

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: February 26, 2025

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING AMENDMENT NO. 5 TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF MIAMI BEACH AND CAMILLUS HOUSE, INC. FOR EMERGENCY SHELTER SERVICES; AMENDING SECTION 3.1 OF THE AGREEMENT, "FIXED FEE" TO STIPULATE THE RENEWAL TERMS OF THE AGREEMENT, APPROVING THE INCREASE IN THE DAILY BED RATE FOR EMERGENCY SHELTER BEDS FROM \$30.54 PER BED, PER DAY, TO \$57.00 PER BED, PER DAY, AND AMENDING "EXHIBIT A," "SCOPE OF SERVICES," DECREASING THE AMOUNT OF CONTRACTED BEDS FROM EIGHTEEN (18) BEDS PER DAY TO EIGHT (8) BEDS PER DAY, BASED ON BUDGET APPROPRIATION; AND FURTHER AUTHORIZING THE CITY MANAGER TO EXECUTE THE AMENDMENT.

RECOMMENDATION

The Administration recommends approving the Resolution to authorize the execution of Amendment No.5 to the Professional Services Agreement ("Agreement") between the City of Miami Beach and Camillus House, Inc. ("Contractor") for emergency shelter services.

BACKGROUND/HISTORY

On September 25, 2017, the Mayor and City Commission ("City Commission") adopted Resolution No. 2017-30000, approving the award of Request for Proposal ("RFP") No. 2017-293-KB for Emergency Shelter Beds to Serve Homeless Population.

On March 9, 2018, the City and Contractor entered into an Agreement for the provision of twelve (12) emergency shelter beds for a five (5)-year term at the rate of \$26.35 per bed, per day, for Year 1, with a total not-to-exceed amount of \$198,125.65. Each subsequent year of the agreement included a 3% increase in the daily rate with the option of two, one-year renewal terms at the City Manager's discretion. The Agreement has since been amended as follows:

- **Amendment No.1** was executed on November 10, 2020, to remove the not-to-exceed amounts incorporated in the Agreement to permit the purchase of additional emergency shelter beds, and to correct the renewal terms from two (2), one-year renewal options to two (2), two-year renewal options at the City Manager's discretion.
- **Amendment No. 2** was executed on April 5, 2023, following the City Commission's approval of item C2J at its December 14, 2022, Commission meeting to increase daily bed rates by 3% for each bed for the first renewal term, increasing the approved rate to \$30.55 per bed, per day.
- **Amendment No. 3** was executed on March 4, 2024, following the City Commission's approval of item C2K, authorizing the purchase of six (6) additional emergency shelter

beds at Camillus House, increasing the City's shelter bed inventory from twelve (12) shelter beds to a total of eighteen (18) shelter beds, at the rate of \$30.54 per bed, per day.

- **Amendment No. 4** was approved by the City Commission on November 22, 2024. On June 20, 2024, the Contractor informed the City of rising operational costs and proposed a daily bed rate increase to \$67.44. The City rejected this increase, stating the rate could not exceed the amount stipulated in Amendment No. 2, which was \$30.54. The Contractor subsequently notified the City of its intent to discontinue services by September 30, 2024. The City responded, stating the discontinuance was an anticipatory breach of the Agreement and demanded revocation and confirmation of full performance. The Contractor further agreed to continue services, but requested the option to receive advanced monthly payments for services and for the City to attempt to reduce its shelter bed roster, offering to absorb the difference in daily bed rate costs with another shelter provider, if secured. Following the City Commission's adoption of Resolution 2024-33369, the Amendment was executed on January 25, 2025, to amend the following:
 - o Section 3.1, "Fixed Fee", to include terms of future renewal terms of the Agreement, stipulating that if the City elects to exercise its option to extend the Agreement for the second two-year renewal term, the City and Contractor acknowledge and agree that they shall negotiate, in good faith, the rate of emergency shelter beds.
 - o Section 3.2, "Invoicing", to permit up to forty-five days advanced payment for emergency shelter bed services and associated costs.
 - o "Exhibit A", "Scope of Services", to indicate that if the City secures shelter beds with alternative providers to specifically reduce the current bed roster for the duration of the Agreement, the Contractor will absorb the difference in daily bed rate costs.

ANALYSIS

The initial 5-year term of the Agreement with the Contractor ended on March 8, 2023, with the option to extend the Agreement for an additional two (2), two-year renewals. The first renewal is set to expire on March 8, 2025.

In response to the City's "Intent to Renew" letter for the second term, the Contractor informed the City that, due to the previously reported increase in operational costs, the requested rate remains \$67.44 per bed, per day. However, following negotiations, the Administration and Contractor agreed on a fixed rate of \$57.00 per bed, per day. To cover the remaining operational costs, the Contractor plans to utilize the Case Manager funded through the City of Miami Beach Lazarus Project to also provide case management services to homeless individuals placed into City-contracted beds. The Contractor's intent to renew is contingent upon the City's approval of the rate adjustment.

The estimated cost to fund eight (8) beds at the daily rate of \$57.00 per bed for the remaining 206 days of the fiscal year is \$93,936.00. The Office of Housing and Community Services has identified funds within its operating budget to support eight (8) beds at the increased rate, effective March 9, 2025, which will result in a total fiscal year cost that is approximately \$22,000 less than the amount approved in the Department's Fiscal Year 2025 operational budget for Camillus House shelter beds. The Department will work to relocate any individuals exceeding the eight (8) contracted beds to alternative facilities.

FISCAL IMPACT STATEMENT

\$93,936.00

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

FINANCIAL INFORMATION

011-0560-000349-23-405-575-00-00-00- Housing and Community Services

CONCLUSION

The Administration recommends approving Amendment No. 5 to the Professional Services Agreement with Camillus House, Inc. and authorizing the City Manager to execute the Amendment.

Applicable Area

Citywide

Is this a “Residents Right to Know” item, pursuant to City Code Section 2-17?

No

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

Housing and Community Services

Sponsor(s)**Co-sponsor(s)****Condensed Title**

Amendment 5 to PSA with Camillus House, Inc., Emergency Shelter Bed Services. HCS

Previous Action (For City Clerk Use Only)

