

# Memorandum



**Date:** April 25, 2013

**To:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor 

**Subject:** Report Analyzing Methods and Strategies for Lowering Costs on County Capital Projects

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This report is in response to Resolution R-948-12, sponsored by Chairwoman Rebeca Sosa, which directed staff to provide a report analyzing methods and strategies to lower costs and maximize efficiencies on County capital projects.

The resolution specified that the report include, but not be limited to, analyzing Miami-Dade County's procedures, Code of Ordinances (Code) provisions, any applicable implementing and administrative orders and whether any such County procedures, Code provisions and applicable administrative and implementing orders may be modified to maximize cost-savings and efficiencies in capital projects. The resolution also indicated that the report should include strategies and recommendations to maximize cost-savings and efficiencies in capital projects primarily performed by County staff. To address this directive, the Internal Services Department sought input from all County departments involved in construction/capital projects, from which many good suggestions were received.

Below are recommendations, as well a description of how these recommendations could help lower costs on capital projects. The recommendations are categorized by administrative changes that have already been implemented, proposed administrative changes, and proposed legislative changes.

## Implemented Administrative Changes

- Staff developed, and the Board adopted in November 2012, a Standard Construction Contract for use by all County Departments. Prior to development of this contract, most departments were using their own individual construction contract shells, which led to confusion and delays for our customers in the construction industry, as well as internally. The standardization of our construction contract is providing benefits to our customers and internal staff by providing a uniform base for the management of construction projects countywide, more effectual contractual reviews, claims reviews, and interpretations by the County Attorney's Office, and simplified training for County staff, thus, reducing costs, conflicts and misunderstandings.
- Staff has been continuously streamlining the review process for items such as change orders, contract awards, and similar documents to avoid delays in projects.
- As directed under Resolution R-874-11, Community Small Business Enterprise Compliance Monitoring functions (performance of on-site compliance interviews) were transferred from the Small Business Development Division (SBD) of the Regulatory and Economic Resources Department to on-site County departmental construction managers. This has reduced duplication of efforts by allowing field staff familiar with the project to conduct compliance interviews with the contractors; which in turn allows more compliance interviews to be conducted and ensures SBD professionals can focus on the overall compliance analysis.
- Staff continues to conduct a Construction Manager Training Program, which to date has trained nearly 300 County and municipal project managers. This program covers numerous construction-related topics, with presentations provided by both internal and external experts involved in the County's construction processes. Proper training of County staff ensures understanding of our construction processes and steps to be followed, helps reduce the number of claims against the County and avoids project delays.

### Recommended Administrative Changes

- Create a pre-qualified pool of contractors for each trade that are able to comply with specialized requirements, such as security and insurance requirements necessary to work at specific facilities. As an example, this is often an issue for contractors at Aviation facilities, and the creation of a pre-qualified pool would streamline the award process and minimize delays caused by contractors not being able to meet specialized requirements.
- Continue the standardization of forms used by the County. As mentioned earlier, there is now a Standard Construction Contract. However, there are numerous other forms throughout the County, used both by external and internal users, that are in the process of being standardized (i.e., change order forms, notices of potential claim forms, instructions to bidders and bid forms, and standard bid bond forms).
- Improvements and consistency in our construction scheduling practices and methods are needed. Staff will be reviewing the use of cost-loaded schedules, critical path method scheduling, standardizing monthly schedule update requirements, conducting time impact analyses for change orders and claims and requiring forensic schedule analyses for project delays. Once again, implementation of standardized practices throughout all County departments is a step towards reducing costs on capital projects. Additionally, better use of Master Program Schedules for large-scale capital development projects would allow better coordination of construction activities between contractors.
- Use of Building Information Modeling technology for conflict detection and modeling in the design phase of construction projects is a proven method for reducing claims, design conflicts, and change orders. While an expensive technology, we will look at potential options for acquiring and/or contracting to access this technology.
- Require Constructability Reviews, which assist staff early in the design phase in determining if a project can be built to its design efficiently, or can alternatively provide methods for constructing a project. This practice, especially with large-scale projects, coupled with the Master Program Schedules and Risk Workshops, help avoid unforeseen issues later in the construction process. These practices are used in some departments, but their utilization is not consistent across the entire County.
- Use of a Program Management Consultant to oversee and coordinate architectural and engineering professionals on large projects, which the County is considering for the upcoming water and sewer infrastructure improvements. This is an excellent tool that needs to be used consistently by the County on large projects.
- Implement a "Lessons Learned" program to allow departments to share past issues and implement contractual or procedural changes for future projects, including the development of a standardized project close-out manual that will ensure projects reach final completion expeditiously once the substantial completion stage has been reached.
- Re-vamp the Contractor Performance Evaluation rating system. This includes strengthening the criteria used to evaluate a contractor's work on a project and ensuring accurate and timely reporting by County staff so that non-performing contractors are evaluated properly when bidding on County solicitations. Implementation of this recommendation will require a legislative change to Administrative Order 3-42 and is also mentioned in the following section.

Recommended Legislative Changes

- Previously approved programs by the Board, such as the Miscellaneous Construction Contracts Program and the Economic Stimulus Plan have proven to be effective tools for both expediting construction projects and providing opportunities for small businesses. Additionally, the Administration's ability to advertise solicitations for construction projects has also helped expedite construction project awards. Further delegation to the Mayor to award competitively-solicited construction projects that are not covered by these programs, subject to ratification by the Board, would further expedite projects, and thereby reduce cost and delays on projects.

As mentioned previously, staff will continue to review and make recommendations to improve the County's current Contractor Performance Evaluation Rating System and will implement the recommended administrative changes. We will be reporting back to the Board on progress made in regard to the recommended changes.

Amendments to Administrative Order 3-42 will be presented to the Board for consideration in the near future, as well as legislation to authorize further delegated authority.

If you have any questions or concerns, please feel free to contact Lester Sola, Internal Services Department Director, at 305-375-2363.

c: R.A. Cuevas, Jr., County Attorney  
Office of the Mayor Senior Staff  
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