



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

**COMMISSION AUDITOR'S
INFORMATIONAL RESEARCH**

**COUNTY INFRASTRUCTURE AND INNOVATIONS
COMMITTEE**

February 11, 2021

6:00 P.M.

Commission Chambers

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Commission Auditor

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**CIOIC Meeting:
February 11, 2021
Research Notes**

**Item No. 1G3
File No. 202416**

Research: JNP&VW / Reviewer: PGE

ORDINANCE RELATING TO PROCUREMENT OF IRON AND STEEL; CREATING SECTION 2-8.2.6.1 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA; CREATING THE BUY AMERICAN IRON AND STEEL PRODUCTS PROCUREMENT PROGRAM; PROVIDING THAT SOLICITATIONS AND CONTRACTS FOR CERTAIN PUBLIC IMPROVEMENT PROJECTS MUST REQUIRE THE USE OF IRON AND STEEL PRODUCTS PRODUCED IN THE UNITED STATES; PROVIDING EXCEPTIONS; EXEMPTING CERTAIN PROJECTS; AND PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

Prime Sponsor: Joe A. Martinez

Requester: N/A

BCC Action Date: Adopted on First Reading at the December 15, 2020 BCC Meeting

RESEARCH FINDINGS

OCA's review of the item found no substantive legislative, procedural or administrative noncompliance. See the Additional Information section for historical and other background information on the item.

ADDITIONAL INFORMATION

The United States is the world's largest net importer of steel as of 2019 (2019 the latest year available with [data](#) on the world's largest steel importers). [Since March 2018, a 25% tariff on steel imports has been in effect](#) with the goal of protecting U.S. steel mills from foreign competition and creating economic advantages, such as boosting employment in the steel industry. While the tariffs did initially benefit domestic companies by limiting competition and boosting prices, the tariffs created higher costs for steel consumers, such as the U.S. auto industry, resulting in job losses in those sectors.

The price of steel in the United States is currently greater than that of China, the world's largest producer of steel. Globally, the COVID-19 pandemic has caused the overall demand for steel production to fall but has also caused a supply shortage as the pandemic is impacting workers and causing production disruptions, all likely affecting pricing trends in 2021. According to IHS Markit, [steel prices will spike in the first quarter of 2021](#) but fall rapidly over the following months. All products are rising rapidly. Rapid construction and industrial recovery from COVID-19 lockdowns outpaced sluggish capacity restarts, so supply is temporarily tight. Mills have restarted in most regions, so shortages will not last and prices will retreat quickly over the second quarter.

Pricing for a typical steel product, such as hot rolled coil/band (HRC) in the United States, as compared to Europe and China, is detailed in the below table.

Benchmark prices for Hot Rolled Coil/Band Steel Products – February 8, 2021

Country/Region	Price (\$/metric)
USA, East of the Mississippi	\$ 1,229
Mainland China	\$ 584
Western Europe	\$511.98
World Export Market	\$730

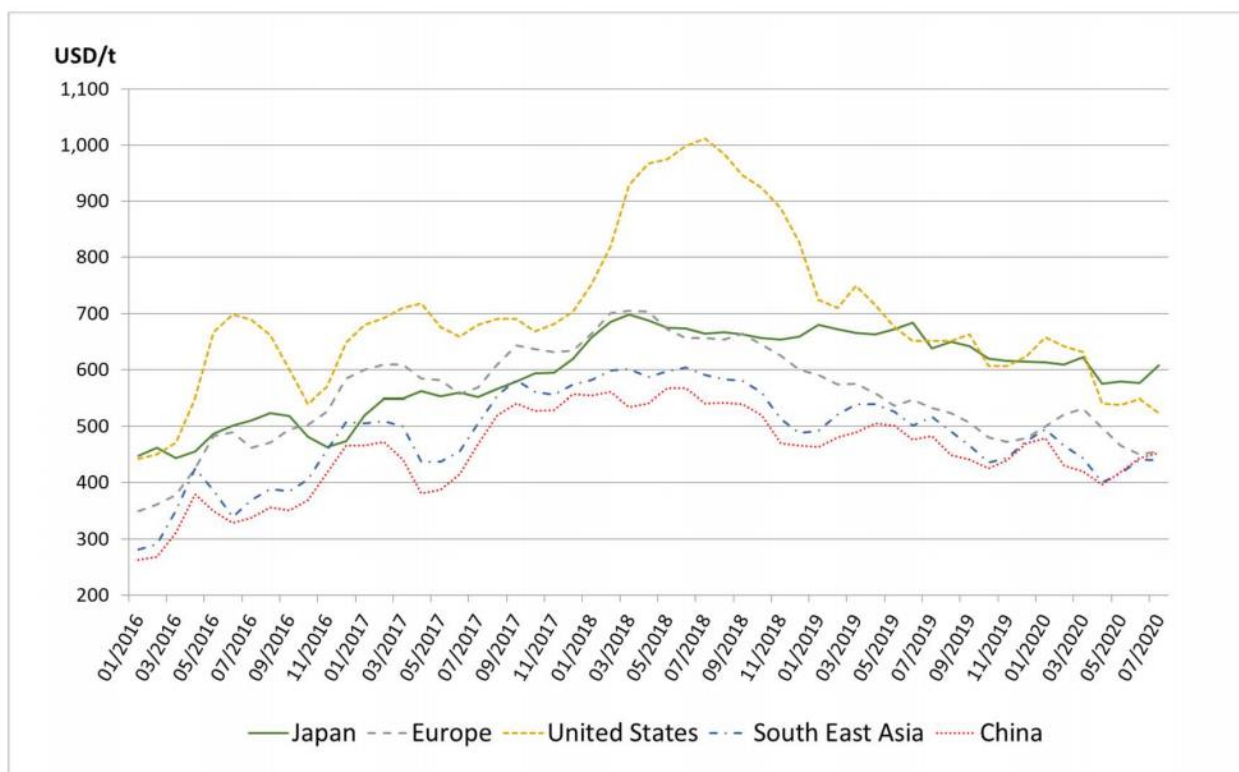
[Source: SteelBenchmark](#)

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The chart below from the OECD Steel Market Development Report for 2020 Q4 shows the trends in world hot-rolled coil (HRC) prices from January 2016 to July 2020.

Figure 12. Steel price for flat products, by region



Note: Latest price: July 2020, with the exception of Russia (June 2020)

Source: Platts Steel Business Briefing.

[*Source: OECD Steel Market Development Report for 2020 Q4*](#)

The chart below details other jurisdictions that have implemented policies mandating iron and steel be purchased from American suppliers or be made in the United States.

Jurisdiction	Legislation and Effective Date	Legislative Summary
United States	Executive Order 13881- Maximizing Use of American-Made Goods,	For steel and iron manufactured products, the Executive Order does propose a significant change, increasing domestic content from 51% to 95% in order to qualify as a “domestic end product.” The Executive Order also increases the “price penalty” against foreign end products

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	Products, and Materials (Effective July 18, 2019)	from 6% to 20% (or from 12% to 30% for small business competition) which will reduce federal agency use of the “unreasonable cost” waiver and thereby increase procurement of domestic products.
New York State	New York Buy American Act (Effective December 15, 2017)	Enacts the "New York Buy American Act"; provides that all contracts over one million dollars in value and made and awarded by any department or agency of the state for the construction, reconstruction, alteration, repair, maintenance or improvement of any roads or bridges shall contain a provision that the iron, steel and concrete used or supplied in the performance of the contract or any subcontract thereto and permanently incorporated into such road or bridge, shall be produced or made in whole or substantial part in the United States, its territories or possessions; enacts provisions relating to a working group between NYS and Canada.
Texas	Senate Bill 1289 (Effective May 8, 2017)	Requires large state projects — such as buildings, roads and bridges — to purchase iron and steel from an American supplier if the cost does not exceed 20 percent more than the price of cheaper, foreign imports.
Pennsylvania	Steel Products Procurement Act (1978)	Products rolled, formed, shaped, drawn, extruded, forged, cast, fabricated or otherwise similarly processed, or processed by a combination of two or more of such operations, from steel made in the United States by the open hearth, basic oxygen, electric furnace, Bessemer or other steel making process and shall include cast iron products and shall include machinery and equipment listed in United States Department of Commerce Standard Industrial Classification 25 (furniture and fixture), 35 (machinery, except electrical) and 37 (transportation equipment) and made of, fabricated from, or containing steel components. If a product contains both foreign and United States steel, such product shall be determined to be a United States steel product only if at least 75% of the cost of the articles, materials and supplies have been mined, produced or manufactured, as the case may be, in the United States. Transportation equipment shall be determined to be a United States steel product if it complies with section 165 of Public Law 97-424 (96 Stat. 2136).

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Maryland	House Bill 191 – Purchase of American Manufactured Goods (2013)	State procurement law to grant a preference for American manufactured goods in State contracting; requiring a public body to require that certain contractors and subcontractors use or supply American manufactured goods under certain procurements; providing for the application and construction of this Act; requiring a public body to give a certain notice; requiring the Board of Public Works to adopt certain regulations regarding the granting of a preference for the use of American manufactured goods; defining certain terms; and generally relating to the purchase of American manufactured goods.
New Jersey	NJ Buy American Act (Effective November 16, 2020)	Under the “New Jersey Buy American Act,” all state contracts over \$1 million in value for the construction, reconstruction, alteration, repair, maintenance, or improvement of any surface highway or bridge must contain a provision that any iron or steel products are made in whole or substantial part in the United States.

Pros of ‘Buy America Legislation’

Pros
Promotion of domestic infant industries – Newly created domestic industries may not have the economies of scale that more well-established industries in other countries may have. Such infant industries may need to be protected until they can attain a similar level of scale economy as their foreign competitors.
Reduction in unemployment rates in certain economic sectors – If consumers are required to purchase American made products for certain goods, then those sectors of the economy will experience increased demand and respond by employing more workers. However, other industries which depend on cheap foreign goods as input of production may suffer by being forced to purchase more expensive domestic alternatives so the overall effect on national unemployment levels is hard to predict .
Lower imports – A reliance on domestically made goods will lower imports and lead to a positive balance of trade, a trade surplus. However, a trade surplus is not ceteris paribus a positive phenomenon nor is a trade deficit ceteris paribus a negative phenomenon. Trade deficits are generally more problematic with fixed exchange rates. Under a fixed exchange rate regime devaluation of the currency is impossible, trade deficits are more likely to continue, and unemployment may increase. However, the United States does not employ a fixed exchange rate regime but rather a flexible exchange rate system.
National Defense – The national defense argument says that import barriers are necessary to ensure the capacity to produce crucial goods in a national emergency. The argument here is that by building up domestic industries and relying on domestic industries to produce essential goods, a country will be in a better position to respond to a national emergency by utilizing this built-up industrial surge capacity instead of relying on foreign countries.

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Research: JNP&VW / Reviewer: PGE

Cons of ‘Buy America Legislation’

Cons
Domestically produced goods are more expensive – Domestically produced goods will cost consumers more as they are generally higher in price due to higher costs of labor. The cost of labor in the United States is far higher than the cost of labor in developing countries such as China or India. <u>Furthermore, industries which use steel as an intermediate goods may pass on the higher costs of American made steel to consumers</u> in the form of higher prices for their products.
Risk of provoking a trade war – Generally speaking, protectionist measures such as <u>tariffs designed to protect domestic industries can possibly risk provoking a trade war</u> with the result that the goods subject to protectionist measures become more expensive regardless of whether they are produced at home or abroad. For example, if the United States were to impose tariffs on imported steel from China then China may retaliate by placing its own tariffs on imported American steel to which the United States will respond by further increasing tariffs on Chinese steel and so on and so on.
Reduces incentives to innovate – If domestic industries are protected through tariffs or preferential purchasing arrangements then <u>domestic industries will have a reduced incentive to innovate</u> relative to their foreign competitors as they are already at an economic advantage due to protective legislation. The need to compete on a level playing field without the advantages of protectionist legislation is a strong driver of innovation.
Reduction in product quality – Similar to the argument regarding innovation, protecting domestic industries from foreign competition through protectionist legislation or trade measures will also lead to a <u>disincentive to improve product quality</u> . If a domestic firm has a comparative advantage over a foreign firm through protectionist legislation, then the domestic firm has no incentive to produce a product of superior quality relative to the foreign firm.

**CIOIC Meeting:
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Research Notes**

**Item No. 3A
File No. 202217**

Researcher: MF / Reviewer: PGE

RESOLUTION AUTHORIZING ESTABLISHMENT OF PREQUALIFICATION POOL RTQ-01452 IN A TOTAL AMOUNT UP TO \$2,525,000.00 FOR THE PURCHASE OF FIRE HYDRANTS AND ASSOCIATED PARTS FOR THE MIAMI-DADE AVIATION DEPARTMENT AND THE MIAMI-DADE WATER AND SEWER DEPARTMENT FOR A FIVE-YEAR TERM; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO SOLICIT PRICING, AWARD CONTRACTS, EXERCISE ALL PROVISIONS OF THE SOLICITATION DOCUMENTS AND ANY RESULTING CONTRACTS PURSUANT TO SECTION 2-8.1 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA AND IMPLEMENTING ORDER 3-38, AND ADD VENDORS TO THE POOL AT ANY TIME, SUBJECT TO RATIFICATION BY THE BOARD ON A BI-ANNUAL BASIS

Prime Sponsor: None

Requester: Internal Services Department

Committee Action Date: N/A

RESEARCH FINDINGS

OCA conducted due diligence pertaining to the four recommended vendors for *Prequalification Pool No. RTQ-01452*: Corcel Corp.; Core & Main, LP; Ferguson US Holdings, Inc. dba Ferguson Enterprises, LLC; and Fortiline Inc. dba Fortiline Waterworks. The results yielded an adverse finding regarding vendor Core & Main, LP.

1. Recommended vendor Core & Main, LP is a defendant in a class-action, civil rights employment lawsuit. According to records, a legal complaint was filed September 3, 2020 (Case No. 5:20-CV-01821 – *Ishmael Perez v. Core and Main LP*) in the U.S. District Court, Central District of California (Riverside). The plaintiffs are seeking more than \$5,000,000 in damages. Per the complaint, there are more than 100 plaintiffs named in the lawsuit alleging that the Defendants had failed to pay timely wages, failed to provide accurate itemized wage statements, failed to provide with adequate off duty meal periods and rest period compensation and wrongfully terminated the employment of Plaintiff and other class members in violation of the Labor Code. According to the suit, the plaintiffs' also allege the following: defendants willfully failed to pay overtime wages owed; Defendants had and continue to have a company-wide policy and/or practice of understaffing their worksites, while assigning heavy workloads, resulting in a failure to provide Plaintiff and class members with adequate meal period coverage; Defendants pressured Plaintiff to clock out and continue working through meal periods two to three times per week; Defendants maintained and implemented a company-wide policy of requiring all employees to travel to a medical facility on their own time and using their own personal vehicles to undergo mandatory physical examinations and/or drug testing. According to the case docket proceedings, there is a hearing on the Motion for Class Certification set for June 21, 2021.¹

ADDITIONAL INFORMATION

The solicitation was advertised on March 5, 2020. Submittals were due on March 20, 2020. The item is slated for Board approval on March 2, 2021.


The Table below depicts the annual allocation, contract terms, and difference in values for current *Prequalification Pool No. RFQ-00722* and replacement *Prequalification Pool No. RTQ-01452*. As shown, the annual allocation of the replacement pool is \$180,000 more expensive or 55% higher than the current pool.

¹ Resolution No. [R-828-19](#) establishes a policy for disclosure of past and present discrimination lawsuits in solicitation submissions.

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**Item No. 3A
File No. 202217**

Researcher: MF / Reviewer: PGE

Prequalification Pool	Term	Value	Annual Allocation
RFQ-00722 (Current)	April 1, 2018 – March 31, 2021	\$975,000	\$325,000
Totals:	3 years	\$975,000	\$325,000
Prequalification Pool RTQ-01452 (Replacement)	April 1, 2021 – March 31, 2026	\$2,525,000	\$505,000
Totals:	5 years	\$2,525,000	\$505,000
Annual Allocation Difference			\$180,000 

**CIOIC Meeting:
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Research Notes**

**Item No. 3C
File No. 202461**

Research: TA / Reviewer: PGE

RESOLUTION APPROVING ADDITIONAL EXPENDITURE AUTHORITY IN A TOTAL AMOUNT UP TO \$182,000.00 FOR PREQUALIFICATION POOL NO. RTQ-00184 FOR GROUP A WINDOW TREATMENTS AND GROUP B WINDOW FILMING FOR PURCHASE OF WINDOW TREATMENTS, WINDOW FILMING AND RELATED ITEMS FOR MULTIPLE DEPARTMENTS; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO SOLICIT PRICING FOR GROUP A AND GROUP B, AWARD CONTRACTS, EXERCISE ALL PROVISIONS OF THE SOLICITATION DOCUMENTS AND ANY RESULTING CONTRACTS PURSUANT TO SECTION 2-8.1 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA AND IMPLEMENTING ORDER 3-38, AND ADD VENDORS TO THE POOL AT ANY TIME, SUBJECT TO RATIFICATION BY THE BOARD ON A BI-ANNUAL BASIS

Prime Sponsor(s): None
Requester: Internal Services Department
Committee Action Date: N/A

RESEARCH FINDINGS

OCA's review of the item found no substantive legislative, procedural or administrative noncompliance. See the Additional Information section for historical and other background information on the item.

FINANCIAL ANALYSIS

The fiscal impact for this contract modification is \$182,000; no General Funds will be utilized.

The original pool contract was established under delegated authority on October 1, 2015 for six years with a value of \$788,000. Additional contract modifications were approved administratively in 2016, 2018, and 2019, bringing the current cumulative value to \$915,000. With the contract expiring in seven months, there remains \$57,821 in cumulative spending authority, including a \$15,000 allocation to Community Action and Human Services which has never been utilized. The specific departments requesting additional spending authority have largely depleted their allocation: Internal Services Department has \$10,607, Library Department never had an allocation, and the Water and Sewer Department has \$118 left. The additional needs for these departments appear to not have been anticipated when the contract was originally established.

ADDITIONAL INFORMATION

As the current contract expires on September 30, 2021, a solicitation for the replacement contract is currently being processed to establish a new prequalification pool that includes installation services, which were not included in the current contract. According to the Bid Tracking System (BTS), the solicitation process for the replacement contract was initiated between February to May 2020, which is within the required 180 days time frame for re-procurement to commence as required by [Resolution No. R-717-18](#). While the bids were opened in June 2020, there were delays in obtaining documentation from vendors and ensuring a sufficient number of vendors were included in the pool. The award of the new contract is anticipated to be before the Board for approval in April 2021.

A Small Business Enterprise (SBE) set aside applies when there are three or more certified SBE firms in the pool and no federal funds are being utilized; however, there are currently only two SBE firms (Commercial Interior Contractors Corp. and Cube Care Co.) in the pool. According to the Business Management Workforce System (BMWS), there are currently 6 certified SBE firms for the required NIGP Commodity Code 90101 *Drapery Installation and Repair*. Thus, unless additional SBE firms are qualified to be added to the pool, the SBE firms would only receive a Bid Preference.

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Research Notes**

**Item No. 3D
File No. 202542**

Research: JNF / Reviewer: PGE

RESOLUTION AUTHORIZING ESTABLISHMENT OF PREQUALIFICATION POOL RTQ-01605 IN A TOTAL AMOUNT UP TO \$8,502,000.00 FOR THE PURCHASE OF EMERGENCY CLEANUP SERVICES FOR MULTIPLE DEPARTMENTS FOR A THREE-YEAR TERM; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO SOLICIT PRICING, AWARD CONTRACTS, EXERCISE ALL PROVISIONS OF THE SOLICITATION DOCUMENTS AND ANY RESULTING CONTRACTS PURSUANT TO SECTION 2-8.1 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA AND IMPLEMENTING ORDER 3-38, AND ADD VENDORS TO THE POOL AT ANY TIME, SUBJECT TO RATIFICATION BY THE BOARD ON A BI-ANNUAL BASIS

Prime Sponsor: None
Requester: Internal Services Department
Committee Action Date: N/A

RESEARCH FINDINGS

OCA's review of the item found no substantive legislative, procedural, or administrative noncompliance. See the Additional Information section for historical and other background information on the item.

FINANCIAL ANALYSIS

This item establishing a prequalification pool has a fiscal impact of \$8,502,000 for a three-year term—a 1600% increase from the \$500,000 cumulative value of the current pool for emergency cleanup services, *ITB-16-042-CV*, that this item intends to replace. The table below shows the departmental allocation and funding source for the replacement pool as compared to the current pool. There are 14 new user departments under the replacement pool. Internal Services remains a user department with an allocation increase of 584%.

Department	Funding Source for Replacement Pool	Departmental Allocation under Replacement Pool, <i>RTQ-01605</i>	Departmental Allocation under Current Pool, <i>ITB-16-042-CV</i>
Animal Services	General Fund	\$60,000	
Aviation	Proprietary Funds/Federal Funds	\$300,000	
Community Action and Human Services	General Fund	\$39,000	
Corrections and Rehabilitation	General Fund	\$210,000	
Cultural Affairs	Proprietary Funds	\$60,000	
Fire Rescue	Fire District	\$210,000	
Homeless Trust	Food and Beverage Tax	\$1,440,000	
Internal Services	General Funds	\$3,420,000	\$500,000
Library System	Library District	\$168,000	
Parks, Recreation, and Open Spaces	General Fund	\$75,000	
Police	General Fund	\$60,000	
PortMiami	Proprietary Funds	\$60,000	

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File No. 202542

Research: JNF / Reviewer: PGE

Public Housing and Community Development	Federal Funds	\$120,000	
Solid Waste Management	General Fund/Proprietary Funds	\$180,000	
Transportation and Public Works	DTPW Operating	\$2,100,000	
TOTAL		\$8,502,000	\$500,000

The departments will be able to seek reimbursements for these expenditures from the Federal Emergency Management Agency where applicable.

ADDITIONAL INFORMATION

This proposed pool, *RTQ-1605, Emergency Cleanup Services*, replaces the County's access of a Miami-Dade County Public Schools contract for similar services. The replacement contract is broader in scope and includes decontamination services to prevent the spread of airborne pathogens and viruses, such as the SARS-CoV-2 Coronavirus. The current contract was accessed on March 19, 2018 for a two-year term with three, one-year options to renew. The \$500,000 cumulative allocation of the current contract reflects an original contract amount of \$250,000, one modification of \$60,000 approved on November 16, 2018, and one proration in the amount of \$190,000 approved on September 13, 2019, which extended the contract 12 months until September 7, 2020. Another proration for time extension was approved under delegated authority on March 12, 2020, extending the contract until September 4, 2021.

Resolution No. [R-718-17](#) directs the Administration to commence planning for reprourement no later than 18 months prior to the expiration of contracts and prequalification pools for purchases of goods and services, inclusive of option to renew periods. Given this contract's original expiration date of September 4, 2020, the Administration should have commenced planning for reprourement of this contract no later than March 4, 2019.

The two awarded vendors in the current pool, Just in Time Water Mitigation, LLC and Super Restoration Service Co., LLC, are incumbent vendors, and the following four vendors are certified SBEs: Able Business Services, Inc.; Carpet Savers, Inc., dba Dry Out Restorations; Integrity Janitorial Service Corp.; and Maintenance Services 360. Eleven (65%) of the prequalified vendors being recommended for inclusion of the pool have local addresses, which is lower than the 75% local vendor threshold prescribed by Resolution No. [R-477-18](#). A February 10, 2021 search on the Business Management Workforce System for the pool's Commodity Code, NIGP 910 - Building Maintenance, Installation and Repair Services, yielded 155 certified local Small Business Enterprise firms.

Two of the local prequalified vendors have outstanding property taxes owed to the County. Able Business Services, Inc., owes taxes from tax years 2018, 2019, and 2020, totaling \$39,231.60. Super Restoration Service CO, LLC owes \$2,471.96 in unpaid taxes from tax year 2015.

**CIOIC Meeting:
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Research Notes**

**Item No. 3E
File No. 202556**

Researcher: MF / Reviewer: PGE

RESOLUTION AUTHORIZING ESTABLISHMENT OF PREQUALIFICATION POOL RTQ-01528 IN A TOTAL AMOUNT UP TO \$5,634,000.00 FOR THE PURCHASE OF VERITAS SOFTWARE LICENSE AND MAINTENANCE SERVICES FOR THE INFORMATION TECHNOLOGY DEPARTMENT FOR A FIVE-YEAR TERM; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO SOLICIT PRICING, AWARD CONTRACTS, EXERCISE ALL PROVISIONS OF THE SOLICITATION DOCUMENTS AND ANY RESULTING CONTRACTS PURSUANT TO SECTION 2-8.1 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA AND IMPLEMENTING ORDER 3-38, AND ADD VENDORS TO THE POOL AT ANY TIME, SUBJECT TO RATIFICATION BY THE BOARD ON A BI-ANNUAL BASIS

Prime Sponsor: None
Requester: Internal Services Department
Committee Action Date: N/A

RESEARCH FINDINGS

OCA conducted due diligence pertaining to the five recommended vendors for *Prequalification Pool RTQ-01528*: Carahsoft Technology Corporation; GEN3i, Inc.; Insight Public Sector, Inc.; Quasius Investment Corporation dba GCA; and SHI International Corporation. The results yielded an adverse finding against vendor Carahsoft Technology Corporation.

1. Recommended vendor Carahsoft Technology Corp. is a defendant in a class-action Fair Labor Standards Act lawsuit. According to records, the complaint was filed February 4, 2020 (Case No. 8:20-CV-00305 – *Sherlene Wegner v. Carahsoft Technology Corp.*) in the U.S. District Court of Maryland (Greenbelt). The Plaintiff alleges on behalf of herself and other current and former employees of the Defendant that the Defendant failed to pay overtime wages for all hours worked in excess of 40 hours for any given workweek and is seeking liquidated damages, costs and attorneys' fees. According to the suit, the plaintiff alleges the following: the defendant failed to accurately record, report and/or preserve records of hours worked and failed to make, keep and preserve records to each of its employees sufficient to determine their regular rate of pay, overtime rate of pay hours worked and other conditions and practice of employment. As per the case's docket proceedings, the last action was December 1, 2020 at which there was an unopposed motion by the Plaintiff to approve the case as a class-action suit.

ADDITIONAL INFORMATION


The Table below shows the comparative analysis between the current contract and the replacement contract under this item, as shown in the Bid Tracking System (BTS). The analysis shows the replacement contract is higher than the current contract by \$380,142.60 annually, or a 51% increase.

Prequalification Pool	Term	Value	Annual Allocation
No. 9499-3/20-3 (Current)	Initial Term Nov. 1, 2011 – Oct. 31, 2014	\$1,775,800	\$591,933.33
	OTR 1 Nov. 1, 2014 – Oct. 31, 2016	\$1,419,866.66	\$709,933.33

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**Item No. 3E
File No. 202556**

Researcher: MF / Reviewer: PGE

	OTR 2 Nov. 1, 2016 – Oct. 31, 2018	\$1,740,535	\$870,267.50
	OTR 3 Nov. 1, 2018 – April 30, 2021	\$2,155,668.76	\$862,267
Totals:	9 years, 6 months	\$7,091,870.42	\$746,512
Prequalification Pool	Term	Value	Annual Allocation
RTQ-01528 (Replacement)	Initial Term May 1, 2021 – June 1, 2026	\$5,633,273*	\$1,126,654.60
Totals:	5 years	\$5,633,273	\$1,126,654.60
Annual Allocation Difference			\$380,142.60 

**Value as shown in BTS*

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**Item No. 3F
File No. 202557**

Research: VW / Reviewer: TA

RESOLUTION APPROVING AWARD OF CONTRACT NO. FB-01523 TO SOURCE TECHNOLOGIES, LLC. FOR THE PURCHASE OF 50% LIQUID HYDROGEN PEROXIDE SOLUTION FOR THE MIAMI-DADE WATER AND SEWER DEPARTMENT WITH AN AMOUNT NOT TO EXCEED \$7,992,000.00, FOR A FIVE-YEAR TERM; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO GIVE NOTICE OF THIS AWARD TO SOURCE TECHNOLOGIES, LLC., ISSUE THE APPROPRIATE PURCHASE ORDERS TO GIVE EFFECT TO SAME AND EXERCISE ALL PROVISIONS OF THE CONTRACT PURSUANT TO SECTION 2-8.1 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA AND IMPLEMENTING ORDER 3-38

Prime Sponsor(s): None
Requester: Internal Services Department
Committee Action Date: N/A

RESEARCH FINDINGS

OCA's review of the item found no substantive legislative, procedural or administrative noncompliance.

The following was noted:

1. This contract was not placed on the agenda for Board approval at least 60 days prior to the expiration of the current contract as required by Board resolution. (See the Additional Information section.)

FINANCIAL ANALYSIS

The fiscal impact for this contract award is \$7,992,000 for a five-year term. The existing contract, FB-00260, was established with a value of \$7,350,000 and pro-rated administratively by \$367,500, resulting in a cumulative modified contract amount of \$7,717,500 for a five-year and three-month term from February 1, 2016 to April 30, 2021. The proposed allocation breaks down to \$133,200/month with an estimated usage of 8,000,000 pounds, compared to \$122,500/month with an estimated usage of 8,400,000 pounds under the current contract. According to the Bid Tracking System (BTS), the allocation under the existing contract has been completely depleted.

OCA verified that the precise increase in the price per pound (lb) is from \$0.175/lb to \$0.1998/lb (the mayoral memo states that the current price is \$0.18/lb). Given that the estimated quantity is 8,000,000 pounds, the award value would have been \$7,000,000 for a five year period under the current pricing of \$0.175, compared to \$7,992,000 under the new pricing. The incumbent firm, U.S. Peroxide, LLC. dba USP Technologies, also submitted a bid for the new contract, but was not recommended because their bid was \$0.203/lb.

ADDITIONAL INFORMATION

Per [Resolution No. R-515-19](#), the Mayor must seek approval for award of successor contracts or extensions 60 days prior to contract expiration. As the current contract expires on April 30, 2021, this item should have been scheduled for Board approval in February 2021. Unless this item is waived to the February 17, 2021 Board agenda, it will not comply with this requirement.

Pursuant to [Resolution No. R-140-15](#), prior to re-procurement, a full review of the scope of services must be conducted to ensure the replacement contract reflects the County's current needs, including requiring the department to consult with the Small Business Development Division regarding solicitation and contract language. The item does not specify that the required consultation occurred for this solicitation.

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**Item No. 3F
File No. 202557**

Research: VW / Reviewer: TA

A Small Business Enterprise (SBE) Bid Preference applied, but no certified SBE firms submitted a bid. OCA conducted a search for the required NIGP Commodity Code 96895 (Wastewater Treatment Plant, Operations, and Testing) in the Business Management Workforce System (BMWS) on February 10, 2021 and identified one certified Small Business Enterprise firm with this code: RJR Construction, Inc.

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February 11, 2021
Research Notes**

**Item No. 31
File No. 210058**

Research: TA / Reviewer: PGE

RESOLUTION WAIVING FORMAL COMPETITIVE BIDDING PROCESS REQUIREMENTS UNDER IMPLEMENTING ORDER 3-38 AND AUTHORIZING TWO YEAR EXTENSION OF INITIAL TERM OF CONTRACT WITH EXISTING TERMS AND CONDITIONS, AND ADDITIONAL EXPENDITURE AUTHORITY IN AN AMOUNT UP TO \$3,908,000.00, FOR A MODIFIED TOTAL CONTRACT AWARD OF \$13,562,000.00 FOR CONTRACTS NO. RFP-00294 A – GENERAL SEGMENT, B – AVIATION SEGMENT, C - WATER AND SEWER SEGMENT, AND D - TRANSIT SEGMENT FOR THE PURCHASE OF EXTERNAL INDEPENDENT AUDITING SERVICES FOR MULTIPLE DEPARTMENTS; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXERCISE ALL PROVISIONS OF THE CONTRACT, INCLUDING ANY EXTENSIONS OR CANCELLATIONS, PURSUANT TO SECTION 2-8.1 OF THE COUNTY CODE AND IMPLEMENTING ORDER 3-38

Prime Sponsor: None

Requester: Internal Services Department

Committee Action Date: N/A

RESEARCH FINDINGS

OCA's review of the item found no substantive legislative, procedural or administrative noncompliance. See the Additional Information section for historical and other background information on the item.

FINANCIAL ANALYSIS

The fiscal impact for this contract modification is \$3,908,000 for a two-year period. The figures in the narrative of the mayoral memo (additional allocation in a cumulative amount of \$1,483,000, plus an annual allocation for additional services, in the cumulative amount of \$471,000) could not be reconciled with the figures in the table (additional allocation in a cumulative amount of \$3,908,000); there may be a scrivener's error.

The current allocations were verified in the Bid Tracking System (BTS). As of February 8, 2021, the existing cumulative allocation is \$9,620,000, which is close to the \$9,654,000 cumulative allocation stated in the item. The detail is as follows:

Contract No.	Description	Start Date	End Date	Cumulative Allocation
RFP-00294A	General	6/29/2016	6/30/2019	\$2,940,000
RFP-00294A-1(2)	General	7/1/2019	6/30/2020	\$985,000
RFP-00294A-2(2)	General	7/1/2020	6/30/2021	\$990,000
-				\$4,915,000
RFP-00294B	Aviation	6/29/2016	6/30/2019	\$1,182,000
RFP-00294B-1(2)	Aviation	7/1/2019	6/30/2020	\$409,000
RFP-00294B-2(2)	Aviation	7/1/2020	6/30/2021	\$409,000
-				\$2,000,000

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Contract No.	Description	Start Date	End Date	Cumulative Allocation
RFP-00294C	WASD	6/29/2016	6/30/2019	\$800,000
RFP-00294C-1(2)	WASD	7/1/2019	6/30/2020	\$275,000
RFP-00294C-2(2)	WASD	7/1/2020	6/30/2021	\$280,000
-				\$1,355,000
RFP-00294D	DTPW	6/29/2016	6/30/2019	\$800,000
RFP-00294D-1(2)	DTPW	7/1/2019	6/30/2020	\$275,000
RFP-00294D-2(2)	DTPW	7/1/2020	6/30/2021	\$275,000
				\$1,350,000

Based on historical allocations for these contracts, the two-year extension approximately equates to a cumulative allocation of \$3,878,000 (\$980,000 + \$409,000 + \$275,000 + \$275,000 per year). The spending authority for additional services is presumed to be part of that total, as the requested allocation is \$3,908,000. It should be noted that the departments have not fully utilized the funding available for each of these contracts. According to BTS, as of February 8, 2021, the 2019-2020 contracts had the remaining funds still available:

- General: \$175,000 of \$985,000
- Aviation: \$99,100 of \$409,000
- WASD: \$100,000 of \$275,000
- DTPW: \$275,000 of \$275,000

ADDITIONAL INFORMATION

On June 19, 2018, the County awarded the contract for Enterprise Resource Planning (ERP) Solution implementation, integration, and related services to Accenture, LLC, at an estimated cost up to \$48,283,000 for the term of the agreement via [Resolution No. R-642-18](#). To date, \$34,499,636 has been expended under that contract. The initial targeted ERP implementation date was October 1, 2020, but the current go live date is April 2021. The proposed two-year extension will bring the current External Auditing Services contract to June 30, 2023.

On January 20, 2016, the County's Audit Committee was established via [Resolution No. R-87-16](#), pursuant to the Auditor selection procedures in [Section 218.391 of the Florida Statutes](#) (which were last updated in 2019, contrary to the mayoral memo stating that the Auditor selection procedures were recently changed). At that time, the Committee composition was as follows:

- Beth Goldsmith (Non-Voting Chairperson), Internal Services Department, Procurement Contracting
- Cathy Jackson, Audit Management Services, Director
- Blanca Padron, Finance Department, Deputy Director
- Robert Villar, Transit Department, Assistant Director
- Frances Morris, Water and Sewer Department, Chief Financial Officer
- Charles Anderson, Office of the Commission Auditor, Commission Auditor
- Sergio San Miguel, Aviation Department, Controller

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A Small Business Enterprise (SBE) goal of 30% was set for Aviation, Transit and WASD segments; however, the subcontractors were not listed in the Business Management Workforce System (BMWS) or identified in the original awarded contracts via Resolutions No. [R-555-16](#), [R-553-16](#) and [R-554-16](#), respectively.

CONTRIBUTORS

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

The Office of the Commission Auditor (OCA) was established in September 2002 by Ordinance 03-2 to provide support and professional analysis of the policy, service, budgetary and operational issues before the Miami-Dade Board of County Commissioners. The Commission Auditor's duties include reporting to the Board of County Commissioners on the fiscal operations of County departments, as well as whether the fiscal and legislative policy directions of the Commission are being efficiently and effectively implemented

These research notes, prepared in collaboration with the Miami Dade County departments as subject matter experts, is substantially less detailed in scope than an audit in accordance with the Generally Accepted Auditing Standards (GAAS). The OCA plans and performs the review to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on its objectives; accordingly, the OCA does not express an opinion on the data gathered by the subject matter expert(s).