

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: November 20, 2024

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING AMENDMENT NO. 4 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 RENEWAL TERMS OF THE AGREEMENT, AND AMENDING SECTION 3.2 OF THE AGREEMENT, "INVOICING", TO PERMIT ADVANCED PAYMENT FOR SHELTER BED SERVICES AND ASSOCIATED COSTS; AND AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE THE AMENDMENT; AND FURTHER AMENDING SECTION 4.6 OF THE AGREEMENT, "CHANGES AND ADDITIONS," TO AUTHORIZE THE CITY MANAGER AND CITY CLERK TO EXECUTE SUBSEQUENT AMENDMENTS, BASED ON NEED AND BUDGET APPROPRIATION.

RECOMMENDATION

The Administration recommends approving the Resolution to authorize the execution of Amendment No.4 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 21, 2018, the City and Camillus House, Inc. entered into an Agreement to provide twelve (12) emergency shelter beds for a five (5)-year term. The rate was set at \$26.35 per bed, per day, for Year 1, with the total amount not to exceed \$198,126.65. 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.

Although the RFP stipulated two, two-year renewal terms, Section 4.2 of the Agreement inadvertently stated two, one-year renewal terms. Amendment No.1 to the Agreement 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, one-year renewal options to two, two-year renewal options at the City Manager's discretion.

Following the City Commission approved item C2J at its December 14, 2022 meeting, Amendment No. 2 was executed on April 5, 2023, to increase the daily bed rate by 3% for the first renewal term of the Agreement, setting the new rate at a fixed price of \$30.55 per bed, per day.

On January 31, 2024, the City Commission approved item C2K, authorizing the purchase of six (6) additional emergency shelter beds at Camillus House, for a total of eighteen (18) shelter beds,

at the rate of \$30.54 per bed, per day. Amendment No.3 was executed on March 4, 2024, to reflect the increase in the City's shelter bed allocation from twelve (12) beds to eighteen (18) beds. The City's current Agreement with the Contractor expires on March 8, 2025. The City and the Contractor have acknowledged and agreed that if the City elects to exercise its option to extend the Agreement for the second two-year renewal term, that they shall negotiate in good faith the rate to apply to beds to be included in the roster of beds.

On June 20, 2024, the Contractor notified the City of significant increases in operational costs that pose challenges in maintaining shelter beds and associated services at the current rate of \$30.54. As a result, the Contractor proposed increasing the daily bed rate to \$67.44. The Administration responded to the Contractor's proposal, stating that it could not approve a rate higher than what was specified in the Agreement. In response, the Contractor sent a letter (attached) to the City on September 16, 2024, formally notifying that it would discontinue its services, effective September 30, 2024.

The City subsequently informed the Contractor that its letter of discontinuance amounted to an anticipatory breach of the Agreement, demanding that it be revoked, and it be further confirmed that the Contractor would fully perform its obligations under the Agreement.

The Contractor additionally requested that the City reduce its bed roster by securing beds with alternative providers for the remainder of the Agreement's first renewal term, agreeing to absorb the difference in daily bed rate costs.

On October 18, 2024, the City agreed to amend the terms of the Agreement, solely as an accommodation to the Contractor.

ANALYSIS

The Administration is seeking the approval of Amendment No.4 (attached) to the Agreement, amending the following:

- Section 3.1, "Fixed Fee", to memorialize the 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.
- Section 3.2, "Invoicing", to permit up to forty-five days advanced payment for emergency shelter bed services and associated costs.
- "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.
- Section 4.6, "Changes and Additions", to authorize the City Manager and City Clerk to execute subsequent Amendments of the Agreement based on need and budget appropriation.

In addition to the Camillus House, Inc., the City currently has active Agreements for emergency shelter beds with the following providers:

- The Caring Place (Miami Rescue Mission)- 15 emergency shelter beds for single men
- The Sundari Foundation, Inc. D/b/a The Lotus House- 8 emergency shelter beds for women, children, and transgender women
- The Salvation Army- 23 emergency shelter beds for single men and women, 1 family room (Inclusive of 6 beds), and 4 emergency shelter beds for Police Afterhours placements

The Administration is currently exploring options to expand shelter bed services in order to continue supporting individuals experiencing homelessness in Miami Beach.

FISCAL IMPACT STATEMENT

No Fiscal impact

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

N/A

CONCLUSION

The Administration recommends approving Amendment No.4 to the Professional Services Agreement with Camillus House, Inc. and authorizing the City Manager and City Clerk to execute said Amendment and any subsequent Amendments based on need and budget appropriation.

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)

Commissioner Alex Fernandez

Co-sponsor(s)

Condensed Title

Amendment 4 to PSA w/ Camillus House, Shelter Beds Services. (Fernandez) HCS