

C7 N 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.

Applicable Area:

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



A Ministry of the Hospitaller Brothers of St. John of God

September 10, 2024

Mayor and City Commission
City of Miami Beach
1700 Convention Center Drive
Miami Beach, FL 33139

RE: Camillus House Emergency Shelter Services

Dear Mayor and City Commissioners,

I hope this letter finds you well. I wanted to follow up on our recent tour of the facility (with Mayor Meiner) and discuss an important matter regarding our emergency shelter services in Miami Beach.

As you know, we currently operate 18 shelter beds under contract with the City. However, the funding rate we receive is insufficient to cover the operational costs, resulting in significant financial strain on Camillus House. We have worked diligently to manage these expenses, but it has become clear that continuing to operate these beds at the current rate is no longer sustainable.

After engaging with your staff, it appears there is no viable option to secure an increase in funding to support these services. Consequently, I regret to inform you that, effective September 30, 2024, Camillus House will need to discontinue our shelter bed services in Miami Beach.

We appreciate the collaboration we have had with the City of Miami Beach thus far and remain open to exploring future opportunities to address the shelter needs in our community.

Thank you for your understanding. Please do not hesitate to reach out if you would like to discuss this matter further.

Sincerely,

Eduardo J. Gloria
Acting CEO

cc: David Martinez, Interim Assistant City Manager
Alba Tarre, Director of Housing and Community Services

HOPE IS WHERE THE HEART IS

1603 NW 7th Avenue, Miami, FL 33136 | Tel 305.374.1065 | camillus.org

**AMENDMENT NO. 4 TO THE PROFESSIONAL SERVICE AGREEMENT
BETWEEN
THE CITY OF MIAMI BEACH, FLORIDA
AND
CAMILLUS HOUSE, INC.
FOR
EMERGENCY SHELTER SERVICES**

This Amendment No. 4 (this "Amendment") to the Agreement, dated March 9, 2018, is entered into this _____, day of _____, 20__ ("Effective Date"), by and between the City of Miami Beach, Florida, a municipal corporation organized and existing under the laws of the State of Florida, having its principal place of business at 1700 Convention Center Drive, Miami Beach, Florida 33139 (the "City"), and Camillus House Inc., a non-profit Corporation, having its principal place of business at 1603 NW 7 Avenue, Miami, FL, 33136 (the "Contractor"), and hereby amends the Contract as follows:

RECITALS

WHEREAS, on September 25, 2017, the Mayor and Commission of the City of Miami Beach 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; and

WHEREAS, on March 9, 2018, the City and Contractor executed the Agreement for Emergency Shelter Beds pursuant to the RFP (the "Agreement"); and

WHEREAS, the Agreement included an initial term of five (5) years, with the option to renew for two-year renewal terms at the City Manager's sole option and discretion; and

WHEREAS, Section 3.1 of the Agreement established the following

Year 1- \$26.35 per bed, for a minimum of 12 beds not to exceed \$198,126.65
Year 2- \$27.14 per bed, for a minimum of 12 beds not to exceed \$ 204,069.42
Year 3- \$27.95 per bed, for a minimum of 12 beds not to exceed \$ 210,191.35
Year 4- \$28.79 per bed, for a minimum of 12 beds not to exceed \$ 216,497.25
Year 5- \$29.66 per bed, for a minimum of 12 beds not to exceed \$ 222,992.16; and

WHEREAS, although the RFP stipulated two (2) two-year renewal terms, Section 4.2 of the Agreement inadvertently states two (2) one-year renewal terms; and

WHEREAS, on November 10, 2020, following the determination that the City may require a greater amount of beds per year than originally anticipated to effectively manage the rise in demand for said beds, the City executed Amendment No. 1 to the Agreement, removing the not to exceed amount inadvertently incorporated in the Contract and correcting the renewal terms of the Agreement from a two (2) one-year renewal terms to two (2) two-year renewal terms with the approval of the City Manager; and

WHEREAS, on December 14, 2022, the Mayor and City Commission approved item C2J, which authorized the increase in the rates by 3% for each additional daytime bed, pursuant to Section 4.6 of the Agreement, and further authorized the City Manager to execute the Amendment; and

WHEREAS, on April 5, 2023, the City executed Amendment No. 2 to the Agreement, adjusting the fixed fee price per bed, per day for the term of the renewal agreement, to reflect a 3% increase, for a fixed fee price of \$30.55 per bed, per day, and to stipulate that all expenditures are contingent upon annual budget appropriations; and

WHEREAS, on December 19, 2023, Camillus House presented the Office of Housing and Community Services with a proposal to increase the City's emergency shelter bed roster by six (6) beds, for a total of eighteen (18) emergency shelter beds at the current rate of \$30.54 per bed, per day; and

WHEREAS, on January 31, 2024, the Mayor and City Commission approved item C2K, authorizing the purchase of six (6) additional emergency shelter beds at the current rate of \$30.54 per bed, per day; and

WHEREAS, on March 4, 2024, the City executed Amendment No. 3 to the Agreement, increasing the City's emergency shelter bed roster by six (6) beds, for a total of eighteen (18) emergency shelter beds at the rate of \$30.54 per bed, per day; and

WHEREAS, on or around June 20, 2024, the Contractor notified the City of significant increases in operational costs that pose challenges in maintaining shelter beds and related services at the current rate of \$30.54, and proposed an increase to the daily bed rate to \$67.44 effective October 1, 2024; and

WHEREAS, the City indicated to the Contractor that it could not agree to pay a rate other than the rate required by the Agreement; and

WHEREAS, on September 10, 2024, the Contractor sent a letter to the City indicated it would discontinue services effective September 30, 2024; and

WHEREAS, on September 16, the City notified the Contractor that its September 10, 2024 letter constituted an anticipatory breach of the Agreement and demanding that the Contractor immediately rescind its termination notice and confirm that it would fully perform its obligations under the Agreement; and

WHEREAS, on October 18, 2024, the City agreed to amend certain terms of the Agreement, solely as an accommodation to Contractor; and

WHEREAS, the parties desire to amend the terms of the Agreement as set forth in this Amendment.

NOW THEREFORE, in consideration of the mutual promises and conditions contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the City and Contractor hereby agree to amend the Agreement as follows:

1. ABOVE RECITALS.

The above recitals are true and correct and are incorporated as part of this Amendment.

2. MODIFICATIONS.

The Agreement is hereby modified (deleted items ~~struck through~~, and inserted items are underlined) as follows:

- a) Section 3.1 of the Agreement is hereby amended by inserting the following sentence at the end of such Section: "Notwithstanding anything to the contrary in this Agreement, 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 to apply to beds to be included in the roster of beds. The Contractor shall provide the City with documentation substantiating the cost of providing the shelter services, it being understood and agreed that the fee per bed to be charged will not exceed the actual, direct costs of providing the emergency housing services. For the avoidance of doubt, any rate increase agreed to by the parties shall only apply from and after April 1, 2025.

- b) Section 3.2 is hereby amended as follows:
Contractor may submit a monthly invoice in advance of providing services via postal or Electronic (E-mail) mail forty-five (45) days prior to the month of service, which includes a description of the Services to be provided in the month of service, including the number of beds, associated costs, and clients served. If the City and Contractor are unable, despite good faith efforts, to agree on a new rate to apply to beds during the second renewal term, such rate to be based on the actual cost of providing the shelter services, then this Agreement shall terminate on March 31, 2025.

- c) "Exhibit A", "Scope of Services"

Service	Units of Service	Documentation of Service
Emergency Housing	18 beds per day, 365 days per year	Attendance Roster

*The Contractor has requested that the City reduce its bed roster by securing beds with alternative providers for the remainder of the term ending March 31, 2025. If the City secures shelter beds with alternative providers that are secured specifically to reduce the current bed roster for the duration of the Agreement, Camillus House, Inc. will absorb the difference in daily bed costs. For the avoidance of doubt, the City reserves the right to secure shelter beds without reducing the current bed roster in the City's sole and absolute discretion.

3. RATIFICATION.

Except as amended herein, all other terms and conditions of the Contract shall remain unchanged and in full force and effect. In the event there is a conflict between the provisions of this Amendment and the Contract, the provisions of this Amendment shall govern.

RESOLUTION NO. _____

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; 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.

WHEREAS, on September 25, 2017, the Mayor and City of Miami Beach ("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; and

WHEREAS, on March 21, 2018, the City and Camillus House Inc. (the "Contractor") executed a Professional Services Agreement pursuant to the RFP (the "Agreement"); and

WHEREAS, the Agreement included an initial term of five (5) years, with the option to renew for two-year renewal terms at the City Manager's sole option and discretion; and

WHEREAS, Section 3.1 of the Agreement established the following

Year 1- \$26.35 per bed, for a minimum of 12 beds not to exceed \$198,126.65
Year 2- \$27.14 per bed, for a minimum of 12 beds not to exceed \$ 204,069.42
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Year 4- \$28.79 per bed, for a minimum of 12 beds not to exceed \$ 216,497.25
Year 5- \$29.66 per bed, for a minimum of 12 beds not to exceed \$ 222,992.16; and

WHEREAS, although the RFP stipulated two (2) two-year renewal terms, Section 4.2 of the Agreement inadvertently states two (2) one-year renewal terms; and

WHEREAS, on November 10, 2020, following the determination that the City may require a greater amount of beds per year than originally anticipated to effectively manage the rise in demand for said beds, the City executed Amendment No. 1 to the Agreement, removing the not to exceed amount inadvertently incorporated in the Agreement and correcting the renewal terms of the Agreement from a two (2) one-year renewal terms to two (2) two-year renewal terms with the approval of the City Manager; and

WHEREAS, on December 14, 2022, the Mayor and City Commission approved item C2J, which authorized the increase in the rates by 3% for each additional daytime bed, pursuant to Section 4.6 of the Agreement, and further authorized the City Manager to execute the Amendment; and

WHEREAS, on April 5, 2023, the City executed Amendment No. 2 to the Agreement, adjusting the fixed fee price per bed, per day for the term of the renewal agreement, to reflect a 3% increase, for a fixed fee price of \$30.55 per bed, per day, and to stipulate that all expenditures are contingent upon annual budget appropriations; and

WHEREAS, on December 19, 2023, Camillus House presented the Office of Housing and Community Services with a proposal to increase the City's emergency shelter bed roster by six (6) beds, for a total of eighteen (18) emergency shelter beds at the current rate of \$30.54 per bed, per day; and

WHEREAS, on January 31, 2024, the Mayor and City Commission approved item C2K, authorizing the purchase of six (6) additional emergency shelter beds at the current rate of \$30.54 per bed, per day; and

WHEREAS, on March 4, 2024, the City executed Amendment No. 3 to the Agreement, increasing the City's emergency shelter bed roster by six (6) beds, for a total of eighteen (18) emergency shelter beds at the rate of \$30.54 per bed, per day; and

WHEREAS, on or around June 20, 2024, the Contractor notified the City of significant increases in operational costs that pose challenges in maintaining shelter beds and related services at the current rate of \$30.54, and proposed an increase to the daily bed rate to \$67.44 effective October 1, 2024; and

WHEREAS, the City indicated to the Contractor that it could not agree to pay a rate other than the rate required by the Agreement; and

WHEREAS, on September 10, 2024, the Contractor sent a letter to the City indicating it would discontinue services effective September 30, 2024; and

WHEREAS, on September 16, the City notified the Contractor that its September 10, 2024 letter constituted an anticipatory breach of the Agreement and demanded that the Contractor immediately rescind its termination notice and confirm that it would fully perform its obligations under the Agreement; and

WHEREAS, on October 18, 2024, the City agreed to amend certain terms of the Agreement, solely as an accommodation to the Contractor: and

WHEREAS, Section 3.1 of the Agreement is being amended by inserting the following sentence at the end of such Section: "Notwithstanding anything to the contrary in this Agreement, 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 to apply to beds to be included in the roster of beds. The Contractor shall provide the City with documentation substantiating the cost of providing the shelter services, it being understood and agreed that the fee per bed to be charged will not exceed the actual, direct costs of providing the emergency housing services. For the avoidance of doubt, any rate increase agreed to by the parties shall only apply from and after April 1 2025."; and

WHEREAS, Section 3.2 is being amended to indicate that Contractor may submit a monthly invoice in advance of providing services via postal or Electronic (E-mail) mail forty-five (45) days prior to the month of service, which includes a description of the Services to be provided in the month of service, including the number of beds, associated costs, and clients served. If the City and Contractor are unable, despite good faith efforts, to agree on a new rate to apply to beds during the second renewal term, such rate to be based on the actual cost of providing the shelter services. then this Agreement shall terminate on March 31, 2025; and

WHEREAS, "Exhibit A", "Scope of Services" is amended to include indication that the Contractor has requested that the City reduced its bed roster by securing beds with alternative providers for the remainder of the term ending March 31, 2025; if the City secures shelter beds with alternative providers that are secured specifically to reduce the current bed roster for the duration of the Agreement, Camillus House, Inc. will absorb the difference in daily bed costs; and

WHEREAS, Section 4.6 of the Agreement, "Changes and Additions", stipulates that any changes and additions to the terms of the Agreement shall be by a written amendment, signed by the duly authorized representatives of the City and Contractor, and that no alteration, change, or modification of the terms shall be valid unless amended in writing, signed by the parties hereto, and approved by the City; and

WHEREAS, the Administration seeks the authorization of the City Manager to execute subsequent amendments to the Agreement based on need and budget appropriation.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby approve 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; authorize the City Manager and City Clerk to execute the Amendment; and further amend 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.

PASSED AND ADOPTED this _____ day of _____ 2024.

ATTEST:

RAFAEL E. GRANADO, CITY CLERK

STEVEN MEINER, MAYOR

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

SM

11/13/2024

Date