

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 AND AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE CITY OF MIAMI BEACH, FLORIDA AND KAUFMAN LYNN CONSTRUCTION, INC., CONSTRUCTION MANAGER AT RISK FOR THE 72ND STREET COMMUNITY COMPLEX PROJECT, SAID AMENDMENT TO INCLUDE ADDITIONAL PRECONSTRUCTION SERVICES FOR: 1) ADDITIONAL SCHEMATIC LEVEL BUDGET ESTIMATES AND CONSTRUCTABILITY ANALYSIS THAT WAS NOT PART OF THE ORIGINAL CONTRACT OF SERVICES; 2) UNANTICIPATED AND ADDITIONAL SERVICES RELATED TO COST ESTIMATES IN RESPONSE TO COMMISSION DISCUSSIONS AND REQUESTS FOR ADDITIONAL INFORMATION RELATED TO PROGRAM CHANGES AND ADJUSTMENTS; AND 3) AN ALLOWANCE FOR ADDITIONAL SERVICES FOR FUTURE UNFORESEEN MEETINGS AND CONSTRUCTABILITY ANALYSIS, IN THE NOT-TO-EXCEED AMOUNT OF \$95,000, UTILIZING PREVIOUSLY APPROPRIATED PROJECT FUNDING.

RECOMMENDATION

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

BACKGROUND/HISTORY

On November 6, 2018, Miami Beach residents approved a ballot measure, authorizing the issuance of a General Obligation Bond (G.O. Bond), which included the 72nd Street Community Complex Project. City staff and a design criteria professional developed a feasibility study and Design Criteria Package (DCP) while meeting with project stakeholders to discuss and refine project requirements. The resultant project program included a 500-space parking structure, 50-meter competition pool with support amenities, 25-meter multi-purpose pool, 5,000-10,000 SF Miami-Dade County Library, 5,000 SF commercial / retail, 7,500 SF fitness center, 5,000 SF community center, 60,000 SF of active green space and a jogging path.

On June 28, 2023, pursuant to RFQ No. 2023-120-ND, the City Commission adopted Resolution No. 2023-32620 approving and authorizing the Mayor and City Clerk to negotiate an agreement for the preconstruction services phase with Kaufman Lynn Construction, Inc. (KL) as Construction Manager at Risk (CMR), of the new 72nd Street Community Complex (Project). On November 27, 2023, the agreement (Agreement) was executed in the amount of \$242,960.

The Project currently includes a multi-level mixed-use parking garage, including approximately 500 parking spaces, a 50-meter competition pool with support amenities, a 25-meter multi-purpose pool, 7,500 SF Miami-Dade County library, 5,000 SF commercial/retail, 7,500 SF fitness center, 5,000 SF community center, 60,000 SF of active green space, and a jogging path, with a total project budget of \$101,742,327.

ANALYSIS

On February 1, 2024, the architectural and engineering design consultant, Wannemacher Jensen Architects, Inc. (WJA) submitted a design concept during the programming phase for review by KL. On February 9, 2024, KL submitted the schematic level budget estimate of construction cost, which exceeded the \$70M construction budget target, and in accordance with the Agreement, provided constructability analysis and value engineering (VE) recommendations.

In accordance with the agreement for design services, on February 28, 2024, WJA submitted a redesigned concept to meet the construction budget. On April 5, 2024, KL submitted a second, unanticipated, estimate of the construction cost for the revised concept, which exceeded the \$70M construction budget by approximately 14 percent (14%). KL repeated the constructability analysis and identified VE strategies that could resolve the budget concerns. All proposed VE strategies ensured that the program, scope and performance of the facility remain unimpacted.

The original scope of work under KL's Agreement only included one iteration of cost estimating and value engineering during the conceptual / schematic design phase. The additional estimate and constructability analysis provided by KL for the revised concept was not included in the original Agreement.

During the October 30, 2024, meeting of the City Commission, as part of discussion item R9 AE sponsored by Commissioner Magazine and co-sponsored by Commissioner Bhatt, the City Commission discussed the potential redesign of the Project, and more particularly, reconsidering the rooftop competition sized pool and other recreational options, such as soccer field or pickleball courts, to reduce expenses. Ultimately, the City Commission directed the Administration to provide a Project update at the next Commission meeting.

During the December 11, 2024, meeting of the City Commission, the project was discussed as part of agenda item R9 E. The City Commission directed the Administration to add (1) level of parking, explore adding pickleball courts or other activation to the top level of parking, research public demand for the facility and commence public outreach. The Administration advised that the cost to add (1) level of additional parking would increase the total project budget by approximately \$4,500,000.

In preparation for the presentation to the City Commission, and in order to address questions regarding potential cost reductions, City staff directed KL to prepare various cost estimates considering potential changes to project scope, thereby identifying any potential cost savings. These estimates included determining the cost impacts of changing program elements, adding a level of parking, replacing the aquatic components and alternative sports field configurations.

These additional services were not included in the original Agreement and are thereby included in this Amendment No.1.

Finally, in consideration of the extensive upcoming community input, City staff has asked that KL include an allowance for additional cost estimates, constructability analysis and community meetings.

KL has provided a negotiated proposal for 1) additional schematic level budget estimate and constructability analysis for revised concept that was not part of the original contract scope of work, 2) various cost estimates and constructability analysis in response to City Commission discussion and requests for additional information, including the removal and relocation of the aquatic program, and an analysis of an additional parking level at the garage and, 3) an allowance for additional cost estimates, constructability analysis and community meetings outside of the original project scope.

This Amendment No.1 (Exhibit A) in the amount of \$95,000 will revise the total contract amount to \$337,960.

City staff has reviewed and negotiated the proposal and finds that the fees are fair and reasonable.

FISCAL IMPACT STATEMENT

The total amount of the Amendment is for a not-to-exceed amount of \$95,000 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

490-0820-061357-26-418-528-00-00-00-22150 \$95,000

CONCLUSION

The Administration recommends that the City Commission approve the resolution.

Applicable Area

North 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

Execute Amendment 1, Construction Manager for 72nd Street Community Complex Project.
CIP

Previous Action (For City Clerk Use Only)