

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Eric Carpenter, City Manager
DATE: February 3, 2025
TITLE: REQUEST FOR APPROVAL TO AWARD A CONTRACT PURSUANT TO INVITATION TO BID (ITB) 2024-238-ND SEWER PUMP STATION 28 REHABILITATION. (PUBLIC WORKS)

RECOMMENDATION

It is recommended that the Mayor and City Commission approve the award of a contract to Poole & Kent Company of Florida, the lowest, responsive, responsible bidder to Invitation to Bid (ITB) No. 2024-238-ND for the Sewer Pump Station 28 Rehabilitation, and authorize the City Manager and City Clerk to execute the contract.

This solicitation is currently under the cone of silence.

BACKGROUND/HISTORY

The City of Miami Beach (City) owns and operates Sewer Pump Station No. 28 (SPS 28), the City's largest lift/booster sewer pump station, which serves as a critical component of the overall sewer collection and transmission system, encompassing the sanitary sewer service areas for all Middle and North Beach, as well as surrounding municipalities, including Surfside, Bay Harbor Islands, and Bal Harbour. SPS 28 conveys sewer flow from the entire middle and northern portion of the City to the south for treatment at the Miami-Dade County Central District Wastewater Treatment Plant in Virginia Key. It is one of two regional booster stations in the City, and failure of this asset would have a significant impact.

SPS 28 is located at 300 West 28th Street, Miami Beach, and consists of a "booster station" (SPS 28B), with three pumps that repump sewage from upstream basins, and a "lift station" (SPS 28L), with three pumps that pump sewage from a local gravity collection system. SPS 28 also has an above-ground electrical building that houses controls, electrical equipment, and an indoor diesel emergency generator. An odor control system is also present at the site.

The rehabilitation of SPS 28 was identified as a Critical Need in the 2019 Sewer Master Plan, which recommended a complete rehabilitation of this pump station to ensure reliability, including upgrades to mechanical, electrical, and instrumentation equipment that has reached the end of its useful life. The pump station structure itself is also in need of structural rehabilitation.

Over the last few years, SPS 28 has experienced several malfunctions:

- In 2020: Force main breaks and malfunction at SPS 28 prompted a citywide Moratorium. The Moratorium was lifted in September of 2020 once SPS 28 was put back into service and force mains were repaired.
- On June 29, 2023: One of the three pumps at the PS 28B malfunctioned. A corrective action plan was submitted to Miami-Dade County avoiding the City to be placed into a Moratorium.

- On January 12, 2024: A second of three pumps at SPS 28B malfunctioned. SPS 28B was operating on only one pump and the City was placed on a Temporary Moratorium by Miami-Dade County. The City's Public Works Operations team was able to troubleshoot the pump and get the booster back online by January 19, 2024. The Temporary Moratorium was lifted on January 22, 2024, with the condition that the City would be automatically placed into another Moratorium if any of the following scenarios occurred: (1) another pump failure resulting in the station operating with only one pump; (2) a pump failure resulting in the station operating with no pumps; (3) failure to bring back Pump Station No. 1 into operation by the end of February 2024; and (4) in the event that Condition No. 1, or No. 2, or No. 3 occur, the PS would remain under Temporary Moratorium until all three pumps are placed back into operation.

If the Service Area for SPS 28 is placed into Moratorium, it will affect all areas in Mid and North Beach as well as the Satellite Cities the City serves (Surfside, Bay Harbor Islands, and Bal Harbour). Any development or resident proposing flow increases to the sewer system in this area will not be issued a Miami-Dade County Permit to connect to the system until the Moratorium is lifted. Although residents and businesses connected may remain unaffected, all development projects that intend to increase sanitary sewer flows will be halted. Further, a complete failure of this station could potentially result in significant raw sewage discharge into our environmental resources and severe public health impacts.

The City was awarded a Department of Florida Commerce Grant (formally Department of Economic Opportunity) in December of 2021 in the amount of \$5,000,000.00 with a City Match of \$1,500,000.00 for the hardening of SPS 28B and SPS 28L. This grant will fund improvements that assist in protecting SPS 28 as a critical asset for the City and improve safety for the City's Public Works Pump Station Operators and Staff: the replacement of the generator, installation of new ventilation and HVAC systems, improvements to site accessibility, stormproof and harden the station with the installation of hurricane proof windows and doors, watertight hatches, soundproofing, etc., and assist in funding the demolition and construction of a new and elevated electrical building.

The City retained Hazen and Sawyer, PC, Prime Water and Sewer Consultant, to design the pump station rehabilitation as recommended in the Master Plan, in December of 2021. The project includes the rehabilitation and hardening of the existing SPS 28, encompassing the replacement of all mechanical equipment with new components of the same or similar capacity, and a new electrical building that will house new electrical equipment, an emergency generator, and instrumentation and controls serving the pump station. The existing electrical building will be demolished and replaced with the new structure.

On April 9, 2024, the City held an industry workshop to engage prospective contractors and outline the project's scope and complexities in preparation for the upcoming issuance of an ITB. ITB 2024-238-ND for the SPS 28 Rehabilitation was subsequently released.

ANALYSIS

On August 9, 2024, the ITB was issued. The Procurement Department issued bid notices to approximately 73,445 companies utilizing the City's e-procurement system, with 121 prospective bidders accessing the solicitation. A voluntary site visit and pre-bid conference to provide information to proposers submitting a response was held on August 23, 2024. ITB responses were due and received on October 18, 2024. The City received one bid from the following firm:

Poole & Kent Company of Florida. See Attachment A for the tabulation of the bid received.

The ITB stated that the lowest responsive and responsible Bidder meeting all ITB terms, conditions, and specifications would be recommended for award. The Procurement Department and the Public Works Department found that the bid submitted by Poole & Kent Company of Florida meets the requirements of the ITB, including:

1. **Licensing Requirements.** Bidder shall be State of Florida Certified Licensed Underground Utility Contractor and Excavation Contractor, OR a State of Florida Certified Licensed General Contractor with a State of Florida Certified Licensed Underground Utility and Excavation Contractor as a subcontractor, OR Miami Dade County Registered Licensed General Contractor with a State of Florida Certified Licensed Underground Utility and Excavation Contractor as a subcontractor to be considered for award.

Poole & Kent Company of Florida is State certified as an Underground Utility and Excavation Contractor. The state license number is CUC050599, expiring on August 31, 2026.

2. **Previous Experience of Bidder (Firm and/or its principal).** Bidder and/or its principal(s) must have been awarded a minimum of three (3) projects of similar scope and budget within the last ten (10) years, two (2) of which must be completed, and the third may be ongoing. The cumulative experience provided by the submitted references must meet the below defined as projects of similar scope:

- A. Pump Station rehabilitation with a hard construction cost of at least \$10 Million.
- B. Pump Station rehabilitation with a capacity of 10 million gallons per day or larger.
- C. Installation of a force main 24-inch or larger via open cut.

Poole & Kent Company of Florida provided three (3) positive and satisfactory references documenting compliance with the minimum experience requirement.

3. **Previous Experience of Subcontractor.** Subcontractor or its principal(s) must have been awarded a minimum of three (3) projects of similar scope within the past ten (10) years, two (2) of which must be completed, and the third may be ongoing. A project of similar scope shall be defined as the construction of a wastewater bypass system with a capacity of 5 million gallons per day or larger.

Poole & Kent Company of Florida provided three (3) positive and satisfactory references for Synergy Equipment, documenting compliance with the minimum experience requirement.

4. **Previous Experience of Bidder (Firm) Project Manager.** Bidder's Lead Project Manager must have completed at least two (2) projects of similar scope. A project of similar scope shall be defined as the rehabilitation or construction of a wastewater pump station with a hard construction cost of at least \$10 Million.

Poole & Kent Company of Florida submitted proof of the required experience for its personnel.

5. **Previous Experience of Bidder (Firm) Superintendent.** Bidder's Superintendent must have completed at least two (2) projects with similar scope. A project of similar scope shall be defined as the rehabilitation or construction of a wastewater pump station with a hard construction cost of at least \$10 Million.

Poole & Kent Company of Florida submitted proof of the required experience for its personnel.

Accordingly, Poole & Kent Company of Florida has been deemed the lowest responsive and responsible Bidder, meeting all ITB terms, conditions, and specifications.

Furthermore, Hazen & Sawyer, PC, Prime Consultant for the design and rehabilitation of the SPS 28, evaluated and reviewed the bid tabulation and qualifications of the bidder, confirmed that the Contractor met and exceeded the minimum requirements of the ITB, and provided final

recommendations for the award of the contract found in Attachment C.

Poole and Kent Company

The Poole & Kent Company (P&K) was established in Miami in 1954. It is a State of Florida certified business that offers services ranging from major civil, building, and specialized construction. P&K is a market leader in specialty general contracting with an emphasis on highly complex process mechanical, electrical generation, HVAC, plumbing, and refrigeration systems. P&K has provided pump station rehabilitation services to Miami-Dade County and Manatee County. All references provided positive feedback.

FISCAL IMPACT STATEMENT

The bid submitted by Poole & Kent Company of Florida, the lowest responsive and responsible Bidder, included a base bid amount of \$38,644,975.00, combined with \$1,275,025.00 in allowances, for a total of \$39,920,000.00. The contract total with the City's contingency is \$43,912,000.00.

Poole & Kent Company of Florida Grand Total:	\$39,920,000.00
Plus 10% Owners Contingency:	\$3,992,000.00
Total:	\$43,912,000.00

In January 2024, the City contracted an independent firm to evaluate and provide a Third-party Opinion of Probable Construction Cost (TPOPCC). In February 2024, the City received the TPOPCC, which resulted in a total cost estimate of \$38,475,320.00 (Attachment B). The sole bid received is 4% higher than the independent cost estimate, which is within the expected accuracy range for an Association for Advancement of Cost Engineering International (AACE) Class 1 Estimate (5%-10%). The City and Hazen & Sawyer reviewed the estimate, making various updates to align the estimate and assumptions with the project scope and intent.

In March 2024, the TPOPCC and Engineer's Opinion Of Probable Construction Cost (EOPCC) were updated to a total of \$32,321,845.00 and \$32,578,000, respectively, both estimates differing by less than 1%.

The sole bid compared to the March 2024 TPOPCC and EOPCC is higher by 23% and 24%, respectively. To better understand the price differences, Hazen & Sawyer requested through the City and received a schedule of values from Poole and Kent Company of Florida, referring to the Schedule of Values in Attachment A. It appears the largest cost discrepancy between the two (2) Opinions of Probable Construction Costs (OPCC) and the sole bidder's schedule of values is bid item numbers 8) Pump Station Upgrades and Influent Screening Structure Improvements and 10) Electrical and Generator Building. The cost difference for bid items 8 and 10 between the sole bid received and the March 2024 estimates prepared by the Engineer and PCI are \$9,576,000.00 and \$7,200,000.00, respectively. These price differences are attributed to the following factors that are complex to capture in an OPCC:

1. The increased availability of Federal grant funding for utilities has led to a surge in industrial construction projects. This is believed to have saturated the market for industrial utility contractors, resulting in higher demand for equipment, materials, and labor, which in turn drives up costs.
2. The construction industry may be facing a significant labor shortage. A labor shortage coupled with a saturated market resulting in increased competition for skilled workers, leading to higher wages and increased project costs.
3. Global markets have faced and continue to experience fluctuations and volatility in the building construction industry, with large industrial equipment having limited supply and pricing variability.
4. This project entails the rehabilitation of the City's largest sewer pump station, which is inherently complex and necessitates an intricate bypass pumping system. The contractor's risk associated with a complex project is a challenging factor to estimate.

5. Performing work on a barrier island poses unique obstacles that can lead to higher project costs for contractors, including limited access to and from the island, restricted staging areas, complex traffic maintenance, limited lodging, and the high-profile nature of construction that affects residents for extended durations.

Considering the complex nature of the SPS 28 Rehabilitation, along with the various factors that influence construction costs, the bid amount received from the sole bidder can be considered reasonable.

This project is funded as part of Capital Project No.20619 Sewer Pump Stations, as identified in the 2019 Water and Sewer Master Plan and Five-Year Critical Needs Projects

Furthermore, this project has been awarded \$5 Million in Community Development Block Grant-Mitigation (CDBG-MIT) funds from the Rebuild Florida Critical Facility Hardening Grant Program managed by the Department of Florida Commerce (DFC) (DEO Agreement No. 10138) (Attachment D). On January 17, 2025, as a requirement from the grant agency, the City received the Authority to Use Grant Funds Approval Letter (AUGF) (Attachment E), which allows the City to proceed with the final contract award and execution.

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-notice/>

FINANCIAL INFORMATION

419-0815-069357-29-418-000-00-00-00-20619	\$9,323,347.61
418-0815-069357-00-418-561-00-00-00-20619	\$2,360,661.85
417-0815-069357-29-418-000-00-00-00-20619	\$18,547,319.00
419-0810-069357-00-418-561-00-00-00-65421	\$929,291.28
418-0810-069357-00-418-561-00-00-00-65421	\$1,029,000.00
146-0816-069357-00-410-561-00-00-00-51322	\$5,000,000.00
Subject to the approval of the Capital Budget Amendment	\$6,722,380.26
 Contract Total – Poole & Kent Company of Florida	 \$43,912,000.00

This project is partially funded with \$5 Million in grant funds from the Department of Florida Commerce (DEO Agreement No. 10138) (Attachment D), which will be reimbursed to the City. The City will fund the project through the City Capital Project No. 20619 for Sewer Pump Stations to cover the total project cost of \$43,912,000.00.

CONCLUSION

Based on the foregoing, it is recommended that the Mayor and City Commission of the City of Miami Beach, Florida, approve the award of a contract to Poole & Kent Company of Florida, the lowest responsive and responsible Bidder to ITB No. 2024-238-ND for the SPS 28 Rehabilitation and authorize the City Manager and City Clerk to execute a contract.

Applicable Area

Middle Beach

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

Is this item related to a G.O. Bond Project?

No

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

Procurement

Condensed Title

Award ITB 2024-238-ND, Sewer Pump Station 28 Rehabilitation. PW/PR

Previous Action (For City Clerk Use Only)