

HOMELAND DEFENSE/
NEIGHBORHOOD IMPROVEMENT
BOND OVERSIGHT BOARD
MINUTES

4/24/12 – 6:00 P.M.
CITY OF MIAMI
CITY HALL CHAMBERS
3500 PAN AMERICAN DRIVE
MIAMI, FLORIDA 33133

The meeting was called to order at 6:03 p.m., with the following members found to be:

Present: Ola O. Aluko
 David Berley
 Eileen Broton (Vice Chair)
 Mariano Cruz
 David Freedman
 Henry Goa
 Ricardo Lambert
 Maria Sardiña Mann
 Jose Solares (Chair)

Absent: Nelson Victor Alvarado
 Pablo Perez-Cisneros
 Robert Powers

ALSO PRESENT: Albert Sosa, P.E., Director, CIP Department
 Robin Jones-Jackson, Assistant City Attorney
 Jeovanny Rodriguez, Assistant Director, CIP Department
 Marcia Lopez, Board Liaison, CIP Department
 Ken Robertson, Procurement Director
 Maria Perez, Parks & Recreation, Support Services Coordinator
 Wendy Jaramillo, Administrative Assistant I, CIP Department

I. APPROVAL OF THE MINUTES FOR THE MEETINGS OF JANUARY 24, 2012 AND FEBRUARY 28, 2012.

HD/NIB MOTION 12-09

A MOTION TO APPROVE THE MINUTES FOR THE MEETINGS OF JANUARY 24, 2011 AND FEBRUARY 28, 2012.

MOVED: D. Berley
SECONDED: H. Goa
ABSENT: N. Alvarado, P. Perez-Cisneros, R. Powers
AYE: O. Aluko, D. Berley, E. Broton, M. Cruz, D. Freedman, H. Goa, R. Lambert, M. Sardiña Mann, J. Solares

Note for the Record: The motion passed 9-0.

II. INTRODUCTION OF NEW BOARD MEMBER NOMINATED BY COMMISSIONER MICHELLE SPENCE-JONES

➤ Ola O. Aluko

Albert Sosa: Before we begin the meeting -- again, this is Albert Sosa, director of Capital Improvements -- I want to welcome our newest member, appointee of District 5, Commissioner Michelle Spence-Jones, Mr. Ola Aluko.

Chairman Solares: And if you don't mind -- and this is Jose Solares -- I would like to start with Mr. Aluko to --

Eileen Broton: Call the meeting to order.

Chairman Solares: Okay, let's call the meeting to order.

Roll call taken.

Chairman Solares: Okay, we welcome you, Mr. Aluko. Would you mind saying something about yourself? This is Jose Solares. I'm sorry. Okay, Mr. Aluko, go ahead.

Ola O. Aluko: Thank you, Mr. Chair. Fellow board members, it's a pleasure being back here at the City of Miami, being part of the group overseeing our capital dollars. Mr. Director, thank you for taking the time to introduce me. I really appreciate that. It's like coming back home. Madam Assistant City Attorney, good to see you again. And of course, CIP and City staff, it's a pleasure. And I hope we are here to do what we need to make certain that we do spend these bond dollars wisely and quickly. Thank you. Look forward to it.

III. NEW BUSINESS:

1. Kirk Munroe Tennis Courts Resurfacing

NAME OF PROJECT: KIRK MUNROE TENNIS COURTS RESURFACING
INITIATING DEPARTMENT/DIVISION: Parks and Recreation
INITIATING CONTACT PERSON/CONTACT NUMBER: Maria Perez (305) 416-1314
CIP/PROJECT NUMBER: B-75854
TOTAL DOLLAR AMOUNT: \$25,000
SOURCE OF FUNDS: Homeland Defense Bond Series 3 – Neighborhood Parks Improvements
ACCOUNT CODE(S): 331419
DESCRIPTION OF PROJECT: The project will consist of resurfacing and restriping of five (5) tennis courts (proposal/agreement attached).
LOCATION: 3101 Florida Avenue

HD/NIB MOTION 12-11

A MOTION TO FUND THE KIRK MUNROE TENNIS COURTS RESURFACING.

MOVED: H. Goa
SECONDED: O. Aluko
ABSENT: N. Alvarado, P. Perez-Cisneros, R. Powers
AYE: O. Aluko, D. Berley, E. Broton, M. Cruz, D. Freedman, H. Goa, R. Lambert, M. Sardiña Mann, J. Solares

Note for the Record: The motion passed 9-0.

2. Coral Gate Park Community Building Furniture

NAME OF PROJECT: CORAL GATE PARK COMMUNITY BUILDING FURNITURE
INITIATING DEPARTMENT/DIVISION: Parks and Recreation
INITIATING CONTACT PERSON/CONTACT NUMBER: Maria Perez (305) 416-1314
CIP/PROJECT NUMBER: B-30821
TOTAL DOLLAR AMOUNT: \$31,685
SOURCE OF FUNDS: Homeland Defense Bond Series 3 – Neighborhood Parks Improvements
ACCOUNT CODE(S): 331419
DESCRIPTION OF PROJECT: For the purchase and installation of furniture (cost estimate attached).
LOCATION: 1415 SW 32 Avenue

HD/NIB MOTION 12-12

A MOTION TO FUND THE CORAL GATE PARK COMMUNITY BUILDING FURNITURE.

MOVED: E. Broton
SECONDED: M. Sardiña Mann
ABSENT: N. Alvarado, P. Perez-Cisneros, R. Powers
AYE: O. Aluko, M. Cruz, D. Freedman, H. Goa, R. Lambert
NO: D. Berley, E. Broton, M. Sardiña Mann, J. Solares

Note for the Record: The motion passed 5-4.

3. Coral Gate Park Community Building Surveillance System

NAME OF PROJECT: CORAL GATE PARK COMMUNITY BUILDING SURVEILLANCE SYSTEM
INITIATING DEPARTMENT/DIVISION: Parks and Recreation
INITIATING CONTACT PERSON/CONTACT NUMBER: Maria Perez (305) 416-1314
CIP/PROJECT NUMBER: B-30821
TOTAL DOLLAR AMOUNT: \$11,543
SOURCE OF FUNDS: Homeland Defense Bond Series 3 – Neighborhood Parks Improvements
ACCOUNT CODE(S): 331419
DESCRIPTION OF PROJECT: For the purchase and installation of a CCTV surveillance security system (proposal attached).
LOCATION: 1415 SW 32 Avenue

A MOTION NOT TO FUND THE CORAL GATE PARK COMMUNITY BUILDING SURVEILLANCE SYSTEM.

MOVED: E. Broton
SECONDED: M. Sardiña Mann
ABSENT: N. Alvarado, H. Goa, P. Perez-Cisneros, R. Powers
AYE: E. Broton, M. Sardiña Mann, J. Solares
NO: O. Aluko, D. Berley, M. Cruz, D. Freedman, R. Lambert

Note for the Record: The motion failed 3-5.

A MOTION TO FUND THE CORAL GATE PARK COMMUNITY BUILDING SURVEILLANCE SYSTEM.

MOVED: M. Cruz
SECONDED: D. Freedman
ABSENT: N. Alvarado, H. Goa, P. Perez-Cisneros, R. Powers
AYE: O. Aluko, M. Cruz, D. Freedman, R. Lambert
NO: D. Berley, E. Broton, M. Sardiña Mann, J. Solares

Note for the Record: The motion failed 4-4.

4. Gibson Park Fitness Equipment

NAME OF PROJECT: GIBSON PARK FITNESS EQUIPMENT
INITIATING DEPARTMENT/DIVISION: Parks and Recreation
INITIATING CONTACT PERSON/CONTACT NUMBER: Maria Perez (305) 416-1314
CIP/PROJECT NUMBER: B-30305D
TOTAL DOLLAR AMOUNT: \$40,534; currently requesting Homeland Defense Funds of \$35,363
\$35,363 - Homeland Defense
\$5,171 - Park's Budget
SOURCE OF FUNDS: Homeland Defense Bond Series 2 – Neighborhood Parks Improvements,
Homeland Interest and Park's Budget
ACCOUNT CODE(S): 331419
DESCRIPTION OF PROJECT: For the purchase and installation of fitness equipment (cost estimate attached).
LOCATION: 350 NW 13th Street

HD/NIB MOTION 12-13

A MOTION NOT TO FUND THE GIBSON PARK FITNESS EQUIPMENT.

MOVED: E. Broton
SECONDED: D. Freedman
ABSENT: N. Alvarado, H. Goa, P. Perez-Cisneros, R. Powers
AYE: D. Berley, E. Broton, D. Freedman, R. Lambert, M. Sardiña Mann,
J. Solares
NO: O. Aluko, M. Cruz

Note for the Record: The motion passed 6-2.

5. Legion Park Boat Ramp Repairs

NAME OF PROJECT: LEGION PARK BOAT RAMP REPAIRS
INITIATING DEPARTMENT/DIVISION: Parks and Recreation
INITIATING CONTACT PERSON/CONTACT NUMBER: Nelson Cuadras (305) 416-1254
CIP/PROJECT NUMBER: B-30820
TOTAL DOLLAR AMOUNT: \$14,775
SOURCE OF FUNDS: Homeland Defense Bond Series 3 – Neighborhood Parks Improvements
ACCOUNT CODE(S): 331419
DESCRIPTION OF PROJECT: Provide concrete repairs to the existing boat ramp.
LOCATION: 6447 NE 7th Avenue

HD/NIB MOTION 12-14

A MOTION TO FUND THE LEGION PARK BOAT RAMP REPAIRS

MOVED: M. Cruz
SECONDED: R. Lambert
ABSENT: N. Alvarado, H. Goa, P. Perez-Cisneros, R. Powers
AYE: O. Aluko, D. Berley, E. Broton, M. Cruz, D. Freedman, R. Lambert
M. Sardiña Mann, J. Solares

Note for the Record: The motion passed 8-0.

IV. ADDITIONAL ITEMS:

- Status of items not taken up at a previous meeting due to lack of quorum

David Berley: I was just saying that there were a number of items on the January 24 that were apparently left open because of a lack of a quorum. And I wonder if we have to address any of them.

Chair Solares: Yes, Mr. Freedman.

David Freedman: David Freedman. My recollection is that we were advised at the meeting where we didn't have a quorum that those items were going to go before the Commission before we would reconvene. And so therefore, we were not going to take them up again, but we would get a report back from what happened to them.

Chair Solares: Okay. This is Jose Solares. Mr. Sosa, do you have any result, any issue, any item?

Albert Sosa: The last time we met in February when we did not get quorum, the items that were under consideration were related to FIND grants. And because of our application deadline being what it was, we moved forward with those projects. What we had agreed -- what I thought we had agreed to do was to bring those items back in the future. Once -- if and when the FIND grant was granted, which will occur in September/October, that time frame, and we were indeed going to move forward with the project, that we would come back with the items at that time. You know, at this point, we have a -- there's a -- there was five projects that were related to FIND grants and those were submitted for FIND grants last month. And again, we do expect hopefully we'll have a favorable result to those grant applications, but we won't know until September/October roughly.

Chairman Solares: There's a sixth item -- This is Jose Solares again -- which you will see. It's the African Square splash park design services. Was it approved by the Commission?

Mr. Sosa: The remaining items that were -- okay, I'm looking at -- help me with the list 'cause I'm looking at a list that's handwritten, so I --

Chairman Solares: Okay.

Mr. Sosa: I wasn't prepared to discuss that meeting, but --

Chairman Solares: I'll give you my copy.

Mr. Sosa: Well, you can read it into the record and that'll -- The item regarding the allocation of funds, including \$111,000 in HD funds for African Square splash park design services, the \$713,000 budget figure includes design services, as well as the construction related to the splash park and the rehabilitation of the different bathroom buildings and ADA improvements throughout the park. That item, there was an appropriations item that appeared in a previous Commission meeting and that item was approved by Commission to fund that project, yes.

Chairman Solares: Thank you. The next item. The next item on the list. There is another one. There's more. Just turn the page, please. I'm sorry. This is Jose Solares.

Mr. Sosa: Oh. Again, Mr. Solares -- This is Albert Sosa, with Capital Improvements. The remaining projects on this list -- and I will enumerate them. Lummus Landing Square, West Flagler area improvements, and the Martin Luther King Boulevard improvements. Those were at the same Commission meeting as the African Square Park and as an appropriations item and those were passed by the Commission, yes.

Chairman Solares: Thank you.

- Discussion with Kenneth Robertson, Purchasing Director, regarding procurement processes

Albert Sosa: Are we ready to move into new business?

Chairman Solares: Yes, new business.

Eileen Broton: Mr. Chair, I'm wondering if we could first look at the resolution that Madam Attorney drafted because it sort of sets the stage for a couple of the new items. This is Eileen Broton.

Robin Jones Jackson: Robin Jackson, assistant city attorney. The Board may recall at the subaudit committee last week there was discussion and a recommendation as is the purview of the Board to make a recommendation to the City Commission. And of course, this is the recommendation for you all to discuss tonight. So as it was discussed last week, the idea was to have this Board consider this evening a recommendation to the City Commission. I'll read into the record what the discussed language was. And then if we can have, through the Chair, someone will direct the Chair to make a motion and a second for discussion, and then the Board can consider. Thank you. This is a resolution of the Homeland Defense/Neighborhood Improvement Bond Oversight Board recommending to and requesting the Miami City Commission to review procurement processes in order for the City to obtain the lowest possible prices for commodity purchases. So I believe that everyone has a copy of it in your agenda package and this follows with the discussion that you had last week. Is there a motion to the Chair for discussion?

Henry Goa: Through the Chair, motion for discussion. Henry Goa.

David Berley: Second. David Berley.

Ms. Jones Jackson: Thank you.

Chairman Solares: All in favor?

Ms. Jones Jackson: So if you all would like to discuss, then you ask the Chair -- you know, raise your hand and ask if you'd like to have any discussion.

Mr. Goa: Chair, she read the resolution, but I think that there was some more information based on the items that we received why we wanted the resolution and I wish that you would clear that up at this time what led us to this.

Chairman Solares: Yes. This is Jose Solares. The reason this was created is because in the items that were presented to us, some of us thought there was a discrepancy on the prices the City was paying, so we brought this up.

Mariano Cruz: Mariano Cruz, member of the board. Is the City Commission going to review?

Ms. Jones Jackson: In order to address the questions of the Board, Capital Improvements and Law asked for Mr. Kenneth Robertson, who's the director of Purchasing, to please be here this evening for this. So Mr. Robertson is here basically to address any questions that the Board has and also to explain generally the procurement processes related to your items. Thank you.

Chairman Solares: Let's go one question at a time because then he would have to write each and every question. And this is Jose Solares, I'm sorry.

Mr. Berley: David Berley, through the Chair. What is a commodity?

Kenneth Robertson: Good evening. Kenneth Robertson, Purchasing director, City of Miami. A commodity purchase is a tangible good as opposed to a service, which involves labor. So if you are buying a chair or a lectern or a microphone, that is just the item itself, that is a commodity.

Mr. Berley: Thank you.

Chairman Solares: Mr. Cruz had a question originally. Go ahead.

Mr. Cruz: My question was that it's going to be -- commodity, you know, you could have -- we need certain amount, you know, \$100 worth -- is going to be a resolution for the City Commission, everything, or is it in your power on a certain amount, I handle this; over a certain amount, it goes to the City Commission?

Mr. Robertson: Correct. The City of Miami procurement ordinance is 12271. Everything that my department does is in accordance with that ordinance. We have certain thresholds that govern our procurement processes. If an item is under \$2,500, we're allowed to award with a single quote. If an item is over \$2,500, but less than \$10,000, we need to request at least three written quotes, and I have the authority to award that up to \$10,000. If the purchase is over \$10,000, but less than \$25,000, then the Purchasing Department would issue an invitation for quotation to solicit at least five written quotes. And again, the procurement ordinance grants me the authority to award any contract up to \$25,000. If the goods or services are greater than \$25,000, now we have to invoke a more formal procurement process, so we would issue a formal sealed invitation for bid or a request for proposals or a request for qualifications or a request for letters of interest for any contract greater than \$25,000. Now if the award of such a contract is less than \$50,000, then the City Manager has the authority to award that upon completion of the complete procurement process. For any award over \$50,000, a resolution item would have to go before the City Commission for approval, unless a prior resolution has already been approved by the Commission for use of any particular contract.

Mr. Cruz: I have a question.

Chairman Solares: No, wait. Mr. Freedman.

David Freedman: David Freedman. On several occasions, the Board has experienced a lot of concern on what looked like -- I would call bulk purchases of furniture for parks, park buildings. And we're getting these long lists of items with prices which, to us on the surface, look off. Frequently the comment is, well, I can get this at Home Depot for half of this price. It's my belief that people in your department know a lot more about that than I do. So I would appreciate it if you would tell us briefly the background and qualifications of the people in Purchasing and how you go about checking to see that you're getting the best prices when you get a long list of items like the one I'm looking at for Coral Gate Park, for example.

Mr. Robertson: Okay, fair enough. Kenneth Robertson, Purchasing Department. The members of the Purchasing Department that are qualified as buyers, in other words, they actively procure goods and services, are certified by the NIGP, the National Institute for Governmental Purchasing, as either a certified public procurement buyer or a certified public procurement officer. In my office, we have seven such certified individuals, all of whom report to me. Now in the instance of furniture, the State of Florida has awarded a furniture contract to a variety of different manufacturing companies that make furniture. The award of a contract has a fixed pricing structure such that if the Parks Department wanted to buy furniture using a global furniture product line, we could look up the State of Florida contract and we would see that if their order is over a certain threshold amount, that we would look at their catalog published pricing, and per the contract, they're required to give us a 61 percent discount off of that list price. So what my office does, if such a quote for their office products is submitted to Purchasing, we would look, one to see is the quote issued in accordance with any particular contract, usually the State of Florida contract. Then, line by line, my staff goes online, looks at the catalog list pricing, looks to make sure that we are indeed getting our 61 percent discount off of list, and once all of that information is confirmed, we attach all of that information to that purchase order that we would draft and then it's sent to me for final review and approval. So that is our process when we look at a quote. A lot of our furniture purchases are issued under the State of Florida contract. It's very routine. Some of the discounts are upwards to 73 percent discount off of published list pricing and we feel that that's fair and reasonable. Now the actual selection of the furniture is at the discretion of the using department. So if the Parks Department needs a specific model or a specific chair, they would pick the chair. But regardless of what items they pick, the pricing is fixed.

Mr. Sosa: Mr. Robertson, can you clarify -- This is Albert Sosa, Capital Improvements. -- the State of Florida contract that you're referring to, how it's competitively procured?

Mr. Robertson: Correct. The State of Florida, similar to Miami-Dade County, and also the City of Miami, regularly advertises contracts for the procurement of goods and services. In fact, they are required by state statute to do that in the same manner that the City is required by our procurement ordinance to advertise these contracts. The State of Florida, as an agency, leverages significant quantity discounts that we, as the City of Miami, cannot realize ourselves. The State of Florida knows that every county and every municipality in the state, as well as all state agencies, will be using these contracts. When they advertise these contracts for us, they leverage significant percentage discounts that we could not otherwise obtain.

Ms. Jones Jackson: Mr. Robertson, there was also a question that came up about the process of where the City might get a quote to have an idea of what the price range is as opposed to just going with a blind invitation for a bid. So could you explain why that process occurs?

Mr. Robertson: A lot of times a department will have a need for goods or services and they reach out to a vendor to say can you give me a quote for "ABC." They get the quote back, it's \$40,000.

They have to decide whether or not they have the money to move forward with that and then they submit what we call an encumbered requisition in our Oracle system. Encumbered meaning that they're actually setting aside the money to buy that good or service and then they submit it to the Purchasing Department. That's not to mean that we're going to award that quote at its face value. That's saying that Purchasing has received the quote and now we will look at it in accordance with our procurement ordinance to decide how we move forward from there. That initial quote is important because it identifies the threshold over which we need to procure a certain way. In this case, because it's over \$25,000, we would look to issue an invitation for bid or a request for proposals, and then we would award to either the lowest responsive and responsible bidder or to the company that has the highest adjusted total score.

Mr. Goa: Question. Henry Goa. When I see a unit price of a piece of furniture, am I looking at the 60 or 70 percent discount as such?

Mr. Robertson: Correct. If the quote you're looking at is given in particular for a contract, one, the quote should reference the contract that it's issued pursuant to. I noticed that the quote in your agenda today is not issued in accordance with any particular contract. I would presume it's a State of Florida contract, although if we were to receive this, we would confirm with the company if it is indeed in accordance with that contract and we would actually require them to amend the quote to state that. But traditionally, yes. The quote that they are giving us is, at a minimum, reflecting the State of Florida required percentage discount. And oftentimes, the companies will offer a greater percentage discount either because of historical purchase volume, loyal customer. So it's not uncommon for us to receive a 65 or a 70 percent discount off of list even though they're only required to give us the 61.

Mr. Sosa: Mr. Goa, if I may. Again, Albert Sosa, director of Capital Improvements. I believe there may have been confusion at a previous meeting because what was presented in that meeting was not a quote like you see here, but it was actually the catalog. So the pricing from the catalog represented the undiscounted price. When we have a quote like this, we present it to Procurement to confirm that it is a discounted price. But what's presented as the quote should be the discounted price.

Mr. Freedman: Mr. Chairman.

Chairman Solares: Okay, yes.

Mr. Freedman: I have a motion, if I may. And let me preface it -- David Freedman. Last week at the audit subcommittee, I was in favor of us sending a resolution, but now I believe my view was more of a result of my own ignorance than any real need. And given the explanation that we got and given the fact that we have a professional purchasing department working on this with qualified people from what I hear, I really don't think we have a need for a resolution and would move that we not send one.

Chairman Solares: Okay. And Mr. Cruz had a question.

Mr. Cruz: My question was that before -- I don't know if we still have it. They got like set aside programs that the companies, even local companies, minority companies, veteran companies, the whole thing, get some preference points when they were bid in certain process there in the Procurement Department. I would like to know if they still have that, if a company from within the city limits got preference over a company in Central Florida.

Mr. Robertson: Kenneth Robertson, Purchasing director. Yes. The procurement ordinance has a 15 percent local preference. What triggers that is if a low bidder bids, say \$100, and there is a local City of Miami company that also submits a bid whose bid is \$112. Their bid would be within 15 percent of the lowest bidder and our ordinance at that point would trigger a best and final offer between the two. So the lowest bidder and the local bidder would be sent a best and final offer letter to say this is what the lowest bid was. You, as a City of Miami business, are -- have the opportunity at this point to match or beat that price. Please submit your best and final price.

Mr. Cruz: All right. Thank you.

Mr. Robertson: Now the results of that will determine who wins. If the nonlocal bidder is ultimately the lowest, it would be awarded to that company, regardless of local preference. However, if the companies were tied as a result of the best and final offer, the local company would be the tiebreaker.

Chairman Solares: Any other questions? Then I have a question. A while ago you mentioned that when the department head provides you with a -- let's say I want a pen and I ask for a Montblanc, all you're going to look is the price of the Montblanc. You're not going to look that -- to tell me you can do it with a BIC. You're just going to go ahead, what's the best price for a Montblanc pen, correct? Your job is to only actually look at numbers, not look at any replacement for that specific item. Am I right or am I wrong?

Mr. Robertson: Is your question that we are looking at the items they want to purchase or --

Chairman Solares: Yes.

Mr. Robertson: -- we're looking at it strictly from a financial point of view?

Chairman Solares: Both. The way I see it is, based on what you told me, you're only looking from a financial standpoint. You're not looking actually for the item itself. Are you?

Mr. Robertson: Correct. If I may clarify. The budgeting process within the City of Miami is decentralized. So if the Parks Department would like to buy a chair that's \$1,000 and they have a budget to do that and it's really the chair that's required for commercial grade use that's going to be exposed to the elements with repeated patrons, the selection of that chair is up to them. They submit it to my office to procure it, and I need to make sure that we're procuring it correctly. So if we think that the chair is \$1,000 with Company A, we will advertise to purchase that specific chair or an approved equal. We will let the bid process administer how it will and we will award to the lowest responsive and responsible bidder. The Purchasing Department is not in a position, however, to tell the department that you can't buy this item. That's not our role. Our role is to be fair and objective to all departments. So we will look at what they are asking to buy and we procure it correctly for them. But the approval of their budget as they want to spend it is not for me to question.

Chairman Solares: This is Jose Solares again. Therefore, I agree with Mr. Freedman. My understanding was that more or less your department was making a decision the type of chair they were buying or whatever it was. No, you're just looking at numbers and see they want ABC, ABC costs \$10. It doesn't mean that MNO could have been cheaper. You're just looking at ABC because that's what they're asking for.

Mr. Robertson: Well, what I may respond to that is that the department identifies the specification, the product that they would like. When we advertise for that product, we don't restrict other companies from bidding similar items.

Chairman Solares: A Montblanc pen is going to be a Montblanc pen. It's not a BIC pen, correct? If I'm asking for a Montblanc, you're going to get the best price on the Montblanc.

Mr. Robertson: Correct.

Chairman Solares: So it doesn't mean you're going to tell me, Mr. Solares, you can do the same thing with a BIC pen. You're not going to say that. It falls on the department head to pick whatever is the most efficient, most suitable for the job. It's not for you to say anything. You don't have an input on it.

Mr. Robertson: I do have some input. There are some items that departments would like to buy that we already have under contract for a lower price, in which case we would ask them, have you considered this item? This is available for this unit price. If you would like to realize cost savings, we would recommend this approach.

Chairman Solares: Again, this is Jose Solares. Do they approach you before they give us these prices or these forms they give us, the PAF?

Mr. Robertson: No. Traditionally, not.

Chairman Solares: They don't? It's after the fact.

Mr. Robertson: The budgeting process is essential because before the procurement department should be working on any item, we would like to know that the budget behind that purchase is already set aside and approved. We need to be very cognizant of how our resources are allocated nowadays. The Purchasing Department has 35 percent reduced staffing levels. So to work on a procurement that's not funded doesn't make sense from a business perspective.

Chairman Solares: Thank you.

Mr. Berley: David Berley. I really don't think that was the question. I question whether that was responsive to Mr. Solares' question because it seems that Mr. Solares question was focused on substitution of items rather than pricing of items.

Mr. Robertson: Correct. Kenneth Robertson, Purchasing director. I did mention in my response that when we advertised an item we accept as or approved equals. So if we were to specify that we wanted a blue BIC pen, item number 12345 and there are other companies that provide a similar pen that doesn't match that item number, they are actually eligible then to submit that approved equal item for consideration. We then would work with the Parks Department to review is it an approved equal, are there quality issues, is it really not a similar or like item. And if they're not comparable, we don't have to accept that.

Chairman Solares: Ms. Broton.

Vice Chair Broton: Okay. Eileen Broton. I guess the next question that I would have is in terms of oversight because it is not your responsibility to determine whether I need a pen or not. Your responsibility is to get the most appropriate pen, you know. So I think it goes back to, I guess, the department heads or an inspector general or -- you know, there has to be some monitoring system to ensure that what is purchased is most appropriate, most efficient, most effective, you know, and I guess that's not in your purview.

Mr. Robertson: Correct. In fact, I would venture to say that that's your purview as the board to recommend approval for items that you think are appropriate. You're approving the budget for the various projects, correct?

Vice Chair Broton: We're making recommendations.

Chair Solares: We recommend.

Mr. Robertson: Correct.

Chairman Solares: This is Jose Solares. We do not approve; we recommend. I wish we could approve.

Mr. Robertson: So then your recommendations are forwarded to the Commission for approval? Okay. Thank you for clarifying.

Ricardo Lambert: One more question.

Chairman Solares: Okay, go.

Mr. Lambert: This is Ricardo Lambert, board member. So in the cases that we've been dealing with recently with these purchases of furniture for these few parks, it is true that none of these items reached that level of -- none of these items reach that price level that would trigger -- but the amount that they purchased has no bearing. As long as the -- each particular item is under that threshold, then it doesn't trigger the bidding -- Is that right? I just want to make sure.

Mr. Robertson: Kenneth Robertson, Purchasing director. That threshold has already been triggered by nature of the fact that the State of Florida formally procured this contract. So there's no procurement limit anymore on this contract. We can use it on an as-needed basis. When the State of Florida awarded it, the City of Miami submitted a resolution to the City Commission to be able to use it in accordance with our procurement ordinance. That was approved subject to availability of funds and budget approval at the time of need. So any department, if they needed to buy \$100,000 worth of furniture, the procurement requirements have already been met. What we're looking at at that point is are we getting our contract discount per the contract.

Mr. Lambert: All right. And so I realize that -- the big issue for me now at this point is not necessarily are we getting a good deal on these particular items but whether or not these particular items are the items that should be purchased in the sense that -- I guess we're all wondering why there's, you know, certain garbage cans and file cabinets, et cetera, that way exceed the value that we would typically attribute something like that that we purchased in our everyday lives and we noticed that those prices are excessive. Granted, they're not -- you know, they're not the items that are being compared to because we understand that, you know, your prices, et cetera -- but as Mr. Solares was describing, you know, is -- the question is, could they

do better with something that's suitable. And in light of some of the TV reports that we've seen recently, is there -- for instance, you know, there's tons of folding chairs they're asking for. There's tons of collapsible tables they're asking for. Is there maybe somewhere in the City that they can acquire them from that are already purchased and kind of sitting around doing nothing. And that -- so who's that person who can say we're looking to buy \$10,000 worth of furniture for this small space and where can we maybe save some money, not necessarily item per item, which is what your department does, but maybe somebody can say, look, there's 100 chairs at this other park they haven't used in five years. Maybe that's a good place we can start. Or maybe we can do a cheaper chair because maybe in this case it's something that isn't -- we're going to bring it out once every couple of years and use these chairs. We just have them there on standby. It's not something we're going to use every day, et cetera.

Mr. Robertson: I can answer that. Kenneth Robertson, Purchasing director. My office also administers the citywide surplus property program regarding the disposition or transfer or sale of surplus property. And that occurs quite regularly where a department has identified property that they no longer need and we transfer it between the departments. That's our first course of action. Our procurement code actually requires that if another department needs that item, that we make every attempt to make that happen first, and that we do. I sign dozens of surplus transfer forms weekly. If another department doesn't want the item because it's of a condition that is not acceptable in quality, then we have an online auction that's possible. We have live auctions that are possible, and then we also may dispose the item if it's unusable in any way. So that certainly happens on a routine basis. But for new facilities that are being brought on board, we don't have surplus property of such a quantity that we could furnish an entire new building. Those chairs come in one here, one there. We may get an extra table or an extra desk here and there, but not of the quantity for a new facility. Plus, in terms of opening a new facility, does the City really want to open the facility that's brand-new with used furniture?

Mr. Lambert: And I appreciate that. But I guess, again, similar to what we were describing -- and I realize I may be asking the wrong person, but the level of, I guess, quality or the level of luxury one might say in certain cases might not be appropriate. Again, for some of the items that we as normal citizens buy regularly ourselves, I thought some of these prices were pretty out of -- into the stratosphere that I just really would have thought regardless of the warranty that they're giving me, it's so much more than anything that I could purchase or would purchase on my own. I would think the warranty itself is not even worth the value. I don't know. But that's me personally. I was looking at some of these items and I just thought outrageous, but I appreciate what you're telling us and I take you at your word. I absolutely thank you and your department for everything you do. But there was just in the selection of the items, I guess, maybe people are reaching too high and that was part of our conversation as well. Thank you.

Chairman Solares: Okay. I'm going to have to cut this short because we've been on this for 45 minutes. I apologize to all of you, but I think we have had enough questions. I could spend probably another 3 hours asking you questions, but you know --

Mr. Robertson: Mr. Chair, if the Board is interested, I can offer a procurement training for all of your members, perhaps at another meeting where you don't have active items that you're voting on. I'd be happy to have a procurement training with you.

Chairman Solares: Maybe on the audit committee meetings that we have more control over instead of this one, I would say. What does the board think? Board members, what do you think? Is it worth it for us?

Mr. Berley: Through the Chair, David Berley. I think it's been described adequately for us. Whether or not we agree with the policy, that's something else. Whether or not we agree with the procurement, that's something else. But the policy and its operation, I think have been more than adequately described.

Chairman Solares: Okay. Yes, sir, Mr. Freedman.

Mr. Freedman: David Freedman. The issue is shall we send a resolution to the Commission. I would move that we'd not.

Ms. Jones Jackson: So, Mr. Chair, you had -- to begin with you had a motion to discuss the resolution. You had a second to discuss the resolution. I guess you would ask if everyone has finished discussing the resolution, then you could consider -- Mr. Freedman has made a --

Chairman Solares: Motion.

Ms. Jones Jackson: -- motion that you actually amend the first motion and to not consider, so he would need a second for his change of the motion. Thank you.

Mr. Goa: Second for discussion.

Mr. Solares: Second for discussion?

Mr. Goa: Second his motion for discussion.

Ms. Jones Jackson: So Mr. Goa --

Mr. Goa: Henry Goa.

Ms. Jones Jackson: -- is seconding for discussion of the new motion, okay.

Mr. Goa: Mr. Chair.

Chairman Solares: Yes.

Mr. Goa: I heard a lot of things, but one thing I'm concerned about because when you have items that a particular department can purchase and you said you don't stop them from purchasing, somewhere down the line we have to get something across to them to try to bid for the lowest or the most economical item that they would like to purchase. And I'm not sure that as we look at this that we're seeing that. And therefore, I'm thinking that this resolution may be saying that we want them to take another look at some other things, not necessarily the Purchasing Department, but maybe we need to have some kind of workshop or something with the department heads and monitor the department on their purchasing as such. That's what I see in this motion too -- this resolution, rather.

Chairman Solares: Mr. Freedman raised his hand.

Mr. Freedman: I'll yield to Mr. Berley.

Mr. Berley: Mr. Chairman -- David Berley, through the Chair. I think that we either have to have confidence in our managers or get rid of them. To second guess these guys as to which chair to buy, which table to buy, we'll be here forever and accomplish I think very poor use of time. That's just my reaction.

Chairman Solares: Mr. Freedman.

Mr. Freedman: David Freedman. I think both Henry and David are correct. In my view, we're not addressing the issue that keeps coming to us. That's not purchasing. That's the department heads. And so therefore, if there's to be a resolution, perhaps it ought to be that the Commission encourage department heads to buy less expensive or request less expensive items.

Mr. Sosa: Albert Sosa, director of Capital Improvements. If I may interject in the discussion. I think it's critical that in any discussion that you have -- that this board has related to this topic, you need to always state as it relates to the use of capital funds because we do not want to confuse the issue with non-capital fund expenditures, which are outside the purview of what we do on this board, and more importantly, not -- I mean, we're not -- we don't expend those types of funds here. The City does have policies related to that, but I just -- we should be clear if we move forward with any motion -- if this Board moves forward with any motion that it be clear that what you're discussing is in the use of capital funds.

Mr. Berley: Mr. Chairman. David Berley. Who is the gatekeeper on non-capital? We're looking to be the gatekeeper on capital purchases.

Mr. Sosa: The City Manager is the chief administrator -- Albert Sosa, director of Capital Improvements -- for the City and he sets procedure as it relates to the day-to-day functions of the City, so the City Manager is the short answer.

Mr. Berley: So he is also in charge of capital. Is that correct?

Mr. Sosa: Ultimately, yes.

Mr. Berley: Okay.

Chairman Solares: Mr. Goa, go ahead.

Mr. Goa: Mr. Chair -- Henry Goa. I think that we have beat this down enough. We ought to either vote it up or vote it down.

Chairman Solares: Yeah.

Mr. Goa: I move for -- that you move the motion.

Mr. Berley: Call the question.

Mr. Goa: Call the question.

Ms. Jones Jackson: So, Mr. Chair, the motion, as I understand it now, is to not forward the resolution that the Board has been discussing to the City Commission.

Mr. Berley: Excuse me. And if that motion is voted down, then what? David Berley, through the Chair.

Ms. Jones Jackson: Well, first, you would -- that's the motion. So what you would need to do then is if Marcia would call the roll and you can vote on this motion. We had -- David made the motion; Henry made the second.

Mr. Cruz: What is the motion on the floor, not to send it?

Chairman Solares: Not to send.

Mr. Freedman: David Freedman. The motion is to not send the resolution. So if you vote yes that means you don't want the resolution sent.

Ms. Jones Jackson: And Marcia, the question was called so --

Chairman Solares: Okay, go.

Mr. Cruz: Call the question.

Chairman Solares: Go ahead.

Mr. Berley: Call the roll.

Chairman Solares: Call the roll.

Marcia Lopez: Jose Solares?

Chairman Solares: Yes.

Ms. Lopez: Robert Powers? Henry Goa?

Mr. Goa: Yes.

Ms. Lopez: Beba Sardiña Mann?

Maria Sardiña Mann: Yes.

Ms. Lopez: Pablo Perez-Cisneros? Mariano Cruz?

Mr. Cruz: No.

Ms. Lopez: David Freedman?

Mr. Freedman: Yes.

Ms. Lopez: David Berley?

Mr. Berley: Yes.

Ms. Lopez: Nelson Alvarado? Ricardo Lambert?

Mr. Lambert: Yes.

Ms. Lopez: Eileen Broton?

Ms. Broton: Yes.

Ms. Lopez: Ola Aluko?

Ola O. Aluko: Yes.

HD/NIB MOTION 12-10

A MOTION TO NOT FORWARD A RESOLUTION TO THE CITY COMMISSION REGARDING PURCHASING PRACTICES WITH CAPITAL FUNDS.

MOVED: D. Freedman

SECONDED: H. Goa

ABSENT: N. Alvarado, P. Perez-Cisneros, R. Powers

AYE: O. Aluko, D. Berley, E. Broton, D. Freedman, H. Goa, R. Lambert,
M. Sardiña Mann, J. Solares

NO: M. Cruz

Note for the Record: The motion passed 8-1.

Ms. Jones Jackson: So now coming back to -- Robin Jackson, Assistant City Attorney -- Mr. Berley's question. All right, so the Board is basically free to consider more questions to our purchasing director or to move forward with the agenda. It's really up to the Chair and up to the board.

Mr. Goa: Mr. Chair. Henry Goa. Move the agenda.

Chairman Solares: I agree with Mr. Goa. This is Jose Solares.

Mr. Berley: Second.

Chairman Solares: Okay.

Vice Chair Broton: All in favor?

Mr. Berley: Thank you.

Ms. Jones Jackson: Thank you.

Chairman Solares: Thank you very much. Excellent presentation.

- Discussion regarding requests for the next audit subcommittee meeting

David Freedman requested a report from Albert Sosa regarding the statue item where the board denied funding for the item and information on the cost of landscaping.

Ola Aluko requested that on the parks equipment projects that the board denied, that the Parks Department find other vendors and comes back to the board with their pricing to determine if the pre-qualified vendor is within range. This request was withdrawn by Mr. Aluko since the projects are going to City Commission for approval.

David Berley requested that the Board receive information regarding the cost of maintenance for the projects that it approves to assist the Board in determining whether or not it wants to engage in that project.

V. CHAIRMAN OPEN AGENDA:

HD/NIB MOTION 12-15

A MOTION TO ADJOURN TODAY'S MEETING.

MOVED: D. Berley

SECONDED: O. Aluko

ABSENT: N. Alvarado, H. Goa, P. Perez-Cisneros, R. Powers

AYE: O. Aluko, D. Berley, E. Broton, M. Cruz, D. Freedman, R. Lambert
M. Sardiña Mann, J. Solares

Note for the Record: The motion passed 8-0.