



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. 4 TO THE PROFESSIONAL SERVICES AGREEMENT WITH THE SALVATION ARMY 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 \$36.08 PER BED, PER DAY, TO \$38.00 PER BED, PER DAY; AND FURTHER AUTHORIZING THE CITY MANAGER TO EXECUTE THE AMENDMENT.

RECOMMENDATION

The Administration recommends that the City Commission adopt the Resolution, approving Amendment No. 4 to the Professional Services Agreement with the Salvation Army ("Contractor").

BACKGROUND/HISTORY

On September 25, 2017, the Mayor and City Commission ("City Commission") approved Resolution No. 2017-30000, granting the award of Request for Proposal ("RFP") No. 2017-293-KB for Emergency Shelter Beds to Serve the Homeless Population. The City subsequently entered into an Agreement ("Agreement") with the Contractor on March 21, 2018, for the provision of twenty (20) emergency shelter beds per night for a duration of five (5) years, with a not-to-exceed amount for each service year, and two (2) one-year renewal options at the discretion of the City Manager. The Agreement has since been amended as follows:

- **Amendment No.1** was executed on February 28, 2019, to remove the not-to-exceed amount inadvertently incorporated in the Agreement and to correct the renewal terms from two one-year renewals to two two-year renewal terms with the City Manager's approval.
- **Amendment No. 2** was executed on June 12, 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, increasing the approved rate to \$36.08 per bed, per day, and approving the purchase of a family room, inclusive of six (6) beds.
- **Amendment No. 3** was approved on July 24, 2024, by the City Commission via Resolution 2024-33188, authorizing the purchase of four (4) additional shelter beds. The Resolution also authorized the City Manager to execute the Amendment and add more beds to the Agreement as needed based on demand and budget availability. To address rising demand for emergency shelter beds, the Administration has also negotiated an additional nine (9) beds, at the same rate, for the remainder of the Agreement's term, which ends on March 20, 2025. The total cost for the thirteen (13) additional beds now amounts to \$73,098.08. Once Amendment No. 3 has been fully executed, the City's bed inventory at

the Salvation Army will total 32 single beds, one (1) family room (6 beds), and four (4) after-hour beds for the Miami Beach Police Department ("MBPD").

ANALYSIS

The initial 5-year term of the Agreement with the Contractor ended on March 20, 2023, with the option to extend the Agreement for an additional two (2), two (2) year renewals. The first renewal is set to expire on March 20, 2025.

In July 2024, when the City issued the Salvation Army an "Intent to Renew" letter for the second renewal, the Contractor informed the City of an updated cost matrix reflecting actual expenses for shelter bed maintenance, including food, case management, and other services which exceeded the current contract rates. Based on these costs, the Contractor requested an increase from \$36.08 to \$47.00 per bed per day, which represented a significant increase beyond the current contract rate.

Following negotiations, the Administration and the Contractor agreed to a fixed rate of \$38.00 per bed, per day for the second renewal term. The Contractor has submitted an "Intent to Renew" letter to the Procurement Department, stating that the renewal depends on the City's approval of the rate adjustment. The Office of Housing and Community Services has identified funds within its operating budget to cover the rate increase, effective March 21, 2025. This rate change is expected to add an estimated \$15,644.15 in costs for the remaining 194 days of the fiscal year.

FISCAL IMPACT STATEMENT

\$15,644.15

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

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

CONCLUSION

The Administration seeks the approval of Amendment No. 4 to the Professional Services Agreement with Salvation Army, amending Section 3.1 of the Agreement, "Fixed Fee", to increase the daily bed rates from \$36.08 to \$38.00 per day for the duration of the second renewal term, expiring on March 20, 2027.

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 4 to PSA with Salvation Army, Emergency Shelter Services. HCS

Previous Action (For City Clerk Use Only)