



Miami-Dade Board of County Commissioners
Office of the Commission Auditor

Economic Development and Tourism Committee
(EDTC) Meeting

July 18, 2018
1:30 P.M.
Commission Chambers

Thomas B. Davis, Esq.
Director, Policy and Legislation
Office of the Commission Auditor (OCA)
111 N.W. First Street, Suite 1030
Miami, FL 33128
(305) 375-2524

THIS PAGE INTENTIONALLY LEFT BLANK

**EDTC Meeting: July 18, 2018
Research Notes**

Item No. 3B

File No. 181670

Researcher: MF Reviewer: TD

RESOLUTION APPROVING THE TERMS OF A FIFTEEN YEAR LEASE CONTRACT WITH THE U.S. GENERAL SERVICES ADMINISTRATION FOR USE OF SPACE AT MIAMI INTERNATIONAL AIRPORT BY THE U.S. DEPARTMENT OF STATE'S REGIONAL DIPLOMATIC COURIER SERVICE DIVISION AT AN ANNUAL RENT PAYMENT OF \$700,612.48; AUTHORIZING THE MAYOR OR MAYOR'S DESIGNEE TO EXECUTE THE LEASE CONTRACT, OFFER THE LEASE CONTRACT TO THE GSA FOR ITS ACCEPTANCE AND EXECUTION, AND THEREAFTER EXERCISE ALL COUNTY RIGHTS THEREUNDER, INCLUDING TERMINATION; AND DIRECTING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO PROVIDE THE LEASE CONTRACT TO THE COUNTY PROPERTY APPRAISER IN ACCORDANCE WITH RESOLUTION NO. R-791-14

ISSUE/REQUESTED ACTION

Whether the Board should approve the terms of a 15-year Lease Agreement with the U.S. General Services Administration (USGSA) for space in Miami International Airport (MIA) Cargo Building 701 for use by the U.S. Department of State's Regional Diplomatic Courier Service Division.

APPLICABLE LEGISLATION/POLICY

Miami-Dade County Code, Section 2-8.3, provides that "[w]henver a competitive process is utilized for selection of a contractor, vendor, consultant, tenant or concessionaire, the County Manager shall review the responses to the solicitation and recommend to the County Commission award or other appropriate action.

http://miamidade.fl.elaws.us/code/coor_ptiii_ch2_arti_sec2-8.3

Resolution No. R-791-14, adopted by the Board on September 3, 2014, directs the Mayor or the Mayor's designee to provide the Miami-Dade County Property Appraiser a copy of all leases and operating agreements involving County-owned property.

<http://intra/gia/matter.asp?matter=141723&file=true&yearFolder=Y2014>

PROCEDURAL HISTORY

Prime Sponsor: Rebeca Sosa, District 6

Department/Requester: Miami-Dade Aviation Department

The proposed resolution does not have a procedural history.

FISCAL IMPACT

According to the Fiscal Impact Statement, this agreement will generate revenue for the Miami-Dade Aviation Department. The USGSA will pay a negotiated annual rent of \$700,612.48, totaling \$10,509,187.20 for the 15-year lease term. The negotiated annual rate is inclusive of building and operating rent (parking, utilities and janitorial service).

ANALYSIS

Whether the Board should approve the terms of a 15-year Lease Agreement with the U.S. General Services Administration (USGSA) for space in Miami International Airport (MIA) Cargo Building 701 for use by the U.S. Department of State's Regional Diplomatic Courier Service Division.

EDTC Meeting: July 18, 2018
Research Notes

The USGSA and MIA have been involved in negotiations since 2017 regarding the leasing of space on behalf of the Department of State for its Regional Courier Service Division. These negotiations resulted in a proposed Lease Agreement for space in Building 701, located at 2260 NW 67th Avenue in the cargo area of MIA. This 21,021 square feet space consists of both non-air conditioned warehouse space and air conditioned office space.

The USGSA requested to be charged a single rental rate for the entire 15-year term, due to federal budgeting concerns. The appraised fair-market rental value for the space is \$564,043.06. MDAD increased the average annual Consumer Price Index from 2.38 to 3.0, resulting in an annual rent of \$700,612.48 for each of the 15 years.

ADDITIONAL INFORMATION

Miami International Airport (MIA), located on 3,230 acres of land near downtown Miami, is operated by the Miami-Dade Aviation Department and is the property of Miami-Dade County government. Founded in 1928, MIA now offers more flights to Latin America and the Caribbean than any other U.S. airport, is America's second-busiest airport for international passengers, boasts a line-up of over 100 air carriers and is the top U.S. airport for international freight. MIA is also a leading economic engine for Miami-Dade County and the State of Florida, generating business revenue of \$33.7 billion annually and welcoming 70 percent of all international visitors to Florida.

http://www.miami-airport.com/about_us.asp

The U.S. General Services Administration (USGSA) provides centralized procurement for the federal government. USGSA helps federal agencies build and acquire office space, products and other workspace services, and oversees the preservation of historic federal properties.

<https://www.gsa.gov/about-us/background-and-history>

To convey and protect classified and sensitive U.S. materials in transit abroad, the U.S. Department of State's Regional Diplomatic Courier Service Division relies on more than 100 diplomatic couriers. Working out of the United States and seven overseas locations, the Diplomatic Courier Service provides both scheduled and special delivery of materials for the U.S. Department of State and other federal agencies working at U.S. diplomatic posts abroad.

<https://www.state.gov/m/ds/rls/c17245.htm>

**EDTC Meeting: July 18, 2018
Research Notes**

Item No. 3C

File No. 181700

Researcher: JFP Reviewer: TD

RESOLUTION APPROVING AWARD OF THE NONEXCLUSIVE LEASE AND CONCESSION AGREEMENT FOR COMMUNICATION SERVICES, RFP NO. MDAD-03-15, TO EXACTTA, LLC, WITH A MINIMUM ANNUAL GUARANTEE OF \$266,000.00 OR A PERCENTAGE FEE OF EIGHTEEN PERCENT, WHICHEVER IS GREATER, FOR A TERM OF FOUR YEARS, WITH ONE OPTION TO RENEW FOR A ONE YEAR PERIOD; AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO EXECUTE THE AGREEMENT AND TO EXERCISE RENEWAL AND TERMINATION PROVISIONS CONTAINED THEREIN

ISSUE/REQUESTED ACTION

Whether the Board should approve the award of a Lease and Concession Agreement to Exactta, LLC (Exactta) through RFP No. MDAD-03-15, for communication services at Miami International Airport, with a Minimum Annual Guarantee of \$266,000.

APPLICABLE LEGISLATION/POLICY

Section 2-8.1 of the County Code (Contracts and Purchases Generally) applies to all contracts for public improvements and purchases of all supplies, materials and services other than professional services and (1) requires formal sealed bids for purchases over \$250,000; (2) describes the circumstances under which non-competitive purchases may be approved; (3) establishes requirements for legacy purchases, designated purchases, and single vehicle leases; and (4) provides that procurement procedures shall be established by I.O. and approved by the Board.

[https://library.municode.com/fl/miami -
dade county/codes/code_of_ordinances?nodeId=PTIICOOR_CH2AD_ARTIINGE_S2-8.1COPUGE](https://library.municode.com/fl/miami_-_dade_county/codes/code_of_ordinances?nodeId=PTIICOOR_CH2AD_ARTIINGE_S2-8.1COPUGE)

Resolution No. R-187-12, adopted by the Board on February 21, 2012, directs the County Mayor to include due diligence information in memoranda recommending certain contract awards.

<http://intra/gia/legistarfiles/MinMatters/Y2012/120287min.pdf>

Resolution No. R-477-18, adopted by the Board on May 1, 2018, directs the County Mayor to disclose to the Board the reasons goods and services are not being procured through local businesses when the recommendation is to award a contract to a non-local vendor or to establish a prequalification pool where less than 75 percent of the pool members are local businesses.

<http://intra/gia/matter.asp?matter=180822&file=true&yearFolder=Y2018>

Implementing Order No. 3-38 sets forth the County's processes and procedures for the purchase of goods and services. The I.O. outlines: the roles and responsibilities of the Internal Services Department; the methods of purchasing goods and services; the authority to award and modify contracts; and the requirements for access contracts, emergency purchases, bid waivers, confirmation purchases and sole sources.

<http://www.miamidade.gov/aopdfdoc/aopdf/pdffiles/IO3-38.pdf>

PROCEDURAL HISTORY

Prime Sponsor: None

Department/Requester: Aviation Department

The proposed resolution has no procedural history.

EDTC Meeting: July 18, 2018
Research Notes

FISCAL IMPACT

Exactta will pay MDAD the greater of a Minimum Annual Guarantee (MAG) of \$266,000, which includes the annual rent for the locations, or a percentage fee of 18 percent.

ANALYSIS

The proposed Lease and Concession Agreement, for four years with one, one-year option to renew, provides for the provision of communication services at three locations—one location on the third level of Terminal J, International arrivals; one location on the first floor of Terminal D, International Arrivals; and one location at the Rental Car Center. The services to be provided include: selling or renting rechargeable prepaid SIM cards, pin phone cards and mobile phones (for rent and sale).

Six proposers responded to the Request for Proposals, advertised on May 17, 2016. All proposers were deemed responsive, responsible, and compliant with minimum qualifications. Exactta, LLC was the highest ranked proposer (both technical and price points), and will deliver a Minimum Annual Guarantee of \$266,000 or a percentage fee of 18%, whichever is greater. The proposer with the next highest Minimum Annual Guarantee was Sim Cards U.S. with a proposed MAG of \$180,000 (with a 10% percentage fee).

Per the terms of the Lease & Concession Agreement, the MAG will be adjusted after the first year, on the anniversary of the effective date, and every year thereafter during the term of the Agreement to reflect to the change in the Consumer Price Index for all urban consumers in the South Region, for the published, preceding twelve-month period.

Exactta, LLC is a local Limited Liability Company that is active, and has been registered to do business in Florida since November 29, 2006.

<http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=EXACTTA%20L060001145860&aggregateId=flal-I06000114586-03490c2c-78bf-46e9-a925-f94a003a1510&searchTerm=exactta&listNameOrder=EXACTTA%20L060001145860>

<http://www.exactta.com/>

**EDTC Meeting: July 18, 2018
Research Notes**

Item No. 3F

File No. 181597

Researcher: JFP Reviewer: TD

RESOLUTION APPROVING ADDITIONAL EXPENDITURE AUTHORITY IN A TOTAL AMOUNT UP TO \$46,000,000.00 FOR PREQUALIFICATION POOL NO. 9427-1/21-1 FOR PURCHASE OF PASSENGER LOADING BRIDGES, REPLACEMENT PARTS, AND REFURBISHMENT DEVICES AND PROVIDING ADDITIONAL FUNDING FOR REPAIRS AND TECHNICAL SUPPORT FOR THE AVIATION DEPARTMENT AND PORTMIAMI

ISSUE/REQUESTED ACTION

Whether the Board should authorize additional expenditure authority in the amount of \$46,000,000 to *Prequalification Pool No. 9427-1/21-1, Passenger Loading Bridges, Replacement Parts, Repairs and Refurbishment Services* for the Aviation Department and PortMiami.

APPLICABLE LEGISLATION/POLICY

Section 2-8.1 of the County Code (Contracts and Purchases Generally) applies to all contracts for public improvements and purchases of all supplies, materials and services other than professional services and (1) requires formal sealed bids for purchases over \$250,000; (2) describes the circumstances under which non-competitive purchases may be approved; (3) establishes requirements for legacy purchases, designated purchases, and single vehicle leases; and (4) provides that procurement procedures shall be established by I.O. and approved by the Board.

[https://library.municode.com/fl/miami -
dade county/codes/code of ordinances?nodeId=PTIICOOR CH2AD ARTIINGE S2-8.1COPUGE](https://library.municode.com/fl/miami-_dade_county/codes/code_of_ordinances?nodeId=PTIICOOR_CH2AD_ARTIINGE_S2-8.1COPUGE)

Resolution No. R-677-11, adopted by the Board on September 1, 2011, authorizes award of competitive contract *9427-1/21, Passenger Loading Bridges, Replacement Parts, Repairs, and Refurbishment Services* in the amount of \$18,850,000 for a term of five years with one, five-year option to renew.

<http://intra/gia/matter.asp?matter=111427&file=true&yearFolder=Y2011>

Resolution No. R-187-12, adopted by the Board on February 21, 2012, directs the County Mayor to include due diligence information in memoranda recommending certain contract awards.

<http://intra/gia/legistarfiles/MinMatters/Y2012/120287min.pdf>

Resolution No. R-391-17, adopted by the Board on April 4, 2017, directs the County Mayor or County Mayor's designee to conduct competitive selections whenever feasible instead of expanding the term or services under existing contracts, to include in any recommendation to the Board for the expansion of term or services under existing contracts a written justification of why a competitive process is not feasible, to include to the maximum extent possible in any such proposed expansion of term or services any requirements of ordinance or resolutions adopted by the Board subsequent to the initial contract, and to report to the Board in the recommendation which requirements were adopted and rejected

<http://intra/gia/matter.asp?matter=170534&file=true&yearFolder=Y2017>

Implementing Order No. 3-38 sets forth the County's processes and procedures for the purchase of goods and services. The I.O. outlines: the roles and responsibilities of the Internal Services Department; the methods of purchasing goods and services; the authority to award and modify contracts; and the requirements for access contracts, emergency purchases, bid waivers, confirmation purchases and sole sources.

<http://www.miamidade.gov/aopdfdoc/aopdf/pdffiles/IO3-38.pdf>

EDTC Meeting: July 18, 2018
Research Notes

PROCEDURAL HISTORY

Prime Sponsor: None

Department/Requester: Internal Services Department

The proposed resolution has no procedural history.

FISCAL IMPACT

The pool is currently in its renewal term, which expires on September 30, 2021. A total of \$28,055,000 was allocated to the current pool's Blanket Purchase Order; of that amount \$18,194,936.01 has been released (as of July 17, 2018), leaving a balance of \$9,860,063.99. The table below shows the departmental allocations and expenditures for the current renewal term.

Department	Allocation Amount	Released Amount	Balance	Funding Source
Aviation	\$14,455,000	\$5,675,159	\$8,779,841	Proprietary Funds
PortMiami	\$13,600,000	\$12,519,777.01	\$1,080,222.99	Proprietary Funds
Total:	\$28,055,000.00	\$18,194,936.01	\$9,860,063.99	

The initial contract, approved September 1, 2011, pursuant to Resolution No. R- R-677-11, was in the amount of \$18,850,000. The original resolution states that, if the County were to choose to exercise the one, five-year option-to-renew, the total contract value will be \$37,700,000. However, per information shown in the Bid Tracking System on July 17, 2018, the option term was approved with an allocation of \$24,055,000. Accordingly, the cumulative allocation, prior to any modifications, amounts to \$42,905,000.

Including modifications, the pool's current cumulative allocation is \$52,110,000. If the request for additional expenditure authority in the amount of \$46,000,000 is approved, the modified cumulative allocation will be \$98,110,000.

Term	Original Award Amount	Modifications	Modified Allocation	Expiration Date
Initial	\$18,850,000	\$5,205,000	\$24,055,000	9/30/2016
Option to Renew	\$24,055,000	\$4,000,000	\$28,055,000	9/30/2021
Total:	\$42,905,000	\$9,205,000	\$52,110,000	

ANALYSIS

The proposed resolution authorizes additional expenditure authority to *Prequalification Pool No. 9427-1/21-1, Passenger Loading Bridges, Replacement Parts, Repairs and Refurbishment Services*, in the amount of \$46,000,000 in order for PortMiami and the Aviation Department to continue the purchase of Passenger Loading Bridges, which are used for the embarkment and disembarkment of passengers, and to provide regular maintenance of the passenger loading equipment.

The stated need for the modification is due to operational demands by both the Aviation Department and PortMiami. In 2017, PortMiami was confirmed as Home Port for additional ships, requiring two new loading bridges at new Cruise Terminal B for cruise partner, Norwegian Cruise Lines, and one new loading bridge for the future renovation of Cruise Terminal C, to be used by multiple cruise partners.

EDTC Meeting: July 18, 2018
Research Notes

This procurement will also facilitate Aviation's plan to prioritize the replacement of 33 Passenger Loading Bridges that have exceeded their useful life. In furtherance of increasing operation and service reliability, the replacement of these bridges with new Passenger Loading Bridges will help safeguard the wellbeing of passengers and airport employees, while eliminating the problems of frequent breakdowns, excessive downtime, and unavailability of parts for obsolete bridges. New Passenger Loading Bridges will incorporate state of the art safety features.

While the need for the Passenger Loading Bridges is clear, it is unclear why this stated need was not forecasted during the issuance of the OTR. The County established the current pool in the amount of \$18,850,000 on September 1, 2011 for a five-year term, with one, five-year option to renew term. The pool is currently in its renewal term, with an allocation of \$28,055,000 for the five-year term after a \$4,000,000 modification approved on February 23, 2017. The request for additional expenditure authority in the amount of \$46,000,000 is 164% of the value of the current option to renew term, and is thus likely beyond the scope of services/requirements envisioned by the participants in the pool and the contracted vendor.

The pool, with three prequalification groups, currently has eight vendors of which three are local (37.5%). The awarded vendor, North American Construction Company, LLC, has a local address.