., Vice President (2014 information on-line)</p>	<p>2010</p>
<p>Man-Con Incorporated</p>	<p>Guy A. Mancini, President and Treasurer Jeffrey J. Mancini, Vice President and Secretary Anthony J. Mancini, Vice President (2014 information on-line)</p>	<p>1985</p>
<p>Ric-Man Construction, Inc.</p>	<p>Steven Mancini, President Edward Mancini, Vice President Daniel Mancini, Vice President Catalina Mancini, Secretary (2014 information on-line)</p> <p>Sunbiz indicates that from 2002 through 2004, the following individuals: David Mancini, Lisa Jankowski and Paul Jankowski were officers of Ric-Man International, Inc.</p>	<p>2002</p>

	<p>2005 through 2014 records did not include David Mancini, Lisa Jankowski and Paul Jankowski</p> <p>2010 through 2014 records indicate Catalina Mancini as Secretary</p>	
--	---	--

Mr. Daniel Mancini stated that there is no direct or indirect ownership interest in the following firms who proposed on the subject project: Layne Heavy Civil, Inc., Man-Con Incorporated, Metro Equipment Service, Inc., Marks Brothers, Inc., Ric-Man International, Inc., Acosta Tractors, Inc., David Mancini & Sons, Inc. or Lanzo Construction Co., Florida.

Mr. Daniel Mancini indicated that in the preparation of bids, that there is no communication between the firms as the firms, in the course of their day to day operations, compete against each other. Mr. Mancini stated that he and his siblings were partners through the early 2000's and throughout his family's estate planning, but ownership is separate, and the firms are true competitors.

Mr. Daniel Mancini reported that the proposal, inclusive of the price proposal for the subject project, was prepared by Daniel Mancini and Dan La Cross. Mr. La Cross is the estimator and Project Manager assigned to the subject project. Mr. Mancini advised that, to his knowledge, neither he nor Mr. La Cross had any communications with any of Mr. Mancini's relatives or any of the firms that proposed on the referenced project, regarding preparation and/or calculation of the bid or any other bids. Mr. Mancini advised that Mr. La Cross communicates with suppliers and subcontractors, and that Ric-Man utilizes the same vendors (subcontractors) when bidding on projects. However, Mr. Mancini further indicated that he does not communicate with his relatives regarding the selection of vendors (subcontractors).

Mr. Daniel Mancini further stated that, as competing firms (Ric-Man Construction Florida, Inc., Ric-Man International, Inc., Man-Con Incorporated and David Mancini & Sons, Inc.), to the best of his knowledge he was not aware of any instances where any of the aforementioned firms was the purported winner of a bid and subsequently withdrew their bid, and that Ric-Man has never been the purported winner of a bid for a governmental entity and then withdrawn their bid. Mr. Mancini stated that Ric-Man proposes only on public sector work.

Mr. Mancini advised that there is no joint interest with any of his aforementioned siblings or cousins in any other companies. The siblings have joint interest in real estate held in a Trust ("Richard Mancini Trust"). The Trust is managed by Edward Mancini (one of the owners of Ric-Man Construction Florida, Inc.) and the sole beneficiary of the Trust is Gilda Mancini-Millelot, surviving spouse of Richard Mancini. An affidavit received from Julius H. Giarmarco, Esq., Giarmarco, Mullins & Horton, P.C., attorney for the Richard Mancini Trust responding to whether the Trust was an active or passive Trust whereby the siblings would benefit from the success of the sibling firms' contributions. The affidavit affirmed the following, that the sole beneficiary of the Trust is Gilda Mancini-Millelot, that there have been no contributions, disbursements or distributions of income or principal of the Trust by any of the children of Richard Mancini and that any remainder beneficiaries of the existing Trust will pass according to the terms of the Trust documents and the Last Will and Testament of Gilda Mancini-Millelot.

Conclusion

Although there may be an appearance of collusion based upon familial relationships of the principals of the four referenced firms, and as there are some common beneficiaries of a family trust, the presumption of collusion has been rebutted by Ric-Man Construction Florida, Inc. through affidavits and information provided at the February 5, 2015 meeting. A careful and detailed review of all information, inclusive of affidavits, indicates that there is no apparent evidence of actual collusive activity among the

four firms for this bid. Additionally, staff has confirmed with the State Attorney's Office that there is no pending case where the recommended firm, Ric-Man Construction Florida, Inc is being targeted for investigation.