

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: March 19, 2025

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE CHANGE ORDER NO. 1 TO THE AGREEMENT BETWEEN THE CITY OF MIAMI BEACH, FLORIDA AND AVR CONTRACTORS, CORP., PURSUANT TO ITB-2023-299-ND, FOR CONSTRUCTION SERVICES AT FLAMINGO PARK LODGE; SAID CHANGE ORDER WILL INCREASE CONTRACT TIME BY 272 CALENDAR DAYS FOR UNFORESEEN SCOPE AND REPLENISH THE PROJECT CONTINGENCY IN THE AMOUNT OF \$65,000 TO ADDRESS FUTURE UNFORESEEN SCOPE OF WORK, UTILIZING PREVIOUSLY APPROPRIATED PROJECT FUNDING.

RECOMMENDATION

The Administration recommends that the Mayor and City Commission (City Commission) adopt the Resolution.

BACKGROUND/HISTORY

Flamingo Park is a 36.53-acre park located within the boundaries of the Historic Flamingo Park neighborhood in South Beach. Inside the park is a small building referred to as the Lodge, which historically was the residence of the park's groundskeeper. Construction is currently underway to renovate the Lodge (Project) for public activities use such as community support spaces, meetings, recreational use, and a possible future concession space.

The scope of work includes selective demolition, a new interior layout, mechanical, electrical, and ADA upgrades, new interior and exterior finishes, stucco repairs (including patching and painting), new exterior glazing and doors, new roofing, new exterior concrete walkways, new pedestrian LED lighting, landscaping, and irrigation improvements.

On December 13, 2023, the City Commission approved the award of a contract for the construction services for the Project in the amount of \$1,019,639.30 inclusive of a 10% contingency in the amount of \$92,694.41 to AVR Contracting Corp. (AVR).

ANALYSIS

On April 10, 2024, the City issued Notice to Proceed (NTP) for construction to AVR.

During the course of the renovation, AVR found evidence of live termite infestation and significant deterioration and damage to the existing wood roof rafters, sheathing, wooden floor structural members and flooring. AVR submitted a request for information (RFI) advising the City of the existing damage and requested direction. After assessing the existing damage, the consultant, Wolfberg Alvarez and Partners, Inc. (WAP), determined there was a need to retain a structural engineer to conduct a structural inspection of the Lodge and provide a written report which would provide direction and resolution. The structural engineer, Bliss and Nyitray, Inc. (BNI), visited the

site to conduct a site observation of the existing structure and provided a report of their findings (Report) which showed that both the existing roof and floor structural members had significant termite damage that degraded the structural integrity of both the existing roof and flooring. The Report recommended complete replacement of both the wooden roof structure and wood flooring (Exhibit A). WAP provided revised architectural and new structural drawings showing complete and full replacement of both the roof and floor assemblies (Exhibit B). Multiple rounds of discussions on scope and pricing were held. After five rounds of negotiations, a scope and cost was finally agreed upon between the City and AVR.

City staff requested a proposal from AVR for the additional scope described above. AVR provided a negotiated proposal for the additional scope in the amount of \$89,231.77 and a Contingency Draw was issued, utilizing the previously approved Owner's Contingency. Use of contingency funds is always subject to multilevel review and approval by the project's architectural and engineering consultants and the City's staff as to the appropriateness of the request and use of the funds.

Addressing the additional scope of work has reduced the Owner's Contingency to \$3,462.64. As a result of the extensive termite damage, the Project has expended more than ninety-six percent (96%) of the Owner's Contingency, whereas the Project is seventeen percent (17%) completed. A majority of the contingency funds have been allocated to address the unforeseen structural deficiencies.

In addition to the cost, the unforeseen condition has resulted in significant delays to the Project requiring a time extension. The time required to analyze the issues, determine the best course of action, revise the construction drawings, negotiate with the contractor and resubmit the drawings for permit has resulted in an additional 272 calendar days to complete the Project.

City staff hereby requests a change order to the contract with AVR, to replenish the Project's Owner's Contingency and increase the contractual duration to allow for the performance of the additional scope and the delays associated with its resolution. This will ensure that sufficient funding is available to address future unforeseen, required changes in the project scope in a timely manner. The requested amount of \$65,000, will increase the available project contingency balance to \$68,462.64, resulting in forty-three percent (43%) of the total Owner's Contingency available for the remaining eighty-three percent (83%) of construction.

Any unused contingency funds available at the end of the project, will be returned to the City via a change order.

Change Order No. 1, in the amount of \$65,000 and 272 calendar days, will revise the total contract amount to \$1,084,639.30, including a revised total Owner's Contingency of \$157,694.41, and a total construction time of 542 calendar days, revising the contractual substantial completion date to September 5, 2025 (Exhibit C).

FISCAL IMPACT STATEMENT

The total amount of the Change Order is \$65,000.00 utilizing previously appropriated project funding.

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-notices/>

FINANCIAL INFORMATION

391-0820-069357-26-410-546-00-000-00-21518 \$65,000

CONCLUSION

The Administration recommends that the City Commission approve the resolution.

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?**

Yes

**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)

Co-sponsor(s)

Condensed Title

Change Order 1 w/ AVR Contractors (ITB-2023-299-ND), Construction Services at Flamingo
Park Lodge. CIP

Previous Action (For City Clerk Use Only)