

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Rickelle Williams, Interim City Manager

DATE: June 28, 2024

TITLE: DISCUSSION REGARDING PRIORITIZATION OF IDENTIFYING FUNDING FOR PHASE III OF THE WEST AVENUE RESILIENCY PROJECT DURING THE FISCAL YEAR 2025 BUDGET PROCESS.

BACKGROUND/HISTORY

On May 15, 2024, the Mayor and City Commission referred item C4 W (Exhibit A), sponsored by Commissioner Alex Fernandez and co-sponsored by commissioner Joe Magazine, to FERC, to discuss the prioritization of identifying funding for Phase III of the West Avenue Resiliency project (Project) during the Fiscal Year 2025 budget process.

The Project represents a comprehensively defined neighborhood improvement program, focused on resolving challenges associated with climate impacts and aged infrastructure. The scope of this neighborhood improvement project includes replacement of the existing water distribution/transmission systems and gravity sanitary sewers, installation of a new robust storm water drainage collection and including new bi-fuel auxiliary generators, raising of the paved roadway and harmonization to the adjacent properties, installation of new street lighting, pedestrian lighting, replacement of existing and installation of new traffic and pedestrian signals at intersections, new landscaping, irrigation. Most of the improvements for Phase III are on West Avenue between 14th Street and 8th Street, with some limited improvements between 8th Street and 6th Street.

On March 22, 2017, the Mayor and City Commission adopted Resolution No. 2017-29799, awarding design/build services (Agreement) to Ric-Man Construction Florida, Inc (Ric-Man), for the Project.

On April 27, 2022, the Administration received a letter from Ric-Man indicating that it had instructed its legal counsel to prepare a declaratory relief action seeking termination of the Agreement. After several unsuccessful meetings to discuss the claim a mediation session was scheduled. Prior to the mediation session, Ric-man delivered a re-start proposal which would allow them to continue with the West Avenue Ph II Neighborhood Improvement project, consisting of improvements north of 14 Street (West Avenue Ph II).

On October 26, 2022, the City Commission adopted Resolution No. 2022-32384, approving Amendment No. 1 and deductive Change Order No. 7, pausing the project and reallocating funding to the West Avenue Ph II project and modifying the terms and conditions of the Agreement between the City and Ric-Man. In anticipation of potential grant funding, Amendment No. 1 established the terms for a future termination for convenience of the Agreement for the West Avenue Ph III.

Subsequently, the City submitted a grant application to the Resilient Florida Grant Program and the Project was awarded a \$10 million grant. The grant requires a new procurement process for the selection of a contractor. As such, the City will terminate the Agreement with Ric-Man, who will assign the design contracts to the City in order to finalize the design and permitting of the project.

ANALYSIS

The Project is currently at a 90% design completion and the project's total budget is currently estimated at \$49,769,580. The current appropriated amount is \$28,358,522 (including \$10 million Resilient Florida grant) and the programmed funding in FY26 is \$21,411,058.

The City submitted another grant application in FY23 through the Resilient Florida grant for cost overruns in the amount of \$8.3 million, but was not awarded this grant. Staff will continue to pursue any available grant funding to supplement the project funding.

The Project's current timeline is to continue with the Termination for Convenience with Ric-man and start negotiations with CES Consultant, Inc. for a contract assignment to be able to continue with the current design and permitting. It is anticipated that the contract assignment will be presented to Commission in fall 2024. Design completion is anticipated summer 2025, followed by the issuance of an Invitation to Bid (ITB) with the award of a construction contract and commencement of construction activities in early 2026.

FISCAL IMPACT STATEMENT

The project's total budget is currently estimated at \$49,769,580. The current appropriated amount is \$28,358,522 (including \$10 million Resilient Florida grant) and the programmed funding in FY26 is \$21,411,058.

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

The Business Impact Estimate (BIE) was published on . See BIE at:
<https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

FINANCIAL INFORMATION

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CONCLUSION

This information is being provided to the Committee for discussion regarding funding this project in the amount of \$21,411,058 as part of the Capital Budget process. The Administration recommends for the Finance and Economic Resiliency Committee (FERC) consider recommending funding this project as part of the Capital Budget process.

Applicable Area

South Beach

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

Yes

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

Capital Improvement Projects

Sponsor(s)

Commissioner Alex Fernandez

Co-sponsor(s)

Commissioner Joseph Magazine