

CITY OF FORT LAUDERDALE

OFFICE OF THE CITY AUDITOR

Audit of the Fire Bond Program

Report #07/08-5

April 1, 2008



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March 25, 2008

Mr. John Herbst
City Auditor
City of Fort Lauderdale
100 North Andrews Avenue
Fort Lauderdale, FL 33301

SUBJECT: PROGRAM AND PERFORMANCE AUDIT OF THE FIRE STATION BOND PROGRAM

Dear Mr. Herbst:

Sharpton, Brunson & Company, P.A. is pleased to present our Program and Performance Audit of the Fire Station Bond Program to the City of Fort Lauderdale. Enclosed are twenty (20) bound copies and one (1) unbound copy of the final report.

We would like to thank staff from the City and URS for their cooperation and assistance in completing this report. We look forward for the opportunity to assist the City with this issue and will assist in any way to implement mitigations to any of the observations.

Sincerely,

Anthony Brunson
Sharpton, Brunson & Company, P.A.



CITY OF FORT LAUDERDALE PROGRAM AND PERFORMANCE AUDIT FIRE STATION BOND PROGRAM



Prepared by:

SHARPTON, BRUNSON & COMPANY, P.A.

Certified Public Accountants & Business Consultants

March 25, 2008

**CITY OF FORT LAUDERDALE
PROGRAM AND PERFORMANCE AUDIT
FIRE STATION BOND PROGRAM**

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Executive Summary



**CITY OF FORT LAUDERDALE
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FIRE STATION BOND PROGRAM**

EXECUTIVE SUMMARY

Sharpton, Brunson, and Company, P.A. (SBC) was engaged to conduct a Program and Performance Audit of the Fire Station Bond Program (Program) of the City of Fort Lauderdale (City). The Program is an eight-year, \$40 million capital improvement program designed to modernize the City’s fire stations. The Program is comprised of ten fire stations and was approved by the Fort Lauderdale voters on November 2, 2004.

The Director of Public Works (DPW) has been tasked by the City Manager to lead the successful implementation of the Fire Station Bond Program with oversight from the City Commission. The DPW utilizes the City Engineer and staff to design the majority of the fire stations; participate in constructability review of designs; and to perform construction oversight functions for the Program. Further, URS and a few local design firms have been contracted with to supplement the Public Works staff with very specific tasks. URS has two active contracts on the Fire Station Bond Program: 1) for Construction Management Services on Fire Stations 47 and 53 and 2) Pre-construction Management Services for the remaining eight fire stations. To supplement the City’s design staff, the City contracted with several specialty design firms to assist with specific areas such as mechanical, electrical, and plumbing.

Table 1 below identifies the ten fire stations and provides information on the existing size; proposed size and type identified in the Bond Resolution; and the current size, type, and features as identified in the October 2007 re-baseline.

**Table 1
FIRE STATION BOND INFORMATION AND SCOPE**

Fire Station	Existing Station		Fire Bond Resolution (July 13, 2004)		October 2007 Re-Baseline		
	Year Built	Square Feet	Proposed Square Feet	Station Type	Proposed Square Feet	Station Type	Features
3	1984	3,631	12,000	Satellite	10,000	Satellite	2 bays, 7 bunks
8	1927	3,005	12,000	Satellite	10,000	Satellite	2 bays, 7 bunks
13	1971	6,100	15,000	Battalion	Renovate	Battalion	
29	1958	3,534	12,000	Satellite	10,000	Satellite	2 bays, 7 bunks
35	1966	7,038	15,000	Battalion	12,200	Battalion	3 bays, 11 bunks
46	1963	3,569	12,000	Satellite	12,000	Satellite	3 bays, 10 bunks
47	1963	3,569	12,000	Satellite	12,200 ⁽¹⁾	Battalion	4 bays, 15 bunks
49	1965	6,690	12,000	Satellite	12,000	Satellite	2 bays, 7 bunks
53	1976	5,621	12,000	Satellite	16,900 ⁽¹⁾	Battalion	4 bays, 13 bunks
54	1970	7,602	12,000	Satellite	Renovate	Satellite	

Notes and Assumptions:

1) Fire Station 47 and 53 are 15,242 and 27,310 respectively, but the proposed square footage shown represents the Fire Station Bond Program’s portion funded.

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Objectives

The objectives of the Program and Performance Audit (Report) performed by SBC were to evaluate the extent to which desired results of the Program are being achieved by performing the following:

- Review management and control structures and processes;
- Analyze the reasonability of Program assumptions and projections;
- Evaluate contract compliance; and
- Provide observations and recommendations to improve performance.

To achieve these objectives SBC performed sixteen (16) tasks outlined in the scope of services which were designed to analyze certain financial and operating results and review selected processes, procedures and activities. The results from the performance of these tasks are presented in eight sections of this report which have been grouped according to the following three categories: 1. project team organization, 2. contract and performance, and 3. process and compliance.

Please note that the scope of services does not include the following objectives:

- Validate whether the current station sizes and locations of the fire stations will meet the City's Fire and Rescue response times and coverage goals, both now and in the future;
- Review that the current mix of "Battalion" and "Satellite" fire stations best serve the City's Fire and Rescue needs;
- Search for and identify fraudulent design, construction or consultant services activity;
- Review the qualifications or performance of City or URS staff; or
- Guarantee that the change in approach outlined in the October 2007 Re-baseline will keep the Program below \$40 million.

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Methodology and Process

The tasks outlined in the scope of services were performed by SBC utilizing workplans developed based on the following five step process:

1. Identify measurement criteria used to determine whether objectives were met. The measurement criteria includes but was not limited to: applicable laws, regulations, contracts, policy manuals, industry leading practices, and key performance measures.
2. Design procedures to reasonably determine whether the objectives were met using observation, inquiry, comparisons, analysis, and transaction testing.
3. Identify potential reasons for any differences between the measurement criteria and the results obtained from the detailed procedures.
4. Determine the effect (financial, operational impact, if any) of results.
5. Identify potential opportunities for improvement that promote the achievement of Program goals and mitigate inherent risks in the operations.

Note: SBC limits its observations to the extent that the information provided to SBC by the City and URS was a fair representation of reports and records.

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Key Observations

Based on the tasks performed we have determined that the Program areas selected for review, SBC observed that:

1. The Organizational structure and Management Oversight are appropriate;
2. The Program's total expenses are exposed to a potential budget overrun and;
3. Sufficient management controls and processes have been established.

Throughout the Report, SBC has highlighted potential areas for improvement that may provide at least one of the following benefits:

- Promote continued success of the City in meeting Program goals.
- Mitigate inherent risks in the operations of the Program.
- Identify proactively, any potential risks to meeting the Fire-Rescue Facility Bond budget.
- Provide process improvements for enhanced management controls and increased operational efficiency.

Listed below are the Report's most significant observations which have been grouped into the following three categories: 1. Project Team Organization; 2. Contract and Performance; and 3. Process and Compliance.

PROJECT TEAM ORGANIZATION RELATED OBSERVATIONS

Observation ES-1: URS performance is partly tied to the City's design performance. The scope of service for the pre-construction and construction management efforts is based on reimbursement, not-to-exceed contracts or task orders. The values of these services are based upon agreed-upon levels of service for a specific duration. As a result, URS cost and schedule performance is partly dependant on the City's design performance and difficult to assess. For many pre-construction activities, URS has a limited level of control because either: 1) the City is performing the design services or 2) City processes are being used. The organizational structure increases the City's share of responsibility if schedule dates are missed and cost and schedule targets are not achieved. URS does not have the necessary leverage to make the City perform to meet schedule goals or meet quality standards. Furthermore, URS does not control activities that are City processes, such as permitting, bidding, or construction award. URS can only schedule these activities based on agreed-upon durations, but cannot dictate tasks, schedule, and performance of the City. URS does have the contractual obligation to inform the City Engineer if the City is in jeopardy of missing schedule dates or has other performance issues so these

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PROJECT TEAM ORGANIZATION RELATED OBSERVATIONS (CONT'D)

situations can be mitigated. Similar challenges are created to the URS-City relationship in the construction management scope, particularly on the City-designed FS 47. The construction completion date for FS 47 has been extended by change orders to accommodate changes to the City's design through change orders, due to design errors & omission, unforeseen conditions, and owner requested changes. The additional time may lead to additional URS costs.

Management Response: *Management concurs with this Observation but would add specific reservations.*

URS costs and scheduled performance during pre-construction review, construction, and post-construction activities is partly dependent upon the City of Fort Lauderdale design services, processes and procedures. It is also incumbent upon URS to provide highly skilled and knowledgeable individuals to staff these consulting positions.

The City is responsible for the delivery of the bond program regardless of whether program management is completed by City staff or a consultant. City processes must be used for permitting and construction award if the work is completed by URS acting as a consultant or by City staff. The City finds this arrangement suitable for the purposes of the construction of the fire stations. This integrated approach keeps the City actively involved in the project on a day-to-day basis.

Implementation: *None Required*

Observation ES-2: The Fire Station Bond Blue Ribbon Committee should have additional information made available to it to better enable them to make recommendations as it relates to the expenditure of bond funds.

Given the background and experience of its members, and its purpose as stated in its Resolution (Resolution No. 04-220), the Committee can provide enhanced checks and balances on the Fire Station Bond Program. By charter, the Committee was established for the purpose of making recommendations to the City Commission concerning the Fire Bond Program. This role does not permit the Committee to direct City or Consultant staff or be involved in the daily operations of the Program.

First, the information presented to the Fire Bond Committee should be enhanced by providing additional information regarding items that impact station costs and schedules. The additional information should enable the Committee to have a better understanding of cost and schedule issues as they develop and be in a better position to review the Program at its monthly meeting with City staff.

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PROJECT TEAM ORGANIZATION RELATED OBSERVATIONS (CONT'D)

Second, the Committee also has only a limited role in items that affect cost and schedule on the Program and is often not in a position to make recommendations to the Commission. Items are either not presented at all or are often presented to the Committee as a “high-level discussion of options” before they are taken to the City Commission for approval as a fully developed plan. Examples of these items include change orders and the recent re-baselining of the Program’s scope and implementation approach (see Organization Report for more details).

Management Response: *Management does not concur with this Observation nor the implication that the Fire Bond Committee is not making recommendations to the City Commission concerning expenditure of bond funds.*

As stated in Resolution 04-220, the FSBBRC “makes recommendations to City Commission concerning the expenditure of bond funds” through minutes which are presented to City Commission monthly. Committee members also have unfettered access to their City Commission appointer. The relationship that exists is between Committee member and Commissioner; staff does not take direction from Committee members. Staff takes direction from their immediate supervisor only; who is under the direction of the City Manager.

The Observation continues to state that City Management did not make the FSBBRC aware of changes to the Fire Bond Program at the FSBBRC meeting on September 20, 2007, but forwarded the changes directly to City Commission on October 2, 2007. (See CAR 07-1599 attached)

Both the Fire Chief and Public Works Director were prepared to make a presentation to the FSBBRC at their meeting on September 20. However, the FSBBRC would not allow the presentation to move beyond the opening remarks of the Fire Chief. City staff then presented the changes to the City Commission on October 2. (FSBBRC September 20, 2007 minutes attached to Audit)

The Observation also states, “The Committee does not become aware of the details of the change orders until they are posted on the City Commission Agenda or presented in the URS monthly project reports after they are approved by the Commission.”

At each FSBBRC meeting, monthly construction progress reports are attached to the agendas and discussed in detail. Each report identifies potential changes and lists amounts of past and pending change orders. An example of Fire Station 47 and 53 construction reports are attached to Managements response.

Implementation: *None Required*

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CONTRACT AND PERFORMANCE OBSERVATIONS

Since the Fire Bond Program does not have any completed projects at this time, the approach of this portion of the review is to compare the Original Budget and the projected final cost of the two active construction projects - Fire Stations (FS) 47 and 53. The results were reviewed at three specific points in their lifecycle: 1) design/scope changes before construction award, 2) construction bid results, and 3) change orders during construction. For comparison purposes, \$250 per square foot for construction will be used since it stated in Exhibit A of the Bond Resolution. The cumulative affect of design/scope changes, bid results, and change orders on FS 47 and 53 are summarized in Table 2 below.

**Table 2
Summary of Changes for Active Projects
Fire Bond Program Costs Only**

Fire Station	FS 47	FS 53	Totals
Original Budget	\$3,760,000	\$3,535,000	\$7,295,000
Scope (Size) Changes (\$250/sq. foot)	50,000	1,225,000	1,275,000
Bid Results (\$250/sq. foot)	48,800	236,600	285,400
Change Orders (Approved + Pending)	236,886	311,403	548,289
Other Changes*	(64,686)	431,997	367,311
Total Increases/(Decreases)	\$271,000	\$2,205,000	2,476,000
Current Budget (Reforecast)	\$4,031,000	\$5,740,000	\$9,771,000

*Other changes include engineering, equipment, temporary facilities, Program Management and contingency.

Observation ES-3: More than half of the \$2.5 million cost increase for Fire Stations 47 and 53 is due to building larger fire stations. As reflected in Table 2 above, the total costs for FS 47 and 53 have increased by \$2.5 million, of which approximately 51% (\$1.275 million) of the increase resulted from designing larger fire stations than originally planned. If you include you the unfavorable bid results on just the additional square footage (not the entire station), this impact would be \$1.34 million or 54.3% of the total increase.

It should be noted that decision to expand the size of Fire Stations 47 and 53 predate the current City Manager and Fire Chief, as well as other responsible senior administrators of the Fire Bond Program.

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CONTRACT AND PERFORMANCE OBSERVATIONS (CONT'D)

Management Response: *Management concurs with Observation.*

Fire Station 47 was increased in size after the City annexed parts of unincorporated Broward County. Fire Station 53 includes effectively three operations: two fire stations (53 and 88) merging into one station and the City's Emergency Operations Center (EOC). All housed in one facility located near Executive Airport.

In its October 2, 2007 presentation to City Commission, management recommended the reduction in Fire Station size, based on staffing and equipment requirements of the Fire Department.

Implementation: *None Required.*

Observation ES-4: The greatest risk for the Fire Station Bond Program to be completed under \$40 million is the City's ability to re-furbish FS 54 and 13 for under \$1.3 million each. The premise of the October 2007 Program Re-baseline is that the City can save \$5.6 million by refurbishing FS 54 and 13 instead of building new ones. By doing so, the City can offset the \$2.5 million cost increase on FS 47 and 53, as well as the \$0.6 million Bond issuance costs and the \$2.5 million increases set aside for six of the remaining new stations. SBC believes that the greatest risk for the Fire Station Bond Program to be completed under \$40 million lies within these two refurbished fire stations (FS 54 and 13). The current re-baseline estimates that FS 54 and 13 can be refurbished for \$1.3 million each (\$1.0 million for construction and \$0.3 million for engineering, management, and inflation). For these stations to be modern, state-of-the-art, and 50-year structures as delineated in the Fire Station Bond's Official Statement, they will likely need structural, mechanical, electrical, and other upgrades since they are 38 (built in 1970) and 37 years old (built in 1971) respectively. Further, it's a formidable challenge, and a significant cost risk, to do these upgrades while these fire stations are active without interfering with operations.

The City is currently undertaking a structural, mechanical, and electrical review of these two fire stations to get a better understanding of the effort and costs necessary for the refurbishment. While it's possible that the studies may show that the stations can be refurbished for \$1.3 million, they may show that the refurbish costs would be significantly more than \$1.3 million. If this occurs, the most viable and economically feasible option may be to build new stations. Under this scenario, the Program would need an additional \$6 million to complete the Program (see Table 3). This cost estimate is based on building stations comparable to the current "satellite" and "Battalion" station sizes of 10,000 and 12,000 square feet. Costs may differ if the two stations are sized differently or due to their schedule.

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CONTRACT AND PERFORMANCE OBSERVATIONS (CONT'D)

**Table 3
Potential Cost increase of the Program**

	FS 54	FS 13	Total
Original Budgeted Square Footage	12,000	15,000	
Type of Station	Satellite	Battalion	
Estimated Size of Station (based on current approach for station sizes)	10,000	12,000	
Estimated Cost (new Station)	\$4.0 million	\$5.0 million	
Less: Re-baseline Estimate	(\$1.3 million)	(\$1.3 million)	
Additional Funds Required	\$2.7 million	\$3.7 million	\$6.4 million

Management Response: *Management concurs with Observation.*

Management's October 2, 2007 report and presentation stated that part of the re-base lining plan was that Fire Stations 54 and 13 would be renovated. (See CAR 07-1599 attached). Management informed the FSBBRC and City Commission that an in-depth analysis of renovation verses replacement of the two stations would be completed.

The cost effectiveness of renovating or building two new fire stations is currently under review by management.

The review includes costs associated with the findings of (for each station):

- *Structural evaluation to all relevant current building codes*
- *Mechanical, Electrical and Plumbing evaluation to current Building Codes in addition those needed for current Fire operations*
- *Architectural and interior improvements necessary for Fire operational needs*

The reviews are underway and are expected to be completed in April 2008.

Implementation: *Detailed renovation costs will be presented at which time further decisions will need to be made by the Commission.*

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PROCESS AND COMPLIANCE OBSERVATIONS

Observation ES-5: The Fire Station Program should consider enhancing the change review process. Given the fact that cost escalation, change orders risks, and other factors have recently forced the scope and approach of the Fire Bond Program to be re-baselined, a formalized Change Control Board (CCB) should be created. The CCB would become the epicenter of decision making of the Program where all issues which affect scope, cost and schedule are evaluated and debated by the significant players of the Fire Bond Program before they are presented to the Blue Ribbon Committee and the City Commission. The CCB's scope should include change orders, bid results, project closeouts, and any changes in scope or approach necessary to stay within the \$40 million Fire Bond Program. The stakeholder requesting a change should present a standard package of data, information, and justification to the CCB and be prepared as though the presentation was to the Commission. The membership the CCB could comprise of the members of the City and URS who currently review change orders (City Engineer, Public Works Director, City Construction Manager, Assistant City Engineer, City Architect, Fire Department...etc), and include representatives from the Office of Management and Budget (OMB), Contracts, and the Legal department. With a structured and thorough review of changes from many different perspectives, the City Commission and the Blue Ribbon Committee should have greater confidence that due diligence was performed on these changes.

Management Response: *Management does not concur with this Observation.*

Audit Observations F1 and F2 support the City's internal change order control process and finds it sound.

Management does not agree that a Change Control Board (CCB) should be formed for the Fire Station program. The formation of a formal CCB would increase the time it would take to complete change order review without added value. The City Engineer and Construction Manager currently conduct a thorough review. An increase in time for CCB review would delay change order authorization by the City Commission, ultimately requiring construction contractors to increase pricing to compensate for delays and lack of efficiencies in being able to move forward with construction.

The Observation recommends the CCB be established to include representatives from the City Attorney's Office, along with members of the Fire Department, Public Works and Procurement.

The inclusion of the City Attorney's Office in a City operational function, such as change order review, is in conflict with the City Charter and Municipal Code.

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PROCESS AND COMPLIANCE OBSERVATIONS (CONT'D)

Specifically, the City Charter states that the City Commission appoints the City Manager to:

"...be responsible to the city commission for the proper administration of all affairs of the city coming under his jurisdiction."

"Exercise control, direct, and supervise all activities of the municipal government, except as otherwise provided in this charter."

"See that all terms and conditions imposed in favor of the city or its inhabitants in all contracts are faithfully kept and performed..."

"Investigate and determine whether purchases of current supplies and contractual services are made in accordance with regulations prescribed by charter and ordinance..."

(Chapter 4.09 c, d, and i of the City Charter)

The City Attorney advises the City Manager and City Departments on legal matters affecting the City (Sec. 4.12 e and f of the City Charter). The City Manager is the charter officer authorized to negotiate City contracts.

(Note: Cited City Charter references are attached to Management's Response)

Public Works regularly requests legal advice from the City Attorney's Office as it relates to construction contracts. These include clarifications on contractual language, liquidated damages, and response to legal questions presented by the construction contractor.

Implementation: *None Required*

Observation ES-6: Changes to baseline scope and assumptions should be reviewed by the newly formed CCB and the Fire Station Bond Blue Ribbon Committee, and reported to the City Commission.

Program controls (checks and balances) work best when baseline information are constantly and diligently checked, verified, and analyzed. These checks become the vehicle for identifying variations and trends and the foundation for proactive decision making for timely mitigation and help ensure that all Program goals are met. Whenever changes to baseline information occur, whether its project scope, costs, schedules, risks or assumptions, it's critical that their change is properly reviewed, analyzed, and communicated to all stakeholders. An example where a baseline change had significant cost or risk impact to the Program, but was not

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PROCESS AND COMPLIANCE OBSERVATIONS (CONT'D)

fully communicated to stakeholders, was the increase in size of FS 53. As discussed in the Completed Projects Report, FS 53 was designed as a 27,310 Fire Station/Emergency Operating Center/Fire Training Center, with the 16,900 square feet being the fire station area and funded with Fire Station Bond proceeds. However, the size of this station identified in the Bond Resolution was 12,000 square feet. This additional 4,900 square feet represents a 41% increase in size and approximately \$1 million cost increase before the project was even awarded.

Management Response: *Management concurs with this Observation with reservation.*

As stated in Management Response to Observation A2, management does not concur with the formation of a Change Control Board.

However, management will continue to update the City Commission and FSBBRC on the changes to the baseline scope and assumptions of the Fire Station Program as they are developed.

Implementation: *Complete and on-going.*

Observation ES-7: The Current Budget for all 10 fire stations should be inputted and maintained in FAMIS. FAMIS only contains the current \$20 million appropriation for the 10 fire stations of the Fire Bond Program. As a result, four issues arise: 1) appropriations do not match current budget information; 2) only a fraction of the current budget has been appropriated for most projects; 3) FAMIS doesn't provide overall picture of the \$40 million Fire Station Program; and 4) it is difficult to assess the affects to downstream projects when changes in appropriations are made. If FAMIS is going to be used as an effective, stand-alone cost tracking system, it needs to contain the Program's \$40 million budget as it is currently forecasted. By doing so, FAMIS will be able to provide an overall picture (status, commitments, performance...etc) of each project and the overall Program.

Management Response: *Management concurs with this Observation with comment.*

The City Finance Department uses FAMIS as its accounting control system. The current level of detail within FAMIS is sufficient for municipal government accounting controls.

Therefore, Fire Station Budgets will not be maintained in FAMIS. Public Works will maintain the details in a separate Excel spreadsheet. Public Works will reconcile its Excel spreadsheets with FAMIS on a monthly basis.

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PROCESS AND COMPLIANCE OBSERVATIONS (CONT'D)

In future budget years, Management will implement a project tracking system that identifies budget and costs in major project components.

Implementation: October 2008

Observation ES-8: FAMIS only appropriates (budgets) Fire Station Costs at the Construction Sub-Object Level. Fire Stations (FS) 47 and 53 show negative encumbrances in FAMIS because the budgets are in the construction sub-object, but the expenditures are coded to the appropriate sub-object codes. By appropriating costs only in the construction sub-object level, it becomes difficult to assess Program performance, as well as its status and trends for costs. To be an effective stand-alone cost tracking system, FAMIS needs to track appropriations at the same level that they are budgeted and executed.

If the City decides that FAMIS won't maintain the \$40 million Current Budget since only \$20 million of bonds have been issued, and won't hold the \$40 million at the appropriate sub-object level, SBC recommends that the City use MS Excel as the primary tracking system for the Program. The Excel workbook, with detailed spreadsheets for each station, should be reconciled to FAMIS on a monthly basis to ensure data integrity and hold its cost information at the sub-object level. Please note that this Excel workbook already exists and it has been used by the Public Works Department earlier in this Program. This Excel workbook would be a sufficient tracking system for the Fire Station Bond Program.

Management Response: *Management concurs with this Observation with comment.*

The City Finance Department uses FAMIS as its accounting control system. The current level of detail within FAMIS is sufficient for municipal government accounting controls.

Therefore, Fire Station Budgets will not be maintained in FAMIS. Public Works will maintain the details in a separate Excel spreadsheet. Public Works will reconcile its Excel spreadsheets with FAMIS on a monthly basis.

In future budget years, Management will implement a project tracking system that identifies budget and costs in major project components.

Implementation: October 2008

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PROCESS AND COMPLIANCE OBSERVATIONS (CONT'D)

Observation ES-9: Reporting can be enhanced to be made more informative for internal and external stakeholders. The purpose and intent of reports is to accurately provide the status of the Program to an audience that is not involved in the day-to-day developments. Program and project-level reports can be enhanced to provide a better overall picture of the Fire Bond Program. Based on their respective roles, the FS 47 and 53 project reports that are presented to the City Commission and the Fire Station Bond Blue Ribbon Committee should be enhanced to provide more information on status, issues, and changes. Furthermore, individual project reports for the remaining eight fire stations are not currently being formally prepared. If prepared, these reports can provide basic information such as Original Budget; original square footage; Current (Baseline) Budget; current square footage; Current Schedule, Project Status; Issues; and Concerns. Finally, the high-level Fire Station Bond Program Report and the various ad hoc reports could include basic project information such as Original Budget; original square footage of the stations; Current (Baseline) Budgets; current square footage of the fire stations; Summary of Approved Changes, and Base schedule and Current schedule information could be included in the reports.

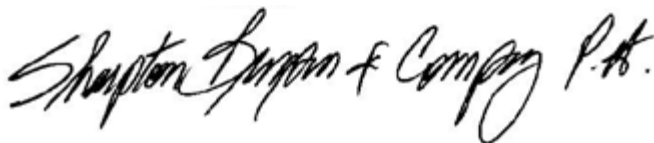
Management Response: *Management concurs with this Observation.*

Management will provide detailed additional information reports on all Fire Station Projects beginning in March 2008. Previously, detailed reports were provided on the two Fire Stations under construction, 47 and 53.

Implementation: *Complete*

We would like to thank the City of Fort Lauderdale and URS for their cooperation and assistance in completing this Report.

Sharpton, Brunson & Company, P.A.



March 25, 2008



Objectives

Objectives



**CITY OF FORT LAUDERDALE
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OBJECTIVES

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- Review management and control structures and processes;
- Analyze the reasonability of Program assumptions and projections;
- Evaluate contract compliance; and
- Provide observations and recommendations to improve performance.

To achieve these objectives SBC performed sixteen (16) tasks outlined in the scope of services, which were designed to analyze certain financial and operating results and review selected processes, procedures and activities.



Report Composition

Report
Composition

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FIRE STATION BOND PROGRAM**

REPORT COMPOSITION

The scope of services for the Program and Performance Audit of the Fire Station Bond Program includes sixteen tasks. We have presented the results obtained from the performance of these tasks in eight separate sections which have been grouped into the following categories: 1. Project Team Organization; 2. Contract and Performance; and 3. Process and Compliance. Table 1 below lists the 16 tasks performed and the corresponding section of the Report detailing the results obtained.

**Table 1
Matrix of Individual Reports and Scope of Services**

Report Name	Scope of Services
PROJECT TEAM ORGANIZATION:	
Organization and Management Oversight Review	Review and evaluate monitoring of field staff by URS and Construction Management.
	Review and evaluate staff accountability/accuracy measures used by URS and the Public Works Department.
	Review the overall divisions of Engineering, Architecture, and construction Management in the Public Works Department concerning organization structure to determine strengths, weaknesses, and recommend improved efficiencies, with consideration given to the working and management relationship between the City and URS.
CONTRACT AND PERFORMANCE:	
Fire Station Bond Projects Review	Perform a review of completed contracts to determine the final contract award vs the original contract value to quantify the % increase/decrease and the reasons for the changes (Change Orders etc).
	Evaluate the potential impact on the Total Fire Station Bond Program costs based on the above analysis of original cost vs. final costs.
	Validate the appropriateness of the Fire Station Bond data used to develop the initial projections. (also discussed in Internal Controls Review)
	Review existence or adequacy of contingency plans if the bond funds are exhausted.
Internal Controls Review	Document the Internal Controls (Checks and Balances) the Public Works Department has implemented to assure program expenditures stay within budget and are properly aligned with the Financial Model.
URS Contract and Incentives Review	Determine if there are any contractual incentives between the City and URS to motivate URS to have contractors/sub-consultants complete projects timely and under budget.
PROCESS AND COMPLIANCE:	
Project Tracking System Review	Perform a review of the Project Tracking system.
Change Order Review	Analyze requests for changes to ensure proper control, adequate change order documentation is obtained from the contractor, change order amounts are appropriate and reasonable, change order pricing is adequately reviewed by the City, and change orders or variations from contract obligations and specifications do not result in a undeserved benefit to contractor and corresponding detriment to the City.
Bidding and Purchasing Review	Review and evaluate the Public Works Department documents bidding process and compare to both Generally Accepted Procurement methodologies and best practices in similar arenas.
	Review and evaluate the process used for purchasing material in the program.
Invoice Processing Review	Determine if the Public Works Department review of the contract billing procedures is adequate. Identify any cost exceptions, potential contract control deficiencies, potential overcharge exposures on future contract billings, and recommend control improvements.
	Analyze applications for payment and change orders to determine whether amounts were appropriate and reasonable according to contract terms.



Project Team Organization

Proj. Team
Organization

This Section Contains:

- ◆ Organization and Management Oversight Review

ORGANIZATION AND MANAGEMENT OVERSIGHT REVIEW

A. Objectives

The scope of this review is the overall Program Management Team Organization structure to determine strengths, weaknesses, and recommended improved efficiencies, with consideration given to the working and management relationship between the City and URS. Also included in this Report is a review and evaluation of the monitoring of field staff and staff accountability/accuracy measures used by URS and the City.

B. Methodology and Process

In order to accomplish this objective, SBC's work plan included the following activities:

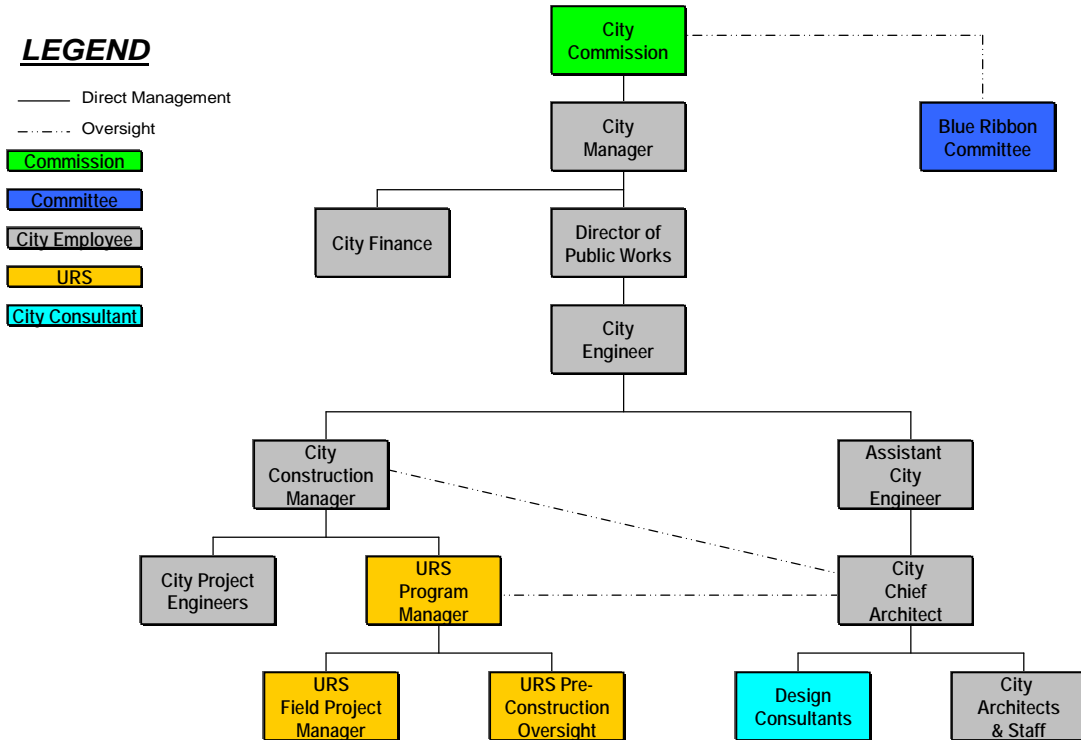
- Review and understand the organizational relationships;
- Identify roles and responsibilities of the City versus URS, identifying gaps and overlaps; and
- Review and understand the decision making structure, from program management to field management identifying the control points and staff accountability/accuracy measures used.

C. Program Team Organizational Structure Review

The Fire Station Bond Program is a relatively small Program comprising 10 fire station projects; one primary funding source; and is managed by City staff and consultants. Each fire station has a unique project number and budget in FAMIS and is primarily funded with Fire Station Bond proceeds. A Blue Ribbon Committee was established to oversee the Fire Bond Program and to provide independent input to the City Commission. As a result, the Project Management Team can be segmented into four distinct groups: 1) Fire Station Bond Blue Ribbon Committee, 2) Public Works, 3) City Finance, and 4) URS. Information flows through the Fire Bond Program team using the pathways shown on the chart created by SBC on the next page.

ORGANIZATIONAL STRUCTURE

FIRE STATION PROGRAM ORGANIZATION CHART



1. Fire Station Bond Blue Ribbon Committee (FSBBRC)

The FSBBRC, or “Committee”, is an appointed 10-member committee of City residents. The Mayor and City Commissioners each appointed two members to serve on the Committee and consideration was given to appoint persons with building, construction, or development experience.

The duties of the Committee, as stated in Section 2 of Resolution No. 04-220 (see Reference Section), is: “...to make recommendations to the City Commission concerning the expenditure of bond funds of the proposed Fire-Rescue Facilities Bond Issue, the purposes for which the bond issue funds should be utilized consistent with the ballot language approved by the electorate, and such other related duties as the City Commission may prescribe from time to time.” By charter and as depicted in the organization chart above, the Committee’s role is not to direct City or Consultant staff or be involved in the daily operations of the Program.

The Committee, along with the City’s Director of Public Works (DPW), and others associated with the Program meet monthly to discuss the progress and status of all 10 fire stations, as well as other issues that may affect the Fire Station Bond Program. The Director of Public Works is the liaison of the Program to the Committee.

ORGANIZATIONAL STRUCTURE (CONT'D)

2. Public Works

The DPW has been tasked by the City Manager to lead the successful implementation of the Fire Station Bond Program. The DPW utilizes the City Engineer and staff to design the majority of the fire stations; participate in constructability review of designs; and to perform construction oversight functions for the Program. The City's Architecture (Design) and Construction divisions are performing these responsibilities. Their respective roles and responsibilities are delineated below. Further, URS and a few local design firms have been contracted to supplement the Public Works staff with very specific tasks. The URS roles have been outlined under the URS section and the local design firms' roles are outlined below.

Design

This group is led by the City's Chief Architect and is currently responsible for the design of eight of the ten fire stations in the Program. To supplement the City's design staff, the City contracted with several specialty design firms to assist with specific areas such as mechanical, electrical, and plumbing. Attempting to make the design effort move along as smoothly as possible, the City is developing one and two-story designs with standard design features. Based on the site available and to accommodate the City's fire and rescue needs, these facilities will range between 8,750 and 10,000 square feet and have two or three-bays. By sequencing the construction of the fire stations over several years, the City hopes that necessary design changes identified during construction of the earlier stations will be incorporated into the design of the latter stations; thereby, optimizing the design and constructability of the stations and minimizing costs and change orders.

Since the City is the designer of record for FS 47 currently under construction, the Chief Architect and staff must address all design issues identified by the contractor during the station's construction, as well as review all payment applications from the contractor to verify that the work was performed according to plans and specifications. The City will also perform this role during the construction of the remaining seven fire stations. The Chief Architect has two other staff people dedicated to the Fire Bond Program.

For the other two fire stations (FS 53 and FS 49), the City has contracted with separate consultant firms to design these stations since they are larger and differ from the base designs being designed by the City. The City Architect and staff participate in design and constructability reviews with URS and the other City divisions on these projects.

ORGANIZATIONAL STRUCTURE (CONT'D)

City Construction

The City Construction staff is charged with three primary tasks: 1) to provide constructability reviews on fire station designs; 2) to oversee the URS construction management effort; and 3) to review contractor and consultant invoices. Constructability reviews are an internal control to review if the design can be constructed in an efficient and low-cost manner. These reviews improve value-engineering efforts to ensure construction costs are minimized while design efficiencies are maximized. When overseeing the URS construction management effort on Fire Stations 47 and 53, the City Construction staff protects the City's interests and ensures that field issues are identified and mitigated in a timely and cost-efficient manner. As discussed in the Invoice Review Report, the City's Construction staff provides a key role in the contractual and financial compliance reviews of Fire Bond Program invoices.

Since FS 53 is jointly funded with Fire Bond, City CIP, and Executive Airport (and FDOT) funds, two slight differences with its management and oversight occur. First, an independent inspector specifically for this fire station has been retained. Second, City representatives from the Executive Airport also participate in construction oversight.

The Construction Division has three people working part-time on the Program.

3. City Finance

The City's Finance Division has three primary functions: 1) maintain FAMIS; 2) process pay contractor and consultant invoices; and 3) prepare ad-hoc financial reports and data queries from FAMIS when formally requested. They ensure that commitments do not exceed Fire Station appropriations and that expenditures do not exceed commitments for each contract. The City's Finance Division has several people working part-time on the Fire Station Bond Program.

4. URS

URS has two active contracts on the Fire Station Bond Program for Construction Management Services and Pre-construction Management Services. The Construction Management Services contract is specific for Fire Stations 47 and 53 and delineates that URS maintain an on-site presence representing the City during construction. URS' staff for this effort comprises a full-time Project Manager and Assistant Project Manager who are responsible for both stations. This full-time field staff is supported by the URS Program Manager; an Estimator, an inspector; professional staff for document review; and a Fire Fighting Consultant when necessary. The Pre-construction management services, contracted through Task Order #1 from the second URS contract, include pre-permitting coordination, design oversight, constructability reviews, scheduling, and an opinion of bid results. The URS team working on this effort consists of the Program Manager, Pre-construction Project Manager, Assistant Pre-Construction Project Manager, and part-time administrator.

D. MANAGEMENT OVERSIGHT REVIEW

During our review, we found some areas of concern that can be grouped into the following two categories:

- City Integration Issues
- Program Management Issues

CITY INTEGRATION ISSUES

Observation 1: URS performance is partly tied to the City's design performance. The scope of service for the construction management and pre-construction effort are based on reimbursement, not-to-exceed contracts or task orders. The values of these services are based upon agreed-upon levels of service for a specific duration. As a result, URS costs and schedule performance is partly dependant on the City's design performance and sometimes difficult to assess. For example, the construction completion date for FS 47 has been extended by change orders to accommodate changes in the City's design through change orders, due to design errors & omission, unforeseen conditions, and owner requested changes.

Similarly, challenges are created to the URS-City relationship in the pre-construction scope. URS has a limited level of control of many pre-construction activities because either: 1) the City is performing the design services or 2) City processes are being used. The organizational structure increases the City's share of responsibility if schedule dates are missed and cost and schedule targets are not achieved. URS does not have the necessary leverage to make the City perform to meet schedule goals or meet quality standards. Furthermore, URS does not control activities that are City processes, such as permitting, bidding, or construction award. URS can only schedule these activities based on agreed-upon durations, but cannot dictate tasks, schedule, and performance of the City. URS does have the contractual obligation to inform the City Engineer if the City is in jeopardy of missing schedule dates or has other performance issues so these situations can be mitigated.

Management Response Management concurs with this Observation but would add specific reservations.

URS costs and scheduled performance during pre-construction review, construction, and post-construction activities is partly dependent upon the City of Fort Lauderdale design services, processes and procedures. It is also incumbent upon URS to provide highly skilled and knowledgeable individuals to staff these consulting positions.

CITY INTEGRATION ISSUES (CONT'D)

The City is responsible for the delivery of the bond program regardless of whether program management is completed by City staff or a consultant. City processes must be used for permitting and construction award if the work is completed by URS acting as a consultant or by City staff. The City finds this arrangement suitable for the purposes of the construction of the fire stations. This integrated approach keeps the City actively involved in the project on a day-to-day basis.

Implementation: *None Required*

PROGRAM MANAGEMENT ISSUES

Observation 2: The Fire Station Program should consider enhancing the change review process. Given the fact that cost escalation, change orders risks, and other factors have recently forced the scope and approach of the Fire Bond Program to be re-baselined, a formalized Change Control Board (CCB) should be created. The CCB would become the epicenter of decision making of the Program where all issues which affect cost and schedule are evaluated and debated by the significant players of the Fire Bond Program before they are presented to the Blue Ribbon Committee and the City Commission. The CCB's scope should include change orders, bid results, project closeouts, and any changes in scope or approach necessary to stay within the \$40 million Fire Bond Program. The stakeholder requesting a change should present a standard package of data, information, and justification to the CCB and be prepared as though the presentation was to the Commission (see Change Order Report for more discussion). With a structured and thorough review of changes from many different perspectives, the City Commission and the Fire Station Bond Blue Ribbon Committee should have greater confidence that due diligence was performed on these changes.

Management Response: *Management does not concur with this Observation.*

Audit Observations F1 and F2 supports the City's internal change order control process and finds it sound. This Audit finds the City has sufficient management controls and processes established in the areas of change order review. Technical staff does a structured and thorough review of all proposed changes.

The formation of a formal Change Control Board (CCB) would increase the time it would take to complete change order review without added value. The increase in time would delay change order authorization by the City Commission, ultimately requiring construction contractors to increase pricing to compensate for delays and lack of efficiencies in being able to move forward with construction.

The Observation recommends the CCB be established to include representatives from the City Attorney's Office, along with members of the Fire Department, Public Works and Procurement. The inclusion of the City Auditor and City

PROGRAM MANAGEMENT ISSUES (CONT'D)

Attorney's Office in a City operational function such as change order review is in conflict with the City Charter and Municipal Code.

Specifically, the City Charter states that the City Commission appoints the City Manager to:

"...be responsible to the city commission for the proper administration of all affairs of the city coming under his jurisdiction."

"Exercise control, direct, and supervise all activities of the municipal government, except as otherwise provided in this charter."

"See that all terms and conditions imposed in favor of the city or its inhabitants in all contracts..."

"Investigate and determine whether purchases of current supplies and contractual services..."

(Chapter 4.09 c, d, and i of the City Charter)

The City Attorney advises the City Manager and City Departments on legal matters affecting the City (Sec. 4.12 e and f of the City Charter). The City Attorney is also not authorized to negotiate City contracts.

(Note: Cited City Charter references are attached to Management's Response)

Public Works regularly requests advice from the City Attorney regarding requests and needed changes to construction contracts. These include clarifications on contractual language, liquidated damages, and responses to legal questions presented by the construction contractor.

Implementation: *None Required*

Observation 3: The Fire Station Bond Blue Ribbon Committee should have additional information made available to it to better enable them to make recommendations as it relates to the expenditure of bond funds. Given the background and experience of its members, and its purpose as stated in its Resolution (Resolution No. 04-220), the Committee can provide enhanced checks and balances on the Fire Station Bond Program. First, as detailed in the Tracking System report, the information presented to the FSBBC could be enhanced by providing more detailed information. The additional information should enable the Committee to have a better understanding of cost and schedule issues as they develop and be in a better position to review the Program at its monthly meeting with City staff.

PROGRAM MANAGEMENT ISSUES (CONT'D)

Further, the Committee has only a limited role in items that affect costs on the Program, specifically station designs, project schedules, and change orders. For example, under the recent re-baselining of the Fire Station Bond Program, the Committee was informed at their September 20, 2007 meeting that the scope and sizes of fire stations was under review and must be modified to meet the Program's \$40 million budget. At this meeting, no formal plan or conclusions were presented, rather, a high level review of options being reviewed were discussed. When the item was presented to the Commission on October 2, 2007, a plan was presented that radically changed the implementation scope, the Committee was not in a position to make any recommendation to the Commission regarding the plan as it's chartered.

The Committee does not become aware of the details of change orders until they are posted on the City Commission Agenda or presented in the URS monthly project reports after they are approved by the Commission. By not having any chance to review or be informed of pending changes, it does not permit them the opportunity to analyze or review its impact to the Program. To enhance the Committee's ability to make recommendations to the City Commission as it's chartered, a couple of the City processes could be modified so items that impact Program costs and schedules would be presented to the Blue Ribbon Committee before being presented to the Commission. This would allow the Committee to prepare a recommendation to the Commission that can be done at the Commission meeting or added to the agenda package. This change should only be made if it does not interrupt the process or delay any items.

Management Response: *Management does not concur with this Observation, nor the implication that the Fire Bond Committee is not making recommendations to the City Commission concerning expenditure of bond funds.*

As stated in Resolution 04-220, the FSBBRC "makes recommendations to City Commission concerning the expenditure of bond funds" through its minutes which are presented to City Commission monthly. Committee members also have unfettered access to their City Commission appointer. The relationship that exists is between Committee member and Commissioner; staff does not take direction from Committee members. Staff takes direction from their immediate supervisor only; who is under the direction of the City Manager.

The Observation continues to state that city management did not make the FSBBRC aware of changes to the Fire Bond Program at the FSBBRC meeting on September 20, 2007 but forwarded the changes directly to City Commission on October 2, 2007 (See CAR 07-1599 attached).

Both the Fire Chief and Public Works Director were prepared to make a presentation to the FSBBRC at their meeting on September 20. However, the FSBBRC would not allow the presentation to move beyond the opening remarks of the Fire Chief. City staff then presented the changes to the City Commission on October 2 (FSBBRC September 20, 2007 minutes attached to Audit).

PROGRAM MANAGEMENT ISSUES (CONT'D)

The Observation also states, "The Committee does not become aware of the details of the change orders until they are posted on the City Commission Agenda or presented in the URS monthly project reports after they are approved by the Commission."

At each FSBBRC meeting, monthly construction progress reports are attached to the agendas and discussed in detail. Each report identifies potential changes and lists amounts of past and pending change orders. An example of Fire Station 47 and 53 construction reports are attached to Managements Response.

Implementation: *None Required*

Observation 4: The Fire Station Bond Blue Ribbon Committee should report more frequently to the City Commission.

The Committee formally reports to the City Commission once a year through their Annual Report and one has been submitted in 2005 and 2006. This Report provides a brief status of the Program and an update of the Committee's activities, concerns, opinions, and findings. At the time of this report, the 2007 Annual Report has not been transmitted to the Commission since the Committee is awaiting additional information regarding the re-baselining of the Fire Bond Program. The City is currently analyzing the feasibility and estimated cost to re-furbish Fire Stations 13 and 54 rather than build new ones.

Given the concerns of the Committee, this report could be provided to the City Commission more frequently – either at specific time interval or specific milestones such as a bid award or project close-out. The value of this report will be magnified given the current situation and risks of the Program: 1) modified implementation approach; 2) resizing and redesign of stations; 3) re-baselining of the project budgets; 4) three fire stations will be put out to bid in the near future; and 5) continued bid and change order risks throughout the remainder of the Fire Station Bond Program.

Management Response: *Management believes this is a policy decision to be determined by the City Commission.*

The FSBBRC regularly reports to the City Commission through the distribution of their meeting minutes and agendas. The FSBBRC agendas and minutes are provided to the City Commission monthly and are available on the City's website. The FSBBRC Committee Members also have direct access to their appointer at anytime without City staff's involvement.

These two means of reporting apprise the City Commission of the FSBBRC discussions, recommendations, and the status of all active projects.

Implementation: *None by City Management*



Contract and Performance

This Section Contains:

- ◆ Fire Station Bond Projects Review
- ◆ Internal Controls Review
- ◆ URS Contract and Incentives Review

Contract & Performance

FIRE STATION BOND PROJECTS REVIEW

A. Objectives

The objectives of the Fire Station Bond Projects Review consist of: 1) review the appropriateness of the primary Fire Station Bond Program (Program) assumptions used to develop the initial projections; 2) perform a comparative analysis of completed contracts to the original values, projections, and final costs, which includes identifying the percentage increase/decrease, and the reasons for the changes; 3) identify potential impacts to the Bond's \$40 million budget; and 4) reviewing contingency plans, which are reflected in the City's updated/re-baselined projections. Impacts to the Bond budget are also discussed in the Internal Controls section of the Report.

B. Methodology and Process

In order to accomplish the objective, SBC's work plan included:

- Reviewed Fire Station Bond resolution and all related documents, including but not limited to the following:
 - Resolution No. 04-124 and 04-145,
 - Series 2005 Official Statement,
 - 2005, 2006, and 2007 Fire Bond Annual Report,
- Performed a variance overview of original and updated assumptions;
- Conducted interviews with selected City of Fort Lauderdale staff;
- Reviewed industry data;
- Obtained an understanding of the quantity and type of completed construction projects;
- Reviewed and obtained an understanding of the change history of the completed construction projects;
- Analyzed the amounts and reasons for cost changes of the completed construction projects; and
- Determined the impacts of these changes on the Financial Model of the Fire Station Bond Program;

C. Fire Station Bond Program Overview

In 2004, the City Commission adopted Resolution #04-145, through a bond referendum, which was approved by the City electorate, for the potential issuance of general obligation bonds not to exceed a principal amount of \$40 million to fund The Program (see Reference Section). The Program consists of the replacement and new development of ten City Fire stations as shown on Table 1. In 2005, 50% of the authorized amount or \$20 million in general obligation bonds were issued as Phase I of bond funding for The Program.

FIRE STATION BOND PROGRAM OVERVIEW (CONT'D)

The purpose of this overview is to assess the reasonableness of the primary assumptions used for the initial Program expense projections, and to evaluate if the financial goals for the Series 2005 Bond funding were achieved.

ASSUMPTIONS

The primary original bond assumptions as shown on Table 2 were reviewed and consist of 1) Fire Station size; 2) design and engineering; 3) construction costs; 4) temporary facilities; and 5) furniture. In evaluating the assumptions, the Program financial budget information in the Series 2005, Fire Bond Program documents were limited to one summary financial document Exhibit A, which was included in the City's Bond Issuance Resolution (see Reference Section). As a result, detailed documentation in the Official Statement was not available. Subsequent documents such as the annual reports and best industry practices were used to assess assumptions. Unless otherwise noted below, the initial projection assumptions have been assessed as reasonable.

- Fire Station Size (square footage) – The Program's updated square footage projections have materially fluctuated compared to the initial projections. As shown in Table 1, the Program Fire Stations' updated projections represent material square footage revisions (both increases and decreases) in the 17%-60% range compared to the initial projections for seven of the ten Fire Stations; and increases in the 100%-300% range compared to original Fire Stations' square footage.

Table 1
Fire Stations Square Footage Comparison

Fire Station	Existing Station		Fire Bond Resolution (July 13, 2004)		October 2007 Re-Baseline		
	Year Built	Square Feet	Proposed Square Feet	Station Type	Proposed Square Feet	Station Type	Features
3	1984	3,631	12,000	Satellite	10,000	Satellite	2 bays, 7 bunks
8	1927	3,005	12,000	Satellite	10,000	Satellite	2 bays, 7 bunks
13	1971	6,100	15,000	Battalion	Renovate	Battalion	
29	1958	3,534	12,000	Satellite	10,000	Satellite	2 bays, 7 bunks
35	1966	7,038	15,000	Battalion	12,200	Battalion	3 bays, 11 bunks
46	1963	3,569	12,000	Satellite	12,000	Satellite	3 bays, 10 bunks
47	1963	3,569	12,000	Satellite	12,200 (1)	Battalion	4 bays, 15 bunks
49	1965	6,690	12,000	Satellite	12,000	Satellite	2 bays, 7 bunks
53	1976	5,621	12,000	Satellite	16,900 (1)	Battalion	4 bays, 13 bunks
54	1970	7,602	12,000	Satellite	Renovate	Satellite	

Notes and Assumptions:

1) Fire Station 47 and 53 are 15,242 and 27,310 respectively, but the proposed square footage shown represents the Fire Station Bond Program's portion funded.

Summarized below are revisions to initial projections.

- Three satellite Fire Stations (#3, #8, and #29) have reduced their square footage by 2,000 or approximately 17%;
- The updated projection for satellite Fire Station #53 (near completion) of 16,900 square feet represents a 40% increase compared to the initial projection of 12,000 square feet;

ASSUMPTIONS (CONT'D)

- One battalion Fire Station (#35) has reduced its square footage by approximately 2,800 or 20%; and
- One battalion Fire Station (#13) and one satellite Fire Station (#54) have materially changed from building a new facility to renovating the existing one, which has the impact of a 60% and 40% reduction in square footage respectively when compared to the initial projections.

These collective revisions potentially have significant financial impacts to maintain the \$40 million budget as well as an impact to operational requirements such as response times.

- Design and Engineering – The lead Design and Engineering tasks for the majority of Fire Stations are currently assigned to City staff. As a result, the assessment of the assumption excludes lead Design and Engineering tasks, which average approximately 6% of construction costs. This exclusion results in a Design and Engineering industry average range of 8-10%. As shown on Table 2 below, initial projections show Design and Engineering expenses of \$410,000 per Fire Station, which represents a range from 10% and 14% of total construction costs for satellite and battalion Fire Stations, respectively. This is slightly above the industry average range. Design and Engineering expenses in the updated projections ranges between 0% - 17%. The updated projections exclude Design and Engineering estimates for Fire Stations #47 and #53, which are substantially completed. The budgets of these actual expenses are incorporated into the construction expense category. This issue is addressed in the Project Tracking and Internal Control sections of this Report. In total, initial projection Design and Engineering expense assumptions are \$865,000 higher than the updated projections.

Table 2
Design and Engineering Assumptions
(Represents design and engineering costs as a % of total construction costs)

Fire Station #	\$ Projections			% Projections		
	Initial Bond (1)	Updated (2)	Variance	Initial Bond (1)	Updated (2)	Variance
8	\$ 410,000	\$ 435,000	\$ (25,000)	8.9%	13.1%	-4.2%
29	410,000	435,000	(25,000)	11.6%	15.8%	-4.2%
47	410,000	0	410,000	0.0%	0.0%	0.0%
53	410,000	0	410,000	0.0%	0.0%	0.0%
46	410,000	535,000	(125,000)	14.2%	15.2%	-1.0%
49	410,000	520,000	(110,000)	13.8%	17.0%	-3.2%
54	410,000	170,000	240,000	4.5%	14.3%	-9.8%
3	410,000	435,000	(25,000)	11.6%	15.8%	-4.3%
13	410,000	170,000	240,000	3.8%	14.9%	-11.1%
35	410,000	535,000	(125,000)	11.9%	14.4%	-2.6%
	\$ 4,100,000	\$ 3,235,000	\$ 865,000	10.3%	10.5%	-0.3%

1. Initial Bond projections as shown on Exhibit A, Bond Resolution #04-145; July 13, 2004.
2. As of October 2007, Design and Engineering includes construction, inflation, and contingency categories. Inflation and contingency categories were not broken out in the initial bond projections.

ASSUMPTIONS (CONT'D)

- Construction Costs per square foot - The initial construction projections assumed \$250 per square foot, and represents a \$50 variance from the \$200 per square foot used by City staff initially for estimating and sizing purposes. Based on interviews with City staff and applicable documents, this variance between the initial and updated projections appears to be a result primarily of reporting differences in the identification of expense categories as shown below. As a result, the initial projection and updated projection assumptions are both approximately \$250 per square foot.
 - *Initial projections* – Construction costs consists of one category - construction. Inflation, contingency, and equipment costs are not separately identified but assumed to be included in the initial projects.
 - *Updated projections* – Construction costs consist of three categories - construction, inflation, and contingency.
- Temporary Facilities - Temporary facilities for the initial projections were \$225,000 per Fire Station. The updated projections include temporary facilities expenses for only three of the ten Fire Stations. Temporary facilities are not tracked as a separate cost center. The reasonableness could not be established.
- Furniture/Equipment – Initial furniture expenses shown in Exhibit A of the Bond Resolution were estimated at \$150,000 per Fire Station, with the budget for equipment was presumably included in the project's construction budget and the \$250 per square foot estimating factor. The budget for equipment expenses cannot be identified or validated. The current estimate for furniture and equipment is \$365,000 per Fire Station and its components are shown on Table 3 below.

**Table 3
Current Furniture and Equipment Budget**

Furniture/Equipment Items	Cost per Station
Roll up Doors	\$40,000
Alert System	\$50,000
Communications	\$10,000
Furniture	\$150,000
Information Technology (IT)	\$40,000
Audio/Visual	\$10,000
Access Control	\$65,000
TOTAL	\$365,000

ASSUMPTIONS (CONT'D)

- Total Fire Station costs – As shown on Table 4, the initial projection expenses by Fire Station location has been materially redistributed in the updated projection. The updated total budget is \$655,000 less than the initial projection. The viability of maintaining this budget is discussed later in this section.

**Table 4
Total Project Costs**

Fire Station #	\$ Projections			% Variance
	Initial Bond (1)	Updated (2)	Variance	
8	\$ 4,885,000	\$ 6,114,914	\$ (1,229,914)	-20.1%
29	3,760,000	3,650,060	109,940	3.0%
47	3,760,000	4,031,000	(271,000)	-6.7%
53	3,535,000	5,740,000	(2,205,000)	-38.4%
46	3,760,000	4,423,071	(663,071)	-15.0%
49	3,760,000	4,360,527	(600,527)	-13.8%
54	3,760,000	1,359,366	2,400,634	176.6%
3	3,760,000	3,547,448	212,552	6.0%
13	4,510,000	1,309,526	3,200,474	244.4%
35	4,510,000	4,809,088	(299,088)	-6.2%
	\$ 40,000,000	\$ 39,345,000	\$ 655,000	1.7%

1. Initial Bond projections as shown on Exhibit A, Bond Resolution #04-145; July 13, 2004.
2. As of October 2007, Design and Engineering includes construction, inflation, and contingency categories. Inflation and contingency categories were not broken out in the initial bond projections.

SERIES 2005 FUNDING GOALS

The funding goals of the \$20 million Series 2005 Bonds were to finance the following:

- The first three years of expenses for The Project – As shown in Appendix 1, the first three years of expenses have been funded with the Series 2005 Bonds (\$20 million).
- The completion of three Fire Stations – The first two projects are nearing completion. It is likely that the third Fire Station will be completely funded with the Series 2005 Bond proceeds, but not within the three-year timeframe as originally planned. As shown in Appendix 1, the current balances of the expended and obligated funds total approximately \$11.5 million, leaving a balance of approximately \$8.5 million.
- The design and/or commencement of three additional Fire Stations – This goal has been achieved. The designs for Fire Stations #29, #46, and #49 are nearing completion.

SERIES 2005 FUNDING GOALS (CONT'D)

Observation 1: There is material volatility in the assumption categories per Fire Station as well as total costs per Fire Station. As a result, these costs should be proactively monitored and reported in order to maintain the viability of the \$40 million budget or plan for additional funding if required.

As discussed above, square footage, design and engineering, furniture/equipment, and total Fire Station costs were materially revised between initial and updated projections. In some instances, specific documentation for the initial projections such as construction costs per square footage was not available. Industry standards as well as other reports were used to analyze assumptions.

Management Response: *Management concurs with Observation with comment*

Management recognizes the volatility of the market and proceeds accordingly. This was specifically highlighted early in the Fire Bond Program. The initial bid for Fire Station 47 was recommended to be rejected due to high costs (see CAR 06-1076 attached). Fire Station 47 was rebid and lower bids were received and the project awarded (see CAR 06-1274 attached). In the report to the City Commission on October 2, 2007, management identified the volatility of the costs associated with the Fire Bond Program and recommended specific actions to minimize the potential cost increases.

The Public Works and Fire Departments meet regularly to review costs and schedules. Formal meetings are held monthly with URS, the Fire Chief, Public Works Director and Assistant City Managers to discuss costs and schedules. In addition, the City's Construction Manager completes a thorough review of all construction documents.

In addition, staff has on-going discussions and meetings on project progress including reviews of costs and schedules. Any potential variance is brought to the attention of the Fire Chief and/or Public Works Director and discussed at the monthly meeting.

Implementation: *Complete*

SERIES 2005 FUNDING GOALS (CONT'D)

Observation 2: The reasonableness of the square footage for a majority of the Fire Stations cannot be validated. As shown above, seventy-percent (70%) of the Fire Stations' current size projections significantly vary from the updated projections. These variances could materially impact the viability of remaining within the projected \$40 million budget.

Management Response: *Management concurs with this Observation with comment.*

The Fire Chief and his managers, as technical experts, are responsible for the administrative and operational needs of the Fire Department. The Fire Chief and management staff reviewed the current and future needs of the Fire Department and reported the staffing and equipment needs at each station. Per direction of the Fire Department, the Public Works Department sized each station to meet the Fire Department needs.

This was reported in management's report to City Commission October 2, 2007 (see CAR 07-1599 attached).

Implementation: *None Required.*

D. Review of Completed Projects

The review of completed projects is broken into three areas: 1) approach, 2) results of the review, and 3) the impact on the Financial Model.

APPROACH

Since the Fire Bond Program does not have any completed projects at this time, the approach of this portion of the review is to compare the Original Budget and the projected final cost of the two active construction projects - Fire Stations (FS) 47 and 53. The Original Budget for each of the ten Fire Stations was ascertained from Exhibit A, dated July 13, 2004, of Resolution 04-145, the resolution providing for the issuance of City of Ft. Lauderdale General Obligation Bonds. This exhibit provides the underlying assumptions of square footage; construction costs per square foot; design fees; temporary facilities; furnishings and total cost for each station (see Appendix 2 and Reference Section).

In addition, since the Fire Bond Program was re-baselined in October 2007, this review will also look at the impact of the re-baselining (station size and scope) to the Original scope and budget (see Section E below). Appendix 3 reflects the current re-baseline budgets for all 10 projects, including the final estimated costs for FS 47 and 53.

RESULTS OF THE REVIEW FOR THE TWO ACTIVE PROJECTS

The results will be reviewed at three specific points in their lifecycle: 1) design/scope changes before construction award, 2) construction bid results, and 3) change orders during construction. For comparison purposes, as discussed above, \$250 per square foot for construction will be used since it was stated in Exhibit A (dated July 13, 2004) of the Bond Resolution. It is assumed that this estimating factor included inflation, contingency, and equipment - some of which will be purchased by the City under the current implementation approach. SBC has received subsequent documents that reflect construction costs at \$200 per square foot, with inflation and equipment as separate cost items. Using \$250 versus \$200 per square foot will not affect the overall results of the analysis for each Fire Station, but will skew the results within the specific focus points in their lifecycle as demonstrated later in this report.

Design/Scope Changes before Construction

The original scope and budget for FS 47 was a 12,000 square foot facility at a total cost of \$3.5 million. FS 53 was also identified as a 12,000 square foot facility, but with a total budget of \$3.7 million (See Appendix 2).

FS 47 currently being constructed is a 15,242 square foot facility; however, \$1,000,000, or approximately 20% of its estimated final costs being paid with non-Fire Bond funds. Therefore, if 80% of the Fire Station is funded with Fire Bond proceeds, then approximately 12,200 square feet of the facility is funded by the Fire Bond Program. This 200 square foot difference represents less than a 2% change in size than originally scoped and a \$50,000 cost increase during design based on \$250 per square foot.

FS 53 currently being constructed is a 27,310 square foot facility; however, only approximately 16,900 of the area is designated for the Fire Station, specifically the garage/apparatus bay; the hazardous materials area; the second floor sleep rooms; and business/recreation areas. This 4,900 square foot difference (from 12,000) represents a 41% increase in size and a \$1.2 million increase using the \$250 per square foot.

Construction Bid Results

As discussed in the assumptions section of this review, construction bid results for the two Fire Stations were higher when compared to the original budget of \$250 per square foot. FS 47's bid came in at \$254 (\$4 difference) per square foot and FS 53 came in under \$264 (\$14 difference). When multiplying these differences by the adjusted square footage paid by the Fire Station Bonds (12,200 and 16,900 respectively), the bid results reflect a \$48,000 (2%) and \$236,600 (6%) increase, respectively. Looking at the results in greater detail, \$68,600 of the \$236,600 bid impact for FS 53 was due to the additional 4,900 square feet and \$10,800 of the \$48,800 impact for FS 47 for the additional 200 square feet.

RESULTS OF THE TWO ACTIVE PROJECTS (CONT'D)

Change Orders during construction

As discussed in the Change Order Report and shown in Table 5 below, the combined percentage of cost for the eight approved change orders is 3.9% of the base contract values. Further, change orders are currently being prepared for both FS 47 (\$14,732) and FS 53 (\$98,930) that will increase this percentage to approximately 5% of the base construction value. Since both FS 47 and 53 are still under construction and are not expected to reach substantial completion until early 2008, additional change orders may be identified and processed. Budget for these risks have been set aside within the contingency of the current budgets for FS 47 and 53 (see Appendix 3).

**Table 5
Fire Bond Program Change Order Information
Total Contractor Costs**

Category	Fire Station 47	Fire Station 53	Total FS 47 & 53
Base Contract Value	\$3,866,700	\$7,204,000	\$11,070,700
Number of Change Orders	4	4	8
Approved Change Orders	\$222,154	\$ 212,472	\$434,626
% of Base Contract	5.7%	2.9%	3.9%
Pending Change Orders	\$14,732	\$98,931	\$113,663
Number of Pending Changes	1	1	2
% of Base Contract	1.4%	1.4%	1.1%
Total Changes (Actual & Pending)	236,886	311,403	548,289
% of Base Contract (pending and approved Changes)	6.1%	4.3%	5.0%

The cumulative affect of design/scope changes, bid results, and change orders are summarized in Table 6 below.

**Table 6
Summary of Changes for Active Projects
Fire Bond Program Costs Only**

Fire Station	FS 47	FS 53	Totals
Original Budget	\$3,760,000	\$3,535,000	\$7,295,000
Scope Changes (\$250/sq. foot)	50,000	1,225,000	1,275,000
Bid Results (\$250/sq. foot)	48,800	236,600	285,400
Change Orders (Approved + Pending)	236,886	311,403	548,289
Other Changes*	(64,686)	431,997	367,311
Total Increases/(Decreases)	\$271,000	\$2,205,000	2,476,000
Current Budget (Reforecast)	\$4,031,000	\$5,740,000	\$9,771,000

*Other changes include engineering, equipment, temporary facilities, Program Management and contingency.

RESULTS OF THE TWO ACTIVE PROJECTS (CONT'D)

Observation 3: More than half of the \$2.5 million cost increase for Fire Stations 47 and 53 is due to building larger Fire Stations. As reflected in Table 6 above, the total costs for FS 47 and 53 have increased by \$2.5 million, of which approximately 51% (\$1.275 million) of the increase resulted from designing larger Fire Stations than originally plan. If the unfavorable bid results on the additional square footage in included, the impact would be \$1.34 million or 54.3% of the total increase. As a check, even if \$200 per square foot were used as the comparison rather than \$250, the additional square footage would have the same \$1.34 million to the Program (see Table 7 below).

**Table 7
Cost impacts Attributable to Larger Fire Stations
Fire Stations 47 and 53 Only**

Item	FS 47	FS 53	Total Impact
Additional Square feet	200	4,900	
Cost @ \$200/sq. foot	\$40,000	\$980,000	\$1,020,000
Bid Results Differential	\$54	\$64	
Bid Results	\$10,800	\$313,600	\$324,400
TOTALS	\$50,800	\$1,293,600	\$1,344,400

Management Response: *Management concurs with Observation.*

Both Fire Station 47 and 53 were under final design before the Bond Referendum was approved in November 2004. Fire Station 47 was increased in size after the City annexed parts of unincorporated Broward County. Fire Station 53 includes effectively three operations: two fire stations (53 and 88) merging into one station and the City's Emergency Operations Center (EOC). All housed in one facility located near Executive Airport.

In its October 2, 2007 presentation to City Commission, management recommended the reduction in Fire Station size, based on staffing and equipment requirements of the Fire Department.

Implementation: *None Required.*

E. Review of Re-Baselined Stations

Because the costs for FS 47 and 53 are expected to come in \$2.5 million higher than originally budgeted, and an additional \$0.6 million of costs were not included in the original budget for Bond Issuance Costs and other related costs (\$3.1 million total), the Program was forced to be re-evaluated in order to stay within the \$40 million budget. The re-baseline developed in October 2007 identified that four of the remaining eight new stations (FS 29, 3, 35 and 8) will be designed to be smaller stations, FS 46 and 49 will remain at approximately 12,000 square feet, and the remaining two stations (FS 54 and FS 13) will be refurbished rather than constructing new stations. Appendix 4 provides a comparison of the Original and Re-baseline budgets and station sizes for the remaining eight Fire Stations. As reviewed in the assumptions section, the current budget developed for the remaining eight Fire Station Bond projects include the following components: Construction, Property, Equipment, Engineering, Temporary Facilities, Program Management, Inflation, and Contingency. The inflation component is to address bid risks; whereas, contingency has been established for change orders and other unforeseen issues. The re-baseline also updates the equipment/furniture estimate for each station to match the current City purchase strategy.

Observation 4: The City has taken steps and included appropriate risk factors for the remaining six “new” Fire Stations. Although SBC does not assure that the current estimates for the remaining six new Fire Stations will be met, we believe that City staff have taken appropriate steps to establish reasonable budgets for the remaining six new Fire Stations (FS 8, 29, 46, 49, 3, and 35). The City has addressed the potential risks by: 1) increasing the construction cost per square foot for the remaining stations to \$255; 2) providing over \$2.2 million (13.1% of construction costs) for escalation/bid risk, 3) including \$0.5 million (2.7%) for contingency/change order risk; 4) increasing the anticipated property cost for FS 8, and 5) building in some contingency within the size of the Fire Stations by using 10,000 square feet for estimating purposes on the three of the resized stations when the designs for these stations are approximately 9,000 square feet. The result of re-baselining the Program and including the appropriate risk factors on the remaining six “new” stations was that the budget for these stations were increased by \$2.5 million (see Appendix 4).

It must be noted that SBC is not making any judgments or opinions whether the smaller stations will affect response times or the City’s ability to meet Fire and Rescue needs, both now and in the future.

Management Response: *Management concurs with Observation.*

This Observation reviewed the information presented to City Commission on October 2, 2007, and found the information appropriate (see CAR 07-1599 attached).

Implementation: *Complete*

REVIEW OF RE-BASELINE (CONT'D)

Observation 5: The greatest risk for the Fire Station Bond Program to remain within the \$40 million budget is the City's ability to refurbish FS 54 and 13 for under \$1.3 million each. The premise of the October 2007 Program Re-baseline is that the City can save \$5.6 million by refurbishing FS 54 and 13 instead of building new ones. By doing so, the City can offset the \$2.5 million cost increase on FS 47 and 53, as well as the \$0.6 million Bond issuance costs and the \$2.5 million increase for the six new stations noted in the observation above. SBC believes that the greatest risk for the Fire Station Bond Program to be completed under \$40 million lies within these two refurbished Fire Stations (FS 54 and 13). The current re-baseline estimates that FS 54 and 13 can be refurbished for \$1.3 million each (\$1.0 million for construction and \$0.3 million for engineering, management, and inflation). For these stations to be modern, state-of-the-art, and 50-year structures as delineated in the Fire Station Bond's Official Statement, they will likely need structural, mechanical, electrical, and other upgrades since they are 38 (built in 1970) and 37 years old (built in 1971), respectively. It is a formidable challenge, and a significant cost risk, to do these upgrades while these Fire Stations are active without interfering with operations.

At the time of this Report, the City is undertaking a structural, mechanical and electrical review of these two Fire Stations to get a better understanding the effort and costs necessary for the refurbishment. While it is possible that the studies may state the stations can be refurbished for \$1.3 million, or slightly higher, it may show that the refurbish costs would be significantly more than \$1.3 million. If this occurs, the most viable and economically feasible option may be to build new stations. Under this scenario, the Program would need an additional \$6 million to complete the Fire Bond Program (see Table 8). This cost estimate is based on building stations comparable to the current "satellite" and "battalion" station sizes of 10,000 and 12,000 square feet, rather than their original budgeted size of 12,000 and 15,000 square feet. Costs may differ if the two stations are sized differently or due to their implementation schedule.

**Table 8
Potential Cost increase of the Program**

	FS 54	FS 13	Total
Original Budgeted Square Footage	12,000	15,000	
Type of Station	Satellite	Battalion	
Estimated Size of Station (based on current approach for station sizes)	10,000	12,000	
Estimated Cost (new Station)	\$4.0 million	\$5.0 million	
Less: Re-baseline Estimate	(\$1.3 million)	(\$1.3 million)	
Additional Funds Required	\$2.7 million	\$3.7 million	\$6.4 million

REVIEW OF RE-BASELINE (CONT'D)

Management Response: *Management concurs with Observation.*

Management's October 2 report and presentation stated that part of the re-base lining plan was that Fire Stations 54 and 13 would be renovated (see CAR 07-1599 attached). Management informed the FSBBRC and City Commission that an in-depth analysis of renovation verses replacement of the two stations would be completed.

The cost effectiveness of renovating or building two new fire stations is currently under review by management.

The review includes costs associated with the findings of (for each station):

- *Structural evaluation to all relevant current building codes*
- *Mechanical, Electrical and Plumbing evaluation to current Building Codes plus those needed for current Fire operations.*
- *Architectural and interior improvements necessary for Fire operational needs.*

These reviews are underway and expected to be completed in April 2008.

Implementation: *Detailed renovations costs will be presented at which time further decisions will need to be made by the Commission.*

INTERNAL CONTROLS REVIEW

A. Objectives

This review is focused specifically on the internal controls (checks and balances) the City and URS has implemented to assure that the Program expenditures stay within the \$40 million Fire Station Bond Program budget.

B. Methodology and Process

In order to accomplish the objective, SBC's work plan included:

- Obtain an understanding of all the internal controls used on the Program,
- Evaluate each of the internal controls,
- Obtain an understanding of the Fire Station Bond and its inter-dependencies with the established internal controls,
- Conduct interviews with key City, Fire Station Bond Blue Ribbon Committee members, and URS management personnel.

C. Internal Controls Utilized on the Fire Station Bond Program

There are a significant number of internal controls (checks and balances) that have been implemented to assure program expenditures stay within budget. The internal controls are documented in the City's Construction Management Procedures Manual (CMPM) dated July 31, 2007 and define the roles and responsibilities of the people to perform the internal controls, the purpose of the control, and the forms to be used to perform the controls. These checks and balances have been established at many different levels, take very different forms, and focused on different elements of a project's scope and budget. The best way to review these controls are to review their focus and demonstrate how they overlap to add redundancy (the check and balance). To do so, the levels have been delineated into two areas of control: 1) management level and 2) project level.

In order to stay within the \$40 million Program, the Program was recently re-baselined (October 2007) as follows: six of the remaining eight new stations (FS 49, 29, 46, 3, 35 and 8) will be designed to be smaller stations, and the remaining two stations (FS 54 and FS 13) will be refurbished rather than constructing new stations.

INTERNAL CONTROLS UTILIZED – MANAGEMENT LEVEL

1. Management Level Controls

Management level controls have been established that represent the check and balance of the day-to-day decisions and management of City and Program Management staff.

City Commission

The City Commission is the ultimate decision maker of the Fire Station Bond Program's scope and budget. The Commission approves all scope changes before projects are awarded; all contract awards and change orders; and consultant work authorizations. Because of their role, it is critical that all items presented to the Commission, identify the impacts of their approval on the Program. Furthermore, reports presented to the Commission and City staff should identify status, cost and schedule variances from the current baseline, trends, and projections as to the estimated final value of the Program.

Observation 1: Commission Agenda Reports (CARs) presented to the City Commission should identify the cost impact of design and construction awards vs. the current baseline budget. CARs presented to the Commission should include a comparison of the contract award amount vs. the current baseline budget when presented to the City Commission. This very useful comparison will add transparency to the costs of the Program by allowing the City Commissioners and Fire Station Bond Blue Ribbon Committee to understand and analyze the impact of their award on the Program. Since inflation and contingency set-asides are established in the remaining eight projects, their use, and, in worst case, depletion is an important control element and baseline for the City Commission.

Management Response: *Management does not concur with this Observation.*

The Commission Agenda Reports (CARs) detail funding requirements and the source of the funding and are reviewed by the City's Public Works, Finance and Budget Departments, as well as the City Auditor's Office, before being presented to City Commission for approval.

The details in the CARs are insufficient detail to meet the requests of the City departments and City Auditor's office, as well as City Commission. Change Order forms are attached to CARs for City Commission approval. As City Commission requests additional detail in CARs, management implements these requests. Attached is a sample CAR for change order approval.

Implementation: *As needed to meet City Commission direction.*

INTERNAL CONTROLS UTILIZED – MANAGEMENT LEVEL (CONT'D)

Fire Station Bond Blue Ribbon Committee (FSBBRC)

The FSBBRC “Committee” is an appointed 10-member committee made up of residents of the City of Fort Lauderdale. The Mayor and City Commissioners each appointed two members to serve on the Committee and consideration was given to appoint persons with building, construction, or development experience.

The duties of the Committee, as stated in Section 2 of Resolution No. 04-220 (see Reference Section) is: “...to make recommendations to the City Commission concerning the expenditure of bond funds of the proposed Fire-Rescue Facilities Bond Issue, the purposes for which the bond issue funds should be utilized consistent with the ballot language approved by the electorate, and such other related duties as the City Commission may prescribe from time to time.”

The Committee, along with the City’s Director of Public Works, and others associated with the Program meet monthly to discuss the progress and status of all 10 fire stations, as well as other issues that may affect the Fire Station Bond Program.

Observation 2: The Fire Station Bond Blue Ribbon Committee should have additional information made available to it to better enable them to make recommendations as it relates to expenditure of bond funds. Given the background and experience of its members, and its purpose as stated in its Resolution (Resolution No. 04-220), the Committee can provide enhanced checks and balances on the Fire Station Bond Program. First, the information presented to the FSBBRC should be enhanced by providing additional information regarding items that impact station costs and schedules. The additional information should enable the Committee to have a better understanding of cost and schedule issues as they develop and be in a better position to review the Program at its monthly meeting with City staff.

Second, the Committee also has only a limited role in items that affect cost and schedule on the Program and is often not in a position to make recommendations to the Commission. Items are either not presented at all or are often presented to the Committee as a “high-level discussion of options” before they are taken to the City Commission for approval as a fully developed plan. Examples of these items include change orders and the recent re-baselining of the Program’s scope and implementation approach (see Organization Report for more details).

Management Response: *Management concurs with this Observation.*

Management will provide detailed additional information reports on all Fire Station Projects, beginning in March 2008. Previously, detailed reports were provided on the two Fire Stations under construction, 47 and 53.

Implementation: *Complete*

INTERNAL CONTROLS UTILIZED – MANAGEMENT LEVEL (CONT'D)

Change Order Review

As discussed in the Change Order Review Report, change orders are initiated by the contractor; diligently discussed at bi-weekly meetings between the Contractor, the City, and URS; then reviewed by the City Engineer and the Director of Public Works. If the justification and negotiated cost and schedule are acceptable, the City Manager will present them, with his recommendation, to the Commission for formal approval.

Observation 3: The Fire Station Program should consider enhancing the change review process. Given the fact that several factors have recently forced the scope and approach of the Fire Bond Program to be re-baselined, a formalized Change Control Board (CCB) should be created. The CCB would become the epicenter of decision making of the Program where all issues which affect cost and schedule are evaluated and debated by the significant players of the Fire Bond Program before they are presented to the Blue Ribbon Committee and the City Commission. The CCB's scope should include change orders, bid results, project closeouts, and any changes in scope or approach necessary to stay within the \$40 million Fire Bond Program. The stakeholder requesting a change should present a standard package of data, information, and justification to the CCB and be prepared as though the presentation was to the Commission. The membership the CCB could comprise of members of the City and URS who currently review change orders and Program scope, and include representatives from the Office Management and Budget (OMB), Contracts, and the Legal department. With the structured and thorough review of changes from many different perspectives, the City Commission and the Blue Ribbon Committee, should have greater confidence that due diligence was performed on changes.

Management Response: *Management does not concur with this Observation.*

See Management Response to Observation A2.

Observation 4: Changes to baseline scope and assumptions should be reviewed by the newly formed CCB and the Fire Station Bond Blue Ribbon Committee, and reported to the City Commission. Program controls (checks and balances) work best when baseline information are constantly and diligently checked, verified, and analyzed. These checks become the vehicle for identifying variations and trends and the foundation for proactive decision making for timely mitigation and help ensure that all Program goals are met. Whenever changes to baseline information occur, whether its project scope, costs, schedules, risks or assumptions, it's critical that their change is properly reviewed, analyzed, and communicated to all stakeholders (Observation 3).

Two examples where baseline changes that had significant cost or risk impacts to the Program, but were not fully analyzed or communicated to stakeholders were: 1) the increase in size of FS 53 and 2) the construction cost factor of \$200 per square foot being used for sizing future fire stations.

INTERNAL CONTROLS UTILIZED – MANAGEMENT LEVEL (CONT'D)

As discussed in the Completed Projects Report, FS 53 was designed as a 27,310 Fire Station/Emergency Operating Center/Fire Training Center, with the 16,900 square feet being the fire station area and funded with Fire Station Bond proceeds. However, the size of this station in the Bond Resolution was 12,000 square feet. This additional 4,900 square feet represents a 41% increase in size and approximately \$1 million cost increase before the project was even awarded. This increase also reduced the amount of funds available for the remaining nine fire stations. Before this design change was implemented, the change in size and cost was not formally presented or deliberated by the City Commission nor were the downstream risks fully vetted.

Further, SBC received several documents that show that the baseline construction cost factor was changed from \$250 per square foot to \$200 per square foot. As a result, the City increased the size of the remaining six “satellite” stations under design from 12,000 to 13,500 square feet, but maintained the respective baseline budgets. By doing so, the City essentially transferred the built-in construction contingency into additional square footage. When the bid results for FS 47 and 53 came in at \$253 and \$264 per square foot respectively, the City realized that the costs of the bigger satellite stations would come in higher than budgeted. As a result, The October 2007 Re-baselining effort identified that these stations had to be redesigned or resized smaller – some of which are smaller than the sizes identified in the Bond Resolution. In addition, two other stations were identified to be refurbished instead of being built new in order to maintain the Program’s \$40 million budget.

Management Response: *Management concurs with this Observation with reservation.*

As stated in Management Response to Observation A2, management does not concur with the formation of a Change Control Board.

However, management will continue to update the City Commission and FSBBRC on the changes to the baseline scope and assumptions of the Fire Station Program as they are developed.

Implementation: *Complete and on-going.*

INTERNAL CONTROLS UTILIZED – MANAGEMENT LEVEL (CONT'D)

Reporting

There are four primary reports being generated by the City and URS for internal and external stakeholders: 1) project reports for FS 47 and 53; 2) the high-level Fire Station Bond Program Report; 3) various ad hoc reports from the PWD Excel spreadsheet, and 4) Blue Ribbon Committee Annual Report. The project reports for FS 47 and 53 are prepared by URS for the Fire Station Bond Blue Ribbon Committee and City Commission and provide a brief status of each project. These reports highlight monthly progress, status; project issues, and other pertinent project information. The high-level Fire Station Bond Program Report is prepared by the City from the PWD Excel spreadsheet and provides a summary of the appropriation, expenditures, encumbrance, and balances for each fire station. Ad-hoc reports, typically prepared by PWD staff and generated from the PWD spreadsheet, can provide limited or detailed information for each fire station. These reports can contain summarized information at the Engineering, Construction, and Furniture & Communications sub-object level, or provide detailed information at the Engineering, Construction, Permitting, Administration, Testing, Surveying, Equipment, and other building costs.

Observation 5: Reporting can be enhanced to more informative for internal and external stakeholders. The purpose and intent of reports is to provide accurately the status of the Program to an audience that is not involved in day-to-day developments. Program and project-level reports should be enhanced to provide a better overall picture of the Fire Bond Program. From a cost perspective, basic project information such as Original Budget, Baseline (Current) Budget, Summary of Approved Changes, and Base Schedule information could be included in the reports. By having this information presented along with the Appropriation, Actual Expenditures, and Current Schedule information that are already provided, a better representation of each project's status will be presented (see Tracking System Report).

From a project reporting perspective, individual project reports for all 10 stations should be prepared, not just for the two stations that are currently under construction. These reports can provide basic information for each station such as Original and Current Budget; Original and Current Square Footage; Current and Baseline Schedule; Project Status; Issues; and Concerns. The Tracking System Report provides additional information regarding possible report enhancements.

Management Response: *Management concurs with this Observation.*

Management will provide detailed additional information reports on all Fire Station Projects beginning in March 2008. Previously, detailed reports were provided on the two Fire Stations under construction, 47 and 53. Samples of these monthly reports are attached.

Implementation: *Complete*

INTERNAL CONTROLS UTILIZED – MANAGEMENT LEVEL (CONT'D)

Project Tracking System (PTS)

The primary cost tracking system being used on the Fire Bond Program is FAMIS. The appropriated costs, contractual commitments, expenditures, and encumbrances for the Program's 10 fire stations are contained and tracked in FAMIS. In the past, the PWD fully maintained a detailed Excel spreadsheet to supplement the information contained in FAMIS. The supplemental information included Current Budget and detailed vendor information for each phase of work. The PWD still maintains parts of this Excel spreadsheet, but only as a reporting tool. The Excel spreadsheet is used to summarize Program-level cost information for the monthly Fire Safety Bond Program Cost Report for the Commission and the Blue Ribbon Committee.

In FAMIS, appropriations can only be changed using a Request for Engineering Project Action (M-143) Form submitted to the Finance Division with the City Manager's approval. Currently, M-143 forms can only increase funding in one Fire Station by removing funds from another Fire Station.

Fire Station obligations (commitments) can only be changed three ways: 1) change orders for awarded construction work; 2) contract award; and 3) work authorizations for service contracts. Since all of these changes are approved by the City Commission, the City Finance Division inputs these approvals directly into FAMIS after the Commissions' approval.

The Change Order and Work Order processes being utilized for the Fire Station Program are the City's respective processes. As discussed in detail in SBC's Change Order report, Change Orders are evaluated and generated by URS' Project Manger; and reviewed by the URS Program Manager, City's Engineering Manager, the Director of Public Works and the City Manager; and approved by the City Commission. During the review, the merit, compensation amount, and impact to the project are analyzed and evaluated.

Observation 6: The Current Budget for all 10 fire stations should be inputted and maintained in FAMIS. FAMIS only contains the current \$20 million appropriation for the 10 Fire Stations of the Fire Bond Program. As a result, four issues arise: 1) appropriations do not match current budget information; 2) only a fraction of the current budget has been appropriated for most projects; 3) FAMIS does not provide overall picture of the \$40 million Fire Station Program; and 4) it is difficult to assess the effects to downstream projects when changes in appropriations are made. If FAMIS is going to be used as an effective, stand-alone cost tracking system, it needs to contain the Program's \$40 million budget as it is currently forecast. By doing so, FAMIS will be able to provide an overall picture (status, commitments, performance...etc) of each project and the overall Program.

INTERNAL CONTROLS UTILIZED – MANAGEMENT LEVEL (CONT'D)

Management Response: *Management concurs with this Observation with comment.*

The City Finance Department uses FAMIS as its accounting control system. The current level of detail within FAMIS is sufficient for municipal government accounting controls.

Therefore, Fire Station Budgets will not be maintained in FAMIS. Public Works will maintain the details in a separate Excel spreadsheet. Public Works will reconcile its Excel spreadsheets with FAMIS on a monthly basis.

In future budget years, Management will implement a project tracking system that identifies budget and costs in major project components.

Implementation: *October 2008*

Observation 7: FAMIS only appropriates (budgets) Fire Station Costs at the Construction Sub-Object Level. To be an effective stand-alone cost tracking system, FAMIS needs to track appropriations at the same level that they are budgeted and executed. FS 47 and 53 show negative encumbrances in FAMIS because the budgets are in the construction sub-object, but the expenditures are coded to the appropriate sub-object codes. By appropriating costs only in the construction sub-object level, it becomes difficult to assess Program performance, as well as its status and trends for costs. PWD will need Finance's approval (buy-in) since this is not the City's practice and will require additional Finance support. This approach would generate a greater number of M-143 forms to be processed in order to track the movement of appropriations between sub-objects of a project – especially since inflation and contingency usage within a project will be tracked.

If the City decides that FAMIS won't maintain the \$40 million Current Budget since only \$20 million of bonds have been issued, and hold the \$40 million at the appropriate sub-object level, SBC recommends that the PWD Excel spreadsheet, or something similar, be used as the primary tracking system for the Program despite requiring some duplicative effort to maintain. The PWD spreadsheet should be reconciled to FAMIS on a monthly basis to ensure data integrity and hold its cost information at the sub-object level. Given the dollar value and complexity of each project and the Program, the PWD spreadsheet will be a sufficient tracking system for the Fire Station Bond Program.

Management Response: *Management concurs with this Observation with comment.*

The City Finance Department uses FAMIS as its accounting control system. The current level of detail within FAMIS is sufficient for municipal government accounting controls.

INTERNAL CONTROLS UTILIZED – MANAGEMENT LEVEL (CONT'D)

Therefore, Fire Station Budgets will not be maintained in FAMIS. Public Works will maintain the details in a separate Excel spreadsheet. Public Works will reconcile its Excel spreadsheets with FAMIS on a monthly basis.

In future budget years, Management will implement a project tracking system that identifies budget and costs in major project components.

Implementation: October 2008

INTERNAL CONTROLS UTILIZED – PROJECT LEVEL

2. Project Level Controls

Project level controls have been established that represent the check and balance of the day-to-day management of projects whether the projects are in the design phase, under construction, or are completed and closed out. These controls are performed by various levels of the PMT and have been established to ensure that projects stay within budget and schedule. Some of these checks and balances, like the invoice review, cover all phases of a project's lifecycle, while others are specific to the phase that the project is currently in. The project level controls work in conjunction with and are tied closely with the aforementioned Management Level controls.

Invoice review

Before an invoice is officially submitted, a preliminary review, called a "Pencil Copy" review, is conducted with representatives from the contractor, the URS Project Manager, URS Construction Manager (CM), and the Architect/Engineer. This preliminary review allows the contractor and the URS CM an opportunity to review a draft invoice, during which, they can confirm work completed during the month, as well as address any errors, mistakes and concerns before an original is submitted. If done diligently, this review should allow for an efficient and expedited review of the original invoice when submitted.

The Invoice Review process officially begins when the contractor submits an "Original" invoice for payment, which incorporates all discrepancies identified in the Pencil Copy review. Upon arrival of the original invoice to the URS Project Manager, the document begins the review process and starts the State mandated 25-day Prompt Pay clock. The invoice is reviewed by four reviewers (the URS Project Manager, Designer of Record, City Construction Manager, and City Construction staff) and all are tasked with reviewing specific aspects of the invoice. The four reviewers have roles that check and balance each other in terms of earned value (amount of work that has been performed) and whether the designer/contractor invoice is accurate and the work was performed in compliance with the contract. Once all four reviewers are satisfied, the invoice is sent to the City's accounting department and the contractor is paid.

INTERNAL CONTROLS UTILIZED – PROJECT LEVEL (CONT'D)

Observation 8: Payment Application document does not contain basic contractual information necessary for proper invoice review. Basic contractual information such as Notice to Proceed (NTP), Original Completion Date, Current Completion Date, and Progress Percent Complete are not shown on the invoice. By not having these standard details, it makes the review process more difficult or time consuming for staff.

Management Response: Management concurs with observation.

While the standard Payment Request Form contains a wealth of information, in the future, Public Works will attach documentation to include additional contractual information such as, Notice to Proceed, original and current completion dates, and completion percentage to date.

Implementation: Complete

Design

There are several checks and balances within the design phase to assure program expenditures stay within budget; specifically design and constructability reviews. The primary purpose of these reviews is to ensure that the design can be efficiently built, all City and State requirements are met, identify possible value engineering opportunities, and to verify the project construction estimate is within the budgeted amount. Efficient, constructible designs are the first line of defense in minimizing change orders and identifying possible bid risks.

Two other control measures being used are: 1) having similar sizes and designs for the Fire Stations and 2) staggering the construction of stations. Although there isn't one "cookie cutter" size and design that can be used because of the differences in the site locations and configurations, the City is developing one - and two-story designs with standard design features. Once good design features and designs have been developed and gone through the design and constructability review, it will underpin the design of the remaining stations. Further, by not constructing the fire stations concurrently, any necessary design changes identified as fire stations are constructed can be incorporated into the design of the future stations.

Observation 9: City should consider peer reviews on Fire Station designs. Since the one-story and two-story designs have standard design features and will be used throughout the remainder of the Program, the City should consider a peer review for these designs. Peer reviews provide an opportunity to review alternatives and additional value engineering opportunities because different prospective or additional industry knowledge can be applied. SBC understands that there is a potential cost associated with a peer review, but the value of getting the design reviewed and checked by others outside the City and URS could add value by minimizing construction change orders and any redesign efforts in the future.

INTERNAL CONTROLS UTILIZED – PROJECT LEVEL (CONT'D)

Management Response: *Management concurs with observation.*

Peer reviews of Fire Station design have been implemented since URS was contracted as the Program Manager. Between the City's Construction Management staff and the URS Program Managers, peer review of all future Fire Station design are being implemented.

Additionally, outside engineering consultants are engaged to review and ultimately design the mechanical, electrical and plumbing systems for each station.

Implementation: *Complete*

Construction

There are several cost control measures that have been implemented to address the construction phase of projects. To keep budgets in check, these controls include pre-construction, during construction, and post-construction activities. The pre-construction controls include using qualified and experienced contractors and awarding contracts using a competitive bidding process. During the construction phase, the checks and balances being utilized include: independent inspection and bi-weekly construction meetings. The bi-weekly construction meetings are attended by the contractor, URS, the City (City Construction, Fire Department, and Executive Airport, if necessary), the Architect/Engineers, and the inspectors. Each of these checks ensure that the contractor is performing the work as designed, as scheduled, and that field issues are identified and mitigated in a timely manner. Finally, the post-construction check and balance is claims resolution. Claims can be controlled with sound construction management techniques and an understanding and analysis of the project's critical path schedule.

Project Closeout

Since no projects have reached the closeout phase yet, SBC understands that the City will follow its closeout procedure to close these projects. The close-out of a project is the last process that determines the final costs of a project. The closeout procedure essentially includes a final check of the schedule of values; the final value of work performed by the contractor; confirmation of the payments made to the contractor; assurances that the contractor has paid the subcontractors; the contractor does not have any claims; and ends with the release of retention and final payment. In most cases, the closeout is accompanied with a closeout change order to adjust the contract value to the agreed upon final cost.

URS CONTRACT AND INCENTIVES REVIEW

A. Objectives

The objectives of this review are to identify any contractual incentives between the City and URS to motivate URS to have contractors/sub-consultants complete projects under budget and in a timely manner.

B. Methodology and Process

In order to accomplish the objective, SBC's work plan included:

- Review both URS contracts and approved task orders to review to understand scope of work,
- Determine if either of the URS contract contains any completion incentives,
- Review and obtain an understanding of the current performance metrics being utilized by the City on URS,
- Review and outline options for possible contractual incentives to motivate URS to have the contractors/subcontractors complete projects in a timely manner and under budget.

C. Review Contractual Incentives

At the time of the review, URS has two active contracts on the Fire Station Bond Program listed below.

URS Contracts and Task Orders

- *Construction Management Services for Fire Stations 47 and 53; approved by the City Commission on March 7, 2006; Item M-21; PO No. EP03091, (\$910,822)*
- *Master Construction Management Consulting Services for Fire Stations 29, 8, 46, 49, 54, 3, 13, and 35; approved by the City Commission on July 17, 2007, Item M-15.*
 - *Task Order No. 1 for Pre-Construction Management Services; approved by the City Commission on July 17, 2007, Item M-27 (\$835,413)*

REVIEW OF CONTRACT INCENTIVES (CONT'D)

The Construction Management Services contract is specific for Fire Stations 47 and 53; whereas, the Construction Management Consulting Services contract requires Task Orders that detail the scope of services (and costs) to be performed by URS. These task orders must be authorized by the City and require City Commission approval. At this time, only one task order has been written for pre-construction activities on the remaining eight fire stations (see above). Neither of URS' contracts contains any completion or performance incentives for Program Management or Construction Management services. Instead, the contracts have deliverables with time/cost parameters that serve as performance measures.

PERFORMANCE MEASURES

Performance measures provide an objective and consistent method for measuring performance, as well as the basis for improved performance, which benefits both the City and URS. Since each contract has different scopes and unique performance measures, they will be identified separately below.

Construction Management of FS 47 and 53

In the scope of services (Exhibit A) of the contract, there are no specific measurements or methods that will be used to measure performance for this contract. Exhibit A delineates the scope and responsibilities of URS and there are references within the Articles of the contract that address general performance standards. For instance, Article 10.8 states:

“The Consultant shall perform its duties, obligations, and services under this Agreement in a skillful and respectable manner. The quality of Consultant’s performance and all interim and final products provided to or on behalf of the City shall be comparable to the best local and national standards.”

Further, there is a provision within the contract that the City has the right to review the performance of the contractor (Article 10.30) that states:

“The City maintains the right to periodically review the performances Scope of Services, Task Orders, the quality of work performed, the cost to the City and the good faith efforts made by the Consultant to maintain MBE/WBE participation in City projects. Any deficiencies in performance will be described in writing and an opportunity afforded, where practicable, for the Consultant to address and/or remedy such deficiencies.”

PERFORMANCE MEASURES (CONT'D)

Pre-Construction Activities – remaining Fire Stations (Task Order #1)

The Master Construction Management Consulting Services for the remaining fire stations also has the same general performance measure Articles that the Construction Management Agreement (Articles 11.8 and 11.30 respectively). However, Task Order 1 does have a few specific performance measures that have been identified. As delineated under Job #5 in the Scope of Services (Exhibit A), the following performance measures have been established:

- General milestones or goals for completion of the program manual shall be accomplished within an agreed upon time with completion due within 2 years,
- Station(s) design/contract change orders shall not exceed 3% of the contract amount (except for unforeseen conditions),
- Performance factors considered will consist of three main areas, scope, cost, and time as found within the Pre-design phase and development of preliminary and final design, planning, scheduling, quality, documentation, and construction.
- Resubmission of work shall be limited to one to avoid schedule delays. Excessive resubmissions shall constitute and reflect on the Consultants errors and omissions.

POSSIBLE PROGRAM MANAGEMENT INCENTIVES

The goal of an incentive program is to:

- 1) Reward performance that exceeds goals, or
- 2) To improve performance.

In order for a reward program to be effective, the rules must be clearly understood by all parties involved and fairly administered by the client or owner. Furthermore, results must be measurable and the performance factors should be within the control of the party receiving the incentive. When determining possible contract incentives, it is assumed that any incentive introduced will be a financial incentive – in the form of a bonus, shared savings, or additional work.

After reviewing the URS contract and the way the Program has been structured, it appears that there are limited incentive possibilities to promote better performance from URS to increase the probability of project completion on time and on budget. This conclusion is driven by the fact that URS currently does not control most key aspects of the Program's cost and schedule. There are a significant number of external factors that URS cannot be expected to control as discussed below.

The largest component of cost on the Fire Bond Program is construction, which represents approximately 69% (\$27.4 million / \$40 million) of the total Program cost (see Appendix 3). Since URS does not control the design, scope, or the bid results, they have minimal influence over construction costs on the Program. As a result, construction budget performance in this case is not an indicator of good or poor performance by URS; hence developing an incentive program based on costs is not viable.

POSSIBLE PROGRAM MANAGEMENT INCENTIVES (CONT'D)

Incentives on managing change orders below the 3% threshold as delineated in Task Order #1 do not provide opportunities to keep the Program's delivery timely and within budget. Since the threshold does not include unforeseen conditions (by contract language) and presumably owner-requested changes, the only type of change being measured would be Errors & Omissions. Errors & Omission are directly related to the designer's performance, not URS. Further, it seems illogical to provide URS an incentive on reducing Errors & Omissions when they are already being paid for their design oversight services. Finally, even in their design oversight role, URS only has a limited level of control since the City is performing most of the design services on the Program. For this oversight relationship to work effectively, URS would be required to dictate the tasks, performance, and schedule of the City's deliverables. Since will likely not occur, an incentive does not seem feasible. This organizational issue is further discussed in the Program Organization Report.

From a schedule perspective, there are two issues that make it difficult to provide viable incentives for URS to complete the Program timely. First, URS is not necessarily able to control the designer's schedule because, as stated above, the City is often the designer. Second, URS does not control the other processes required to complete fire stations, most notably, the Permitting, Bidding, Contract Negotiation, and Award processes. The only schedule control URS has some influence is provided in their Construction Management role and managing the contractor's ability to bring the project within the agreed-upon schedule. URS does not have a task order(s) to provide Construction Management services on the remaining fire stations.

Observation 1: A different execution approach could be undertaken in order to ensure the timely delivery of the Fire Station Program on budget.

The City should re-consider a Design/Build execution approach for several of the remaining stations. Design/Build is a construction project delivery system where the design and construction aspects are contracted for with a single entity known as the design-build contractor. Even though a Design/Build approach does not guarantee lower costs or savings, it does reduce risks to the City in several ways; 1) relieves any potential resource issues the City may have designing the fire stations; 2) potentially reduces escalation risks by compressing the schedule; 3) effectively eliminates Errors & Omissions change orders; and 4) increases the accountability by having a single project contractor.

Even though the "window of opportunity" of fully utilizing the Design/Build approach to control risks may have passed on the Fire Station Bond Program, the City should still consider reviewing this approach a viable project delivery method for the stations currently scheduled at the tail end of the Program. Program escalation represents over 5% of the total Program budget (\$2.2 million) and accelerating the schedule of some of these latter projects could assist in maintaining the Program's budget. In fact, the value of inflation budgeted for the last three Fire Stations (FS 54, 35, and 8) are \$1.375 million (see Appendix 3).

POSSIBLE PROGRAM MANAGEMENT INCENTIVES (CONT'D)

Management Response: *Management does not concur with this Observation.*

The Observation is centered on Design/Build project delivery. The Observation clearly states reasons Design/Build are not going forward:

- *“...Design/Build approach does not guarantee lower costs or savings...”*
- *“...The “window of opportunity” of fully utilizing the Design/Build approach may have passed...”*

In 2005, Public Works reviewed contracting options with the Fire Rescue Blue Ribbon Committee and determined that Prequalification of general construction contractors was the best approach. In addition, the October 2 report to City Commission identified Design/Build as an alternative contracting method to be considered.

Public Works continues to review contracting options such as Construction Management At Risk.

Implementation: *None Required*



Process and Compliance

This Section Contains:

- ◆ Project Tracking System Review
- ◆ Change Order Review
- ◆ Bidding & Purchasing Review
- ◆ Invoice Processing Review

PROJECT TRACKING SYSTEM (PTS) REVIEW AND EVALUATION

A. Objectives

The objective of this review is to evaluate the City's Project Tracking System (PTS).

B. Methodology and Process

In order to accomplish this objective, SBC's work plan included the following activities:

- Review and understand the technology that underpins the Project Tracking System (PTS);
- Review who has access to the system and who is authorized to input data and make changes;
- Review and understand what information the PTS tracks such as:
 - Base (Original) Budget and Schedule,
 - Current Budget and Schedule,
 - Approved Cost (and Schedule) Changes,
 - Commitments,
 - Actual Expenditures,
 - Contingencies;
- Review and understand how data is obtained and inputted into the system;
- Review and understand the reliability and timeliness of the data inputted;
- Review and understand the system's report generating capabilities, which includes, but not limited to a review of the following:
 - What reports are currently being generated?
 - How often are certain reports generated?
 - Do the reports accurately capture the items being reported?
- Review and understand what other systems interface with PTS and the information being exchanged.

Note that SBC limits its observations to the extent that the information provided to the SBC by the City of Ft. Lauderdale and URS, the Construction Manager of the Fire Station Bond Program.

C. Project Tracking System (PTS) Review

To accomplish the review's objective and follow the PMT methodology and process, the SBC divided the review of the PTS into four distinct areas: 1) technology, 2) project tracking, 3) reporting, and 4) system interfaces. These areas were reviewed through direct observations, interviews and discussions with key City and URS project team members, and review of project documentation. Any findings or weaknesses are identified at the end of each of these distinct areas.

TECHNOLOGY

The primary cost tracking system being used on the Fire Station Bond Program is FAMIS, the City's Financial and Accounting Management Information System. The appropriated costs, contractual commitments, expenditures, and encumbrances for the Program's 10 Fire Station (FS) are contained and tracked in FAMIS. In the past, the Public Works Department (PWD) fully maintained a detailed Excel spreadsheet to supplement the information contained in FAMIS. The supplemental information included current budget and detailed vendor information for each phase of work. The PWD still maintains parts of this Excel spreadsheet, and uses it for reporting purposes. The Excel spreadsheet is used to summarize Program-level cost information for the monthly Fire Safety Bond Program Cost Report for the City Commission and the Fire Station Bond Blue Ribbon Committee.

Input access to FAMIS is permitted only to designated City Finance personnel who input and modify all information contained in the system. PWD staff and other city staff have read-only access to FAMIS and can print very basic reports and screen shots. URS staff does not have access to FAMIS. Security, system maintenance, data backup and data integrity for FAMIS are managed in accordance to the City's procedures.

Only one member of the Department of Works has access and updates the PWD Excel spreadsheet at this time.

PROJECT TRACKING

The Project Tracking section is divided into three areas of investigation: 1) projects, 2) project status, and 3) project funding.

Projects

The definition of a "project" is simply a fire station. The Work Breakdown Structure (WBS) being maintained in FAMIS is by fire station and by phase of work. The phases of work for a fire station are consistent with the City's sub-object costs used in FAMIS. For Fire Stations 47 and 53, the sub-object codes being used include: Construction; Testing, Engineering, Permit Costs, and Administration. Appendix 5 lists the City's sub-object codes that are currently established by the City. These sub-object codes, as well as any new sub-objects deemed necessary could be used for the Program.

There are three additional "pseudo-projects," or cost centers, that is included in the Program and is being tracking in FAMIS: 1) Shared Project Costs; 2) Temporary FS 29 Modifications; and 3) Bond Costs. Shared project expenses are costs that affect all fire stations such as the purchase of design software that will be used by all stations. These costs could be allocated to each fire station, but it's easier to track and report them under a single cost center. Temporary Fire Station 29 Modifications are expenses necessary to upgrade a training center for it to be used as a temporary housing facility for the FS 29 personnel. These costs may be combined with FS 29 costs in the near future. Bond Costs are all associated expenditures of the issuance of the bonds.

PROJECT TRACKING (CONT'D)

Project Status

Project information being tracked by FAMIS includes: appropriated costs, obligations (contractual commitments, change orders and work authorizations), expenditures, and encumbrances (to-go balance of obligations less expenditures). Funding information is maintained at the project level by using different source indicators in the project's index code. For instance, FS 53 (Project Number P10363) has three index codes, P10363.331, P10363.336, and P10363.468 that represent CIP Capital, Fire Station Bond, and Executive Airport funds. Each entity's participation is maintained by establishing and tracking the unique index codes with separate appropriations, obligations, and expenditures. Invoices for FS 53 break down the costs to these three index funds to ensure the appropriate participation level of the entity.

The PWD spreadsheet included the same information as FAMIS at the high level, but also contains information such as original budget, current budget, approved changes and payment history for each fire station.

Original appropriation information inputted by the City Finance was based on the breakdown of the \$20 million that the City Commission approved and received as the first installment of the authorized \$40 million Fire Station Bond. This breakdown funded the estimated costs for Fire Stations 47 and 53, plus provided the approximate costs of early work (design, surveying, permitting...etc) for the remaining eight fire stations. The appropriation for each fire station was placed at the construction sub-object only. Actual costs are being cost coded and recorded at the appropriate sub-object level. In cases where actual costs have been recorded against non-construction sub-object codes; a negative encumbrance is reflected against that sub-object code.

In FAMIS, appropriations can only be changed using a Request for Engineering Project Action (M-143) Form submitted to the Finance Division with the City Manager's approval. Currently, M-143 forms can only increase funding in one Fire Station by removing funds from another fire station.

Fire Station obligations (commitments) can only be changed three ways: 1) Change Orders for awarded construction work; 2) contract award; and 3) work authorizations for service contracts. Since all of these commitments are approved by the City Commission, the City Finance Division inputs these approvals directly into FAMIS once the meeting minutes of the Commission meeting are approved and posted on the City's website. Currently, there is an approximate 3-week lag time from the Commission's approval (date of the meeting) and the time the meeting minutes are posted.

The Change Order and Work Order processes being utilized for the Fire Station Program are the City's respective processes. As discussed in detail in SBC's Change Order report, change orders are evaluated and generated by URS' Project Manger; and reviewed by the URS Program Manager, City's Engineering Manager, and the Director of Public Works; and approved by the City Commission. During the review, the merit, compensation amount, and impact to the project are analyzed and evaluated.

PROJECT TRACKING (CONT'D)

Project Status (cont'd)

In order to stay within the \$40 million, the Program was recently baselined in October 2007 as follows: six of the remaining eight new stations (FS 49, 29, 46, 3, 35 and 8) will be designed to be smaller stations, and the remaining two stations (FS 54 and FS 13) will be refurbished rather than constructing new stations. The current budgets developed for the remaining eight Fire Station Bond projects include the following components: Construction, Property, Equipment, Engineering, Temporary Facilities, Program Management, Inflation, and Contingency (see Appendix 3). The inflation component is to address possible bid risks of construction; whereas, contingency is earmarked for change orders or other unforeseen issues. These current budgets are not reflected in FAMIS or in the PWD spreadsheet at the time of this writing.

As a result of the re-baselining, and the fact that only \$20 million of the authorized \$40 million Fire Station Bond has been issued, current appropriations do not equal PWD's Re-baseline (Current) Budget – even for FS 47 and 53. As of November 26, 2006, the Fire Station Bond funds appropriated for FS 47 and 53 are \$3,687,870 and \$5,684,104 respectively (see Appendix 1). The PWD Current Budget for FS 47 and 53 are \$4,031,000 and \$5,740,000 respectively (see Appendix 3).

Currently, MS Project (FS 47) and Primavera Suretrak (FS 53) are being used to maintain project schedules by the Contractors, the City, and URS. The City and URS is considering using P3 as the scheduling software to maintain both project and Program-level schedules for the remainder of the Program. P3 is a more comprehensive scheduling system and is especially effective for larger, more complex projects. If P3 is going to be used at the Program level, all contractors and the City would be required to use P3 to enable easy integration of project level and program level schedules.

Observation 1: The Current Budget for all 10 fire stations should be inputted and maintained in FAMIS. FAMIS only contains the current \$20 million appropriation for the 10 fire stations of the Fire Bond Program. As a result, four issues arise: 1) appropriations do not match current estimated budget for each fire station; 2) only a fraction of the current budget has been appropriated for most projects; 3) FAMIS does not provide an overall picture of the \$40 million Fire Station Program; and 4) it is difficult to assess the affects to other projects when changes in appropriations are made.

If FAMIS is going to be used as an effective, stand-alone cost tracking system for the Program, it needs to contain the Program's \$40 million budget as it is currently forecasted (see Appendix 3). This change can be accomplished through the City's Budgetary Process with the City Commission's approval. By changing the \$20 million appropriation to match the Program's \$40 million budget, the City will able to provide an overall picture (status, commitments, progress, performance...etc) of each project and the overall Program.

PROJECT TRACKING (CONT'D)

Project Status (cont'd)

The benefits of having the full \$40 million budget inputted in FAMIS and how it allows for better understanding of the Program and Program impacts can be shown with a simple example. As costs of FS 47 and 53 came in higher due to unusually high escalation after the 2005 hurricanes, M-143 forms were processed to fund the cost increases from other stations. As funds were taken, FAMIS did not reflect how much budget for the affected projects remained or whether the projects can be built with the amount of remaining funds available. All FAMIS reflected was that the partial appropriation for the affected stations got smaller.

Management Response: *Management concurs with this Observation with comment.*

The City Finance Department uses FAMIS as its accounting control system. The current level of detail within FAMIS is sufficient for municipal government accounting controls.

Therefore, Fire Station Budgets will not be maintained in FAMIS. Public Works will maintain the details in a separate Excel spreadsheet. Public Works will reconcile its Excel spreadsheets with FAMIS on a monthly basis.

In future budget years, Management will implement a project tracking system that identifies budget and costs in major project components.

Implementation: *October 2008*

Observation 2: FAMIS only appropriates (budgets) Fire Station Costs at the Construction Sub-Object Level. To be an effective stand-alone cost tracking system, FAMIS needs to track appropriations at the same level that they are budgeted and executed (see Appendix 3). FS 47 and 53 show negative encumbrances in FAMIS because the budgets are in the construction sub-object, but the expenditures are coded to the appropriate sub-object codes. By appropriating costs only in the construction sub-object level, it becomes difficult to assess project or Program performance, as well as its status and trends for costs.

To budget at the sub-object level, PWD will need Finance's approval (buy-in) since this is not the City's practice and would require additional Finance Department support. Budgeting at the sub-object level would generate a greater number of M-143 forms to be processed in order to track the movement of appropriations between sub-objects of a project – especially since inflation and contingency usage within a project will be tracked.

PROJECT TRACKING (CONT'D)

Project Status (cont'd)

Management Response: *Management concurs with this Observation with comment.*

The City Finance Department uses FAMIS as its accounting control system. The current level of detail within FAMIS is sufficient for municipal government accounting controls.

Therefore, Fire Station Budgets will not be maintained in FAMIS. Public Works will maintain the details in a separate Excel spreadsheet. Public Works will reconcile its Excel spreadsheets with FAMIS on a monthly basis.

In future budget years, Management will implement a project tracking system that identifies budget and costs in major project components.

Implementation: *October 2008*

Observation 3: If FAMIS cannot maintain the Current Budget for all 10 fire stations at the sub-object level, the PWD spreadsheet should be used as the primary tracking system. If the City decides that FAMIS won't maintain the \$40 million Current Budget because only \$20 million of bonds were issued, and won't hold the \$40 million at the appropriate sub-object level, SBC recommends that the PWD Excel spreadsheet, or something similar, be used as the primary tracking system. This spreadsheet could be reconciled to FAMIS on a monthly basis to ensure data integrity and hold its cost information at the sub-object level. Given the dollar value and complexity of each project and the Program, the PWD spreadsheet should be a sufficient tracking system for the Program. Despite possibly creating some additional or redundant work for the Program, the Program will greatly benefit by having a concise and comprehensive picture of status, commitments, progress, and performance of each project and the overall Program.

Management Response: *Management concurs with observation with comment*

Public Works will continue to track costs through its Excel spreadsheet. Public Works will reconcile the spreadsheet with FAMIS on a monthly basis.

In future budget years, management will implement a project tracking system that identifies budget and costs in major project components.

Implementation: *October 2008*

PROJECT TRACKING (CONT'D)

Project Funding

Fire Stations 47 and 53 are funded with a mix of Fire Bond, Executive Airport, FDOT, and City Capital Improvement Program (CIP) funds. For Fire Station 47, the current forecasted cost is \$5,031,000, of which \$4,031,000 is being funded with Fire Station Bond funds and \$1,000,000 funded with City CIP funds. For Fire Station 53, the current forecasted cost is \$10,117,597, of which \$5,740,000 is funded with Fire Station Bond funds, \$675,000 of CIP funds, \$960,000 of FDOT funds, and \$2,742,597 of Executive Airport funds. Respective participation levels for each source were established based on the scope of work funded by each funding source. As contracts were released or change orders written, the nature, reason, and purpose of the change was analyzed and each source contributed their respective share.

The remaining eight projects are expected to be 100% Fire Bond funded.

REPORTING

There are several reports being generated by the City and URS for internal and external stakeholders. The primary reports being generated are: 1) project reports for FS 47 and 53; 2) the high-level Fire Station Bond Program Report; 3) various ad hoc reports from the PWD Excel spreadsheet, and 4) the Blue Ribbon Committee Annual Report. The project reports for FS 47 and 53 are prepared by URS for the Fire Station Bond Blue Ribbon Committee and City Commission and provide a brief status of each project. These reports highlight monthly progress and status; project issues; work anticipated for next month; financial status including change orders and contractor payment history; safety information; and other pertinent project information. The high-level Fire Station Bond Program Report is prepared by the City from the PWD Excel spreadsheet and provides a summary of the appropriation, expenditures, encumbrance, and balances for each fire station. Ad-hoc reports, typically prepared by PWD staff and generated from the PWD spreadsheet, can provide limited or detailed information for each fire station. These reports can contain summarized information at the Engineering, Construction, and Furniture and Communications sub-object level, or provide detailed information at the Engineering, Construction, Permitting, Administration, Testing, Surveying, Equipment, and other building costs (including property costs).

The Fire Station Bond Blue Ribbon Committee Annual report provides Program information of issues and concerns of the Committee.

Observation 4: Reporting can be enhanced to be made more informative for internal and external stakeholders. The purpose and intent of reports is to accurately provide the status of the Program to an audience that is not involve in the day-to-day developments. Program and project-level reports can be enhanced to provide a better overall picture of the Fire Bond Program.

REPORTING (CONT'D)

- Based on their respective roles, the FS 47 and 53 project reports that are presented to the City Commission and the Fire Station Bond Blue Ribbon Committee should be enhanced to provide more information on status, issues, and changes.
- Individual project reports for the eight fire stations not currently under construction are not being formally prepared. If prepared, these reports can provide basic information such as Original Budget; original square footage; Current (Baseline) Budget; current square footage; Current Schedule, Project Status; Issues; and Concerns. (Note: the City Commission and the Fire Station Bond Blue Ribbon Committee receive project information on these stations as an oral report at their respective meetings).
- The high-level Fire Station Bond Program Report and the various ad hoc reports could include basic project information such as Original Budget; original square footage of the stations; Current (Baseline) Budgets; current square footage of the fire stations; Summary of Approved Changes, and Base schedule and Current schedule information could be included in the reports. By having this information presented along with the Current Budget, Appropriation, Actual Expenditures, and Current Schedule information that are already provided, a better representation of each project's status will be presented.

SBC understands that the enhancement of these reports would require additional PWD staff effort and would have to be jointly prepared by the City and URS.

Management Response: *Management concurs with this Observation.*

Management will provide detailed additional information reports on all Fire Station Projects beginning in March 2008. Previously, detailed reports were provided on the two Fire Stations under construction, 47 and 53.

Implementation: *Complete*

SYSTEM INTERFACE

There are currently no system interfaces between FAMIS, the PWD Excel spreadsheets, or any other systems used on the Fire Bond Program (MS Project, Suretrak, and P3). Given the relatively low volume of data, information from FAMIS is manually inputted into other systems.

CHANGE ORDER REVIEW

A. Objectives

This review focuses specifically on the Change Order Review process. This review will analyze requests for changes to ensure: proper control; adequate change order documentation is obtained from the contractor; change order amounts are appropriate and reasonable; change order pricing is adequately reviewed by the City; and change orders or variations from contract obligations and specifications do not result in an underserved benefit to the contractor and corresponding detriment to the City.

B. Methodology and Process

In order to accomplish this objective, SBC's work plan included the following activities:

- Collect change order documentation on the two fire stations under construction;
- Analyze change orders; and
- Document observations and establish risk.

C. Change Order Review

There is only two ways that a contract can be changed: 1) by amendment, and 2) by change orders. This review focus this review is the change order procedure (Section 7.5 of the Program Manual) and the guidelines for implementing contract Change Orders that affect contract price and time. Any stakeholder can initiate contract changes, whether it's the contractor, the city, the design engineer or the end user; however, the Project Manager (PM) for the project has the primary responsibility for the substantiation and administration of all change orders. The PM is also responsible to ensure that a complete back-up package is provided by the contractor. Negotiation between the PM and the contractor is not binding, but serve as a recommendation to the City Commission with sufficient backup.

The process outlined below is an outline for contract changes and does vary slightly with different types of changes and change terms (Force account, time and material).

The change order review process outline is as follows:

- Change Order Initiation;
- Cost Negotiation;
- Time Extension;
- Review and Approval; and
- Current Change Orders.

CHANGE ORDER DOCUMENTATION INITIATION

The majority of eight change orders approved by the City Commission and reviewed by SBC included were generated from errors & omissions, owner requests, or unforeseen conditions identified during the construction process. The process usually began with the contractor submitting a Request for Interpretation (RFI) to clarify an issue that is not clearly defined on the project's drawings or specifications. The Engineer/Architect (A/E), or others, may directly answer the RFI, or choose to respond with an Architect's Special Instruction (ASI) or an Engineering Special Instruction (ESI). An ASI or ESI are written directions and clarification when the A/E feels that there is no time or money involved. If the contractor views the RFI, ASI, or ESI response as a change in scope, the contractor will issue a Request for Change (RFC), also referred to as a Change Proposal Request (CPR) or a Pending Change Order (PCO) that states their position, along with justification and a complete breakdown of cost and schedule impacts. Upon receipt of the contractor's CPR, the PM must review the request and determine if, in fact, it is a change in scope according to the contract documents. Concurrently, the PM will request that the A/E provide comments on the contractor's CPR.

Submitted CPRs are also discussed at each contractor's bi-weekly meeting with URS, City representatives, and the A/E firm as open action items. If the PM concurs that a change order is warranted, a change order will be prepared by the contractor. At the time of this review, FS 47 had 36 CPRs initiated and Station 53 had 87 CPRs.

COST NEGOTIATIONS

As mentioned above, the cost impact of the change was identified by the contractor in its CPR. The cost impact is supported by an estimate, which includes a detailed breakdown of the pricing proposal. As part of their Construction Management scope of work for Fire Stations 47 and 53, URS provides an independent cost estimate for all changes when necessary.

The PM reviews the contractor's cost proposal and compares it to the independent estimate. The contractor's estimate is checked against the contract's general conditions and Division One requirements to ensure the contractor has provided the proper markups, profit, and overhead and has limited pricing for equipment, material and labor in accordance with the terms of the contract. If there are material differences between the contractor's proposed price and the independent estimate, the PM will hold a negotiation session with the contractor to achieve the equitable price. Once this agreed-upon price has been reached, the PM will complete a record of negotiation to summarize the negotiation and to document and explain the variances from the contractor's and the independent estimate.

TIME EXTENSION

Similar to the cost negotiations, schedule impacts are identified on the CPR and a justification is provided by the contractor. This justification must demonstrate the impact the change has on the project's critical path. The PM reviews the contractor's schedule impact and it will be discussed at the cost negotiation session. Once concurrence has been met, the final decision will also be documented in the negotiations summary report.

REVIEW AND APPROVAL

Once the scope, cost, and schedule impacts have been identified and agreed, and the action item is reviewed and closed at the contractor's bi-weekly meeting and a formal change order is prepared using the appropriate City's Change Order Form. Since there are typically several CPRs being processed at any given time, it is common that agreed-upon CPRs will be batched together to form one change order. For example, the four change orders approved for FS 47 comprise of 19 agreed-upon CPRs. Likewise for FS 53, where the four change orders comprise of 26 agreed-upon CPRs. If any of these CPRs are greater than \$10,000, or the cumulative value of the batched CPRs is greater than \$10,000, the change order must be presented to the City Commission for approval; otherwise the City Manager's approval is sufficient and a different City Change Order form will be processed.

The change order, complete with full documentation for each CPR, is signed by the contractor, reviewed and recommended by the City Engineer, and presented to the City Manager for approval. If the Change Order is less than \$10,000 based on the criteria above, the City Manager's signature will formally approve the change order. If the change order must be presented to the City Commission, the proposed change order must be submitted to the City's Office Supervisor so a Commission Action Request (CAR) can be generated and the item can be placed on the City Commission Agenda.

REVIEW AND APPROVAL (CONT'D)

Change Order Results

As shown in Appendix 6 and Table 1 below, the combined percentage of cost for the eight approved change orders is 3.9% of the base contract values (\$434,626 / \$11,070,700). Further, change orders are currently being prepared for both FS 47 (\$14,732) and FS 53 (\$98,930) that will increase this percentage to approximately 5% of the base construction value.

Table 1
Fire Bond Program Change Order Information

Category	Fire Station 47	Fire Station 53	Total FS 47 & 53
Base Contract Value	\$3,866,700	\$7,204,000	\$11,070,700
Number of Change Orders	4	4	8
Approved Change Orders	\$222,154	\$ 212,472	\$434,626
% of Base Contract	5.7%	2.9%	3.9%
Pending Change Orders	\$14,732	\$98,931	\$113,663
Number of Pending Changes	1	1	2
% of Base Contract	1.4%	1.4%	1.1%
Total Changes (Actual & Pending)	236,886	311,403	548,289
% of Base Contract (pending and approved Changes)	6.1%	4.3%	5.0%

Since both Fire Stations 47 and 53 are still under construction and are not expected to reach substantial completion until late February or March 2008, additional change orders may be identified and processed.

Observation 1: Change orders were properly supported. The eight change orders reviewed comprised of 45 CPRs and all but three of the CPRs had a complete set of documentation provided to SBC. Complete documentation consisted of the signed change order, contractor's estimate and support, URS independent estimate, and schedule update and narrative describing the impact, if necessary. In most cases, additional information was provided such as transmittals, emails, the originating RFI, bi-weekly contractor meeting minutes, or the Request for Proposal letter from the PM. The three missing items from the change orders were: 1) the independent URS estimate for CPR #5 on FS 53 (apparatus bay slab on grade thickness), 2) copies of the schedule and narrative for the 8-day time extension for Change Order #3 for FS 53, and 3) copies of the schedule and narrative for change order #4 on FS 47. These omissions from the change order file were not deemed material by SBC since these documents were found elsewhere in the project's files. Further, these schedule changes and justifications were also discussed at the contractor's bi-weekly meetings and during the invoicing process.

REVIEW AND APPROVAL (CONT'D)

Management Response: *Management concurs with observation.*

Public Works Construction management in conjunction with URS has established a thorough change order review process that this Observation supports.

Implementation: *None Required*

Observation 2: Change order pricing was adequately reviewed by the City and appear to be appropriate and reasonable. As mentioned in Observation 1, all but one of the CPRs contained both the contractor's proposal and URS' independent estimate. Given that these CPRs were reviewed and discussed by the City at the contractor's bi-weekly meeting and before going to the City Manager and the Commission, SBC is comfortable that change order pricing was adequately reviewed by the City and appropriate and reasonable and don't result in an underserved benefit to the contractor and corresponding detriment to the City. Further, the variances between the contractor's proposal and the independent estimate were not significant and the lower number was typically used to price the change.

The only concern that SBC has is that the City's participation in these bi-weekly meetings is not mandatory, certain key members were absent, or that other divisions of the City, such as Legal and Contracts, were not represented.

Management Response: *Management concurs with observation.*

Public Works Construction management in conjunction with URS has established a thorough change order review process that this Observation supports. This includes the utilization of counter estimates to insure that the final cost is appropriate and reasonable.

Implementation: *None Required*

Observation 3: The Fire Station Program should consider enhancing the change review process. Given the fact that cost escalation, change orders risks, and other factors have recently forced the scope and approach of the Fire Bond Program to be re-baselined, a formalized Change Control Board (CCB) should be created. The CCB would become the epicenter of decision making of the Program where all issues which affect scope, cost and schedule are evaluated and debated by the significant players of the Fire Bond Program before they are presented to the Blue Ribbon Committee and the City Commission. The CCB's scope should include change orders, bid results, project closeouts, and any changes in scope or approach necessary to stay within the \$40 million Fire Bond Program. The stakeholder requesting a change should present a standard package of data, information, and justification to the

REVIEW AND APPROVAL (CONT'D)

CCB and be prepared as though the presentation was to the Commission. The membership the CCB could comprise of the members of the City and URS who currently review change orders (City Engineer, Public Works Director, City Construction Manager, Assistant City Engineer, City Architect, Fire Department...etc), and include representatives from the Office of Management and Budget (OMB), Contracts, and the Legal department. With a structured and thorough review of changes from many different perspectives, the City Commission and the Fire Station Bond Blue Ribbon Committee should have greater confidence that due diligence was performed on these changes.

Management Response: *Management does not concur with this Observation.*

See Management's Response to Observation A2.

BIDDING AND PURCHASING REVIEW

A. Objectives

The SBC team was engaged to review and audit the Fire Station Bond Program in relation to the 16 scope and factors outlined in the Request for Proposal (RFP). The focus of this review is two-fold: 1) to evaluate the Program documents bidding process, compare to both generally accepted procurement methodologies and best practices and 2) to evaluate the process used for materials purchasing in the Program.

B. Methodology and Process

In order to accomplish this objective, SBC's work plan included the following activities:

- Review and analyze the Program's bidding process,
- Review and analyze the material purchase process,
- Compare bidding process with generally accepted methods.

C. Bidding Process Review

The two awarded construction projects issued bid packages to tender construction contracts and both followed the classic design/bid/build approach. It is expected that the remaining eight fire stations will be issued following this approach as well. For the two active projects, as well as the future projects, the City wants to draw the interest of the largest potential pool of contractors and ensure a competitive bidding climate. As a result, the construction manager assesses the probable response and advises the City Engineer the appropriate timing for advertising and bidding. Further, the City advertises the project on the City's website, trade periodicals, and may actively solicit known qualified contractors to bid on the work.

The bid package itself typically consists of a specification package describing the conditions of the work and a set of drawings showing the scope of the work. The specifications are grouped into two major categories: "Bidding and Contract Requirements" and "Technical Specifications". These bid packages are released for bidding to all interested pre-qualified bidders. Pre-bid meeting will take place, questions will arise from the bidders, and addendum may be release in response to these questions. Most importantly adequate time must be given to the bidders to analyze and price the work. Usually a period of 30 days is given to contractors to price the work. Once the bids are open and a contractor is selected, it is not uncommon in the industry for the process of procuring the contract to take another 30 days. In the construction

BIDDING PROCESS REVIEW (CONT'D)

industry, the bidding process typically takes two to three months before notice to proceed can be issued.

The Bid and Contract Requirements serve as an instruction to bidders outlining the requirements needed to submit the bid proposal to the Program. Typical items outlined are the bid forms, insurance requirements, and any special conditions that may alter the conditions commonly used in the Program. The Technical Specifications outline the requirements of the contract. It describes the scope of the work, the expectations from both the owner and contractor, and may at time indicate the expected method for performing a part of the work.

Observation 1: The Program bidding process is consistent with methodologies commonly used for these types of projects. For these types of construction projects - buildings that are \$3 million to \$6 million, the design/bid/build approach and the City's bidding process are consistent with generally accepted procurement and best practices.

The City should continue to advertise the Fire Station bid packages to the largest audience possible to attract the largest number of possible qualified bidders. Given the current construction climate, the City should solicit reputable contractors, particularly those in Ft. Lauderdale and South Florida that are not currently pre-qualified, to go through the pre-qualification process.

Management Response: Management concurs with observation.

The City's Procurement and Public Works Departments have established a prequalification process for contractors on the Fire Bond Program. This process was used on Fire Stations 53 and 47.

The prequalification process ensures contractors:

- *Are financially secure;*
- *Have successfully completed numerous projects on time and within budget; and*
- *Have previous experience in public safety projects.*

This process will continue for the remaining Fire Rescue Bond Projects.

Implementation: None Required

D. Purchasing Materials Review

Another important component of the bidding process is the methodology used for material purchase. When purchasing these items, the City follows established City Procurement processes.

When the City directly purchases items, rather than the contractor, there is an opportunity to yield cost savings to the Program. The City potentially can save money in three basic ways: 1) pays no sales tax (6% savings); 2) receives a better price due to bulk purchasing; and 3) does not pay any contractor markup. However, when directly purchasing material, its easy for potential savings can be reduced or lost completely. Potential savings are reduced since the City must manage the direct purchase, store the material, transport and receive the materials on the construction site on time and in a manner not to interfere with the contractor.

For the City to consider directly purchasing material on the Fire Bond Program, and to maximize potential savings from the direct purchase, the materials purchased should meet the following basic requirements:

- Commodity items that are readily available;
- Limited storage required;
- No risk of damaged during storage;
- Defective qualities can easily detected; and
- Materials not susceptible to theft.

The City has decided to purchase specific items directly on the Fire Bond Program. The items to be purchased include, but are not limited to: furniture, lockers, beds and bedding, specialty signage, weight room equipment, televisions, and computers. These items appear to meet the requirements listed above and should maximize potential savings realized by the City.

Observation 2: The Fire Station Bond Program is effectively purchasing materials directly. As mentioned above, the City is purchasing, or plans to purchase, specific items directly on the Fire Bond Program that should maximize potential savings. The items include furniture, lockers, beds and bedding, specialty signage, weight room equipment, televisions, and computers. For FS 47 and 53, as well as the other six new stations that will be built as defined in the current Program, the City will purchase approximately \$2.9 million of materials directly. This value represents 11.5% of the estimated construction value of the eight new stations and 7% of the overall Fire Bond Program (see Appendix 3).

Management Response: *Management concurs with Observation.*

The City's Fire, Procurement, and Public Works Departments work closely together to ensure City funds are used efficiently and effectively.

Implementation: *None Required*

INVOICE PROCESSING REVIEW

A. Objectives

This review focuses specifically on the invoice review process. SBC will review the contract billing procedure to determine if it is adequate and identify any cost exceptions, potential contract control deficiencies, potential overcharge exposures on future contract billings, and recommend control improvements.

B. Methodology and Process

In order to accomplish the objective, SBC's work plan included obtaining an understanding of the current process by reviewing the City's Invoice Review Procedure and conducting interviews with key reviewers and approvers from the Construction/Construction Manager (URS) and the City. These interviews were focused on the following information:

- Roles and responsibilities of the reviewers;
- Segregation of duties between the other reviewers/approvers;
- Compliance with State and City requirements;
- Dispute or error correction frequency and involvement; and
- Key metrics (i.e. invoice volumes, review durations, etc.).

Note that the objective of this report does not include a review of invoices for fraudulent activities or misrepresentations from contractors or professional service (consultant) firms; a review of the City of Ft. Lauderdale's payment process (after the City's Director of Public Works signs off); confirmation of payment to the contractor/consultant; nor a review of the qualifications of all resources performing the invoice processing activities.

C. Invoice Review Procedure and Process

To accomplish this objective and follow the City's methodology and process, the SBC Team divided the review of the Invoice Review Process two distinct areas: 1) the Invoice Review Procedure and 2) the Invoice Review Process. These areas were reviewed through direct observations, interviews and discussions with key City and URS project team members, and review of invoices and supporting documentation. Any findings or weaknesses, as well as any recommended improvement, are identified at the end of each area.

INVOICE REVIEW PROCEDURE

The Invoice Review Procedure (Section 7.7 of the Program Manual) is essentially comprised of: 1) a write-up outlining the process and review's focal points; 2) a sample pay application. The Invoice Review Process Section below briefly describes the forms and the role and responsibility of the respective review focus for Construction contractor invoices.

Observation 1: Payment Application document does not contain basic contractual information necessary for proper invoice review. Basic contractual information such as Notice to Proceed (NTP), Original Completion Date, Current Completion Date, and Progress Percent Complete are not shown on the invoice. By not having these standard details, it makes the review process more difficult or time consuming for staff. This information is necessary for several of the key compliance tests such as to test: 1) the schedule and cost affects of change orders; 2) whether the work was performed within the timeframe of the contract; and 3) whether the work was performed within the approved value of the contract.

Management Response: Management concurs with Observation.

While the standard Payment Request Form contains a wealth of information, going forward Public Works will attach additional document that will include additional contractual information, such as notice to proceed, the original and current completion dates, and percentage complete, as well as any other required information.

Implementation: Complete

INVOICE REVIEW PROCESS

Invoices passing through the review process consist of construction and consultant invoices and all, regardless of their dollar amount or scope of service, go through the review process as outlined below. The process actually has two phases: A) a Pencil Copy Review and B) the Invoice Review. Both phases are critical to the diligent and timely review of every Fire Station Bond invoice.

A) Pencil Copy (Preliminary) Review

Before an "Original" invoice is officially submitted, a preliminary review, called a "Pencil Copy" review, is conducted with representatives from the contractor, the URS Project Manager, URS Construction Manager, and the Architect/Engineer (A/E) of record. This preliminary review allows the contractor and the URS Construction Manager an opportunity to review a "Draft" invoice, during which, they can confirm work completed during the month (Earned Value), as well as any errors, mistakes and concerns with the invoice before an original is submitted. If done diligently, this review should allow for an efficient and expedited review of the original invoice when submitted.

INVOICE REVIEW PROCESS (CONT'D)

B) Invoice Review

The Invoice Review process begins when the contractor submits an "Original" invoice for payment which incorporates all discrepancies identified in the Pencil Copy Review. Upon arrival of the original invoice to the URS Project Manager (PM), the document begins the following review process and starts the State mandated 25-business day Prompt Pay clock. The PM will forward the payment application to the A/E to start the review process.

The invoice, in order to be a valid invoice, must contain the follow back-up information before it is reviewed and processed: 1) signed invoice, 2) approved Schedule of Values, 3) copy of the Notice to Proceed, 4) Consultant's Letter of Certification, 5) current Certificates of Insurance, 6) Release of Liens, 7) executed Change Orders, 8) current Construction Schedule (w/CD), 9) monthly progress pictures (w/CD), 10) project specific back-up information, and 11) stored materials required backup (if applicable).

A/E OF RECORD

The A/E is the first to review the Payment Application and verifies that the work was performed according plans and specifications, as well as well progress. If the amount invoiced accurately reflects these criteria, the A/E will sign off the approval of the invoice on the Payment Application and pass it back to the URS PM. If discrepancies are found during this review, the A/E will not sign the invoice and return it to the URS PM, who's responsible for mitigating any of the discrepancies with the Contractor. For Design or Services invoices, this step is not necessary and the invoice will begin with the Assistant City Engineer.

URS PROJECT MANAGER

The URS Project Manager (PM) has the ultimate responsibility to ascertain that the payment request is accurate and complete. The PM reviews the invoice to ensure all of the required items for a complete invoice are present; verifies that there are no mathematical errors; that the amount billed equals the agreed amount from the Pencil Copy review; and that all other agreed-upon changed identified during the Pencil Copy review are incorporated. The URS Construction Manager (CM) will also review the invoice. If there are discrepancies in the pay application, efforts will be made by the PM to identify and obtain all missing information from the Contractor. After signing the invoice, the PM will pass the invoice to the City's Construction Manager.

For Design Engineering invoices, this task is performed by the Assistant City Engineer.

INVOICE REVIEW PROCESS (CONT'D)

CITY'S CONSTRUCTION MANAGER

The City's Construction Manager is responsible for the contractual and financial compliance reviews. The contractual compliance review has three primary areas of focus: 1) to ensure that the payment meets the terms and conditions of the contract; 2) that all change orders and tasks are properly authorized; and 3) all contractual requirements are supported by the appropriate documentation. This verification includes a confirmation that an executed contract exists, a Notice to Proceed (NTP) was issued, insurance and surety certificates are in effect; Monthly Schedule Update is provided; and all other required authorizations are attached.

The financial compliance review involves a verification that all calculations in the invoice are correct; retainage has met contractual requirements; retention releases are accompanied by an authorization for release; stored materials are supported; and that previous billed-to-date values are correct. Staff also creates the Financial and Accounting Management Information System (FAMIS) excel coversheet. The coversheet provides the Finance Department pertinent project information such as: project number; project description; purchase order number; funds encumbered on the purchase order; the date the contract was approved by the City Commission; the pay request number; and the Contractor's name and address. To perform this task, staff will check FAMIS to ensure that the purchase order and all change orders are posted and the contractor's name and address match the information in FAMIS.

Once the contractual and financial reviews are completed and the FAMIS cover sheet is prepared, the City's Construction Manager will sign the invoice and the coversheet and pass the invoice to the Accounting Department for payment processing.

During the time of this review, the payment process was temporarily modified due to the short-term vacancy of the City Construction Manager's position. As a result, the City's Director of Public Works, City Engineer, or Construction staff have performed the invoice review function and have attending contractor and field meetings.

Observation 2: The application of costs to approved funding sources weren't consistent from invoice to invoice. Fire Stations 47 and 53 are both under construction and have multiple funding sources. SBC observed that a standard percentage of cost for each funding source wasn't applied to invoices processed. For instance, FS 53 has a total appropriation of \$10,101,741, of which \$5,724,144 (57%) is funded by Fire Station Bond proceeds; \$3,702,597 (36%, which also includes FDOT funds) is funded by the Executive Airport, and \$675,000 (7%) is funded by General Capital funds. Neither these percentages, nor adjusted percentages to accommodate change orders, are being applied consistently to invoices. For example, the percentage of costs applied to each funding source for Invoices 10, 11 and 12 from West Construction (the construction contractor) varied for each invoice even though the approved contract value for each of these invoices was \$7,398,125.66. During this time, no change orders were processed or invoiced that could have affected the percentage.

INVOICE REVIEW PROCESS (CONT'D)

SBC recommends that a funding breakdown sheet be prepared and included in the invoice when the FAMIS excel coversheet is prepared. This will provide more consistent control of the use of project funding and ensure that established funding participation will be adhered to.

Management Response: *Management concurs with this Observation with clarification.*

The Observation is only for Fire Station 53. Station 53 is funded from four sources: Fire Bond; Florida Department of Transportation Airport Grants; Airport Enterprise Capital; and General Fund. At the beginning of Fire Station 53 project, specific percentage of costs for Airport related costs and the Fire Bond/General Fund costs were established and fund transfers. Appropriations and encumbrances were made per those established percentages.

Individual monthly payment estimates may vary due to the amount of work the contractor performed that month. For instance, if the majority of the work completed were associated with the new Emergency Operations Center (EOC), a higher percentage of Fire Bond/General Fund would be charged since the EOC is not for Airport Fire Operations.

Furthermore, each contract change order is evaluated for its preoperational costs associated with Airport or Fire Bond/General Fund, and each fund is charged for its appropriate cost.

Completion of Fire Station 53 will establish final cost appropriations that will be approved by City Commission.

Implementation: *Construction contract completion.*



Appendices

This Section Contains:

- ◆ Appendix 1 – Current FAMIS Appropriations
- ◆ Appendix 2 – Original Cost per Fire Station
- ◆ Appendix 3 – Current Station Cost (Re-baseline) October 2007
- ◆ Appendix 4 – Remaining Eight Fire Stations
- ◆ Appendix 5 – Current FAMIS Sub-object Codes
- ◆ Appendix 6 – Change Order Review

APPENDIX 1

Current FAMIS Appropriations

FIRE SAFETY BOND PROGRAM - BOND FUNDED

11/26/07

LOCATION	APPROPRIATIONS	EXPENDITURES	ENCUMBRANCES	BALANCES
P10766 Fire Station 47	3,687,870.00	3,051,121.00	643,397.00	(6,648.00)
P10363 Fire Station 53/88	5,684,104.00	4,305,200.00	1,283,911.00	94,993.00
P10912 Fire Station 49	504,541.00	178,577.00	169,467.00	156,497.00
P10905 Fire Station 29	3,039,054.00	340,251.00	193,981.00	2,504,822.00
P10914 Fire Station 54	428,457.00	86,283.00	147,597.00	194,577.00
P10911 Fire Station 46	854,198.00	2,350.00	107,741.00	744,107.00
P10916 Fire Station 03	425,257.00	44,737.00	195,284.00	185,236.00
P10918 Fire Station 13	109,741.00	0.00	99,741.00	10,000.00
P10919 Fire Station 35	109,741.00	2,850.00	99,741.00	7,150.00
P10909 SE Fire Station - Fire Station 8	2,870,038.00	0.00	103,620.00	2,766,418.00
P10910 SE Fire Station Land Acquisition	1,857,000.00	9,500.00	0.00	1,847,500.00
Total Stations	19,570,001.00	8,020,869.00	3,044,480.00	8,504,652.00
P11024 New Fire Stations Shared Project Costs	30,000.00	3,702.00	0.00	26,298.00
P11238 Temporary Fire Station 29 Modifications	50,000.00	47,848.00	0.00	2,152.00
P00274 Bond & Other Financial Expenses	298,423.50	298,424.00	0.00	0.00
Total Fire Bond	19,948,424.50	8,370,843.00	3,044,480.00	8,533,102.00

E SAFETY BOND PROGRAM - GENERAL FUND CIP FUNDED

LOCATION	APPROPRIATIONS	EXPENDITURES	ENCUMBRANCES	BALANCES
P10766.331 Fire Station 47	1,000,000.00	133,416.00	865,660.00	924.00
P10363.331 Fire Station 53/88	675,000.00	526,246.00	74,251.00	74,503.00
Totals	1,675,000.00	659,662.00	939,911.00	75,427.00

AIRPORT FUNDED STATION 53/88

P10363.468 Fire Station 53/88	3,702,597.00	2,776,512.00	516,840.00	409,245.00
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APPENDIX 2

FIRE STATION BOND

Original Cost per Fire Station

No	Phase	Fire Station	Size (sq ft)	Design & Engineering	Construction	Right of Way	Temporary Facilities	Furniture	Total Station Cost	Assumption Gap	Bond Cost
1	1	8	12,000	410,000	3,000,000	1,350,000	225,000	150,000	5,135,000	(250,000)	4,885,000
2	1	29	12,000	410,000	3,000,000		225,000	150,000	3,785,000	(25,000)	3,760,000
3	1	47	12,000	410,000	3,000,000		225,000	150,000	3,785,000	(25,000)	3,760,000
4	1	53	12,000	410,000	3,000,000		225,000	150,000	3,785,000	(250,000)	3,535,000
5	2	46	12,000	410,000	3,000,000		225,000	150,000	3,785,000	(25,000)	3,760,000
6	2	49	12,000	410,000	3,000,000		225,000	150,000	3,785,000	(25,000)	3,760,000
7	2	54	12,000	410,000	3,000,000		225,000	150,000	3,785,000	(25,000)	3,760,000
8	3	3	12,000	410,000	3,000,000		225,000	150,000	3,785,000	(25,000)	3,760,000
9	3	13	15,000	410,000	3,750,000		225,000	150,000	4,535,000	(25,000)	4,510,000
10	3	35	15,000	410,000	3,750,000		225,000	150,000	4,535,000	(25,000)	4,510,000
Totals				4,100,000	31,500,000	1,350,000	2,250,000	1,500,000	40,700,000	(700,000)	40,000,000

Notes and Assumptions:

- 1) The cost breakdown is based on Exhibit A, dated July 13, 2004, from the Fire Rescue Facilities Bond Issuance Resolution (Resolution No. 04-145)
- 2) Construction costs are estimated at \$250 per square foot. It is assumed that this figure includes inflation, contingency and most equipment (not furniture).

APPENDIX 3

Current Station Cost (Re-baseline) October 2007

Fire Station	Construction	Property	Equipment	Engineering	Temp Facility	Prog. Mngmt	Inflation	Contingency	Total Budget
47	\$3,366,000		\$365,000					\$300,000	\$4,031,000
53	\$5,075,000		\$365,000					\$300,000	\$5,740,000
49	\$3,060,000		\$365,000	\$415,000	\$200,000	\$105,000	\$165,000	\$50,527	\$4,360,527
29	\$2,550,000		\$365,000	\$330,000	\$100,000	\$105,000	\$135,000	\$65,060	\$3,650,060
54	\$1,000,000			\$170,000			\$146,000	\$43,366	\$1,359,366
46	\$3,131,000		\$365,000	\$430,000		\$105,000	\$320,000	\$72,071	\$4,423,071
3	\$2,550,000		\$365,000	\$330,000		\$105,000	\$130,000	\$67,448	\$3,547,448
13	\$1,000,000			\$170,000			\$100,000	\$39,526	\$1,309,526
35	\$3,131,000		\$365,000	\$430,000	\$200,000	\$105,000	\$515,000	\$63,088	\$4,809,088
8	\$2,550,000	\$2,000,000	\$365,000	\$330,000		\$105,000	\$714,000	\$50,914	\$6,114,914
Total Station	\$27,413,000	\$2,000,000	\$2,920,000	\$2,605,000	\$500,000	\$630,000	\$2,225,000	\$1,052,000	\$39,345,000
Costs									\$5,000
Temp FS29 Modifications									\$50,000
Bond Costs									\$600,000
Total Fire Bond									\$40,000,000
General Fund									
47									\$1,000,000
53/88									\$675,000
Total General Fund									\$1,675,000
Notes and Assumptions:									
Airport									
53/88									\$3,702,597

APPENDIX 4

Remaining Eight Fire Stations

Original Budget					Current Estimate							Difference (Current less Original)	
Fire Station	Size (sq ft)	Construction Cost (\$250/sq ft) (1)	Other Original Costs (2)	Total Bond Cost (All Costs)	Proposed Size (sq ft)	Construction Cost (\$255/sq ft)	Inflation	Contingency	Subtotal Inflation & Contingency	Other Current Costs (3)	Current Estimate (All Costs)	Square Footage Difference	Difference in Cost
8	12,000	3,000,000	1,885,000	4,885,000	10,000	2,550,000	714,000	50,914	764,914	2,800,000	6,114,914	(2,000)	1,229,914
29	12,000	3,000,000	760,000	3,760,000	10,000	2,550,000	135,000	65,060	200,060	900,000	3,650,060	(2,000)	(109,940)
46	12,000	3,000,000	760,000	3,760,000	12,200	3,111,000	320,000	72,071	392,071	920,000	4,423,071	200	663,071
49	12,000	3,000,000	760,000	3,760,000	12,000	3,060,000	165,000	50,527	215,527	1,085,000	4,360,527	-	600,527
54	12,000	3,000,000	760,000	3,760,000	N/A	N/A	146,000	43,366	189,366	1,170,000	1,359,366	N/A	(2,400,634)
3	12,000	3,000,000	760,000	3,760,000	10,000	2,550,000	130,000	67,448	197,448	800,000	3,547,448	(2,000)	(212,552)
13	15,000	3,750,000	760,000	4,510,000	N/A	N/A	100,000	39,526	139,526	1,170,000	1,309,526	N/A	(3,200,474)
35	15,000	3,750,000	760,000	4,510,000	12,200	3,111,000	515,000	63,088	578,088	1,120,000	4,809,088	(2,800)	299,088
TOTALS	102,000	25,500,000	7,205,000	32,705,000		16,932,000	2,225,000	452,000	2,677,000	9,965,000	29,574,000		(3,131,000)
					% of Construction Cost		13.1%	2.7%	15.8%				

	<u>Check</u>
Net increases for the six new fire stations:	2,470,108
Net decreases from the 2 refurbished fire stations:	(5,601,108)
	(3,131,000)

Notes and Assumption:

- 1) The Original Cost estimated for Fire Stations 47 and 53 is based on Exhibit A, dated 7/13/04, from Resolution No. 04-145.
- 2) Other Original Costs include Design & Engineering, Temporary Facilities, Right-of-way, and Furniture.
- 3) Current Current Costs include Design & Engineering, Temporary Facilities, Right-of-way, Furniture and Equipment, and Program Management costs.
- 4) Stations designated as "Battalion" typically have 3 bays (FS 47 and 53 have 4 bays), while "satellite" stations typically have 2 bays (FS 46 has 3 bays).

APPENDIX 5

Current FAMIS Sub-object Codes

CLASSIFICATION KEY	DESCRIPTION	START DATE	END DATE
60	CAPITAL OUTLAY		
60 610	LAND		
60 610 6101	LAND ACQUISITION	01/01/90	01/01/99
60 620	BUILDINGS & STRUCTURES		
60 620 6201	BUILDING ACQUISITION	01/01/90	01/01/99
60 620 6204	BUILDING RENOVATION	01/01/90	01/01/99
60 630	IMP OTHER THAN BLDGS		
60 630 6301	IMPROVEMENT ACQUISITION	01/01/90	01/01/99
60 640	EQUIPMENT		
60 640 6401	COMMUNICATIONS EQUIP	01/01/90	01/01/99
60 640 6404	COMPUTER EQUIPMENT	01/01/90	01/01/99
60 640 6405	COMPUTER SOFTWARE	01/01/90	01/01/99
60 640 6407	MACHINERY	01/01/90	01/01/99
60 640 6410	NEW SERVICES/METERS	01/01/90	01/01/99
60 640 6413	OFFICE FURN & EQUIP	01/01/90	01/01/99
60 640 6416	VEHICLES	01/01/90	01/01/99
60 640 6419	VEHICLE ADD-ONS	01/01/90	10/30/00
60 640 6499	OTHER EQUIPMENT	01/01/90	01/01/99
60 650	CONST IN PROGRESS		
60 650 6501	FORCE ACCOUNT CHARGES	01/01/90	01/01/99
60 650 6504	LAND ACQUISITION	01/01/90	01/01/99
60 650 6510	SITE IMPROVEMENTS	01/01/90	01/01/99
60 650 6514	SURVEY/APPRaisal FEES	01/01/90	01/01/99
60 650 6518	OTHER LAND COSTS	01/01/90	01/01/99
60 650 6520	BUILDING ACQUISTION	10/17/97	01/01/99
60 650 6522	BUILDING MODIFICATIONS	01/01/90	01/01/99
60 650 6526	BUILDING MATERIALS	01/01/90	01/01/99
60 650 6530	ARCHITECTURAL FEES	01/01/90	01/01/99
60 650 6534	ENGINEERING FEES	01/01/90	01/01/99
60 650 6538	OTHER BUILDING COSTS	01/01/90	01/01/99
60 650 6542	INSPECTION FEES	01/01/90	01/01/99
60 650 6544	LEGAL SERVICES	07/01/99	01/01/99
60 650 6546	TESTING SERVICES	01/01/90	01/01/99
60 650 6550	ADMINISTRATION	01/01/90	01/01/99
60 650 6551	LEASES & RENTALS	02/01/02	01/01/99
60 650 6554	PERMIT COSTS	01/01/90	01/01/99
60 650 6564	EQUIPMENT PURCHASES	01/01/90	01/01/99
60 650 6568	INTEREST CAPITALIZATION	10/01/96	01/01/99
60 650 6599	CONSTRUCTION	01/01/90	01/01/99
90 990 9950	CONTINGENCIES	01/01/90	01/01/99

APPENDIX 6

CHANGE ORDER REVIEW

Approved Change Orders

FIRE STATION 47

Base Contract	\$3,866,700.00	280 days
Change Order #1	\$52,720.31	0 days
Change Order #2	\$68,782.14	0 days
Change Order #3	\$2,431.27	0 days
Change Order #4	\$98,220.01	16 days
Total Change Orders	\$222,153.73	16 days
% of Base Cost	5.7%	
Total Contract Cost	\$4,088,853.73	296 days

FIRE STATION 53

Base Contract	\$7,204,000.00	260 days
Change Order #1	\$128,863.13	0 days
Change Order #2	(\$9,147.49)	0 days
Change Order #3	\$74,410.02	8 days
Change Order #4	\$18,346.74	38 days
Total Change Orders	\$212,472.40	46 days
% of Base Cost	2.9%	
Total Contract Cost	\$7,416,472.40	306 days

Combined Approved Change Orders		
Total Change orders:	\$434,626.13	3.9%
Base Contract Amount:	\$11,070,700.00	

Pending Change Orders

<table style="width: 100%;"> <tr> <td>Proposed CO</td> <td style="text-align: right;">\$14,732.94</td> <td style="text-align: right;">0 days</td> </tr> <tr> <td>Pending Value</td> <td style="text-align: right;">\$4,103,586.67</td> <td style="text-align: right;">296 days</td> </tr> <tr> <td>Pending %</td> <td style="text-align: right;">6.1%</td> <td></td> </tr> </table>	Proposed CO	\$14,732.94	0 days	Pending Value	\$4,103,586.67	296 days	Pending %	6.1%		<table style="width: 100%;"> <tr> <td>Proposed CO</td> <td style="text-align: right;">\$98,930.80</td> <td style="text-align: right;">0 days</td> </tr> <tr> <td>Pending Value</td> <td style="text-align: right;">\$7,515,403.20</td> <td style="text-align: right;">306 days</td> </tr> <tr> <td>Pending %</td> <td style="text-align: right;">4.3%</td> <td></td> </tr> </table>	Proposed CO	\$98,930.80	0 days	Pending Value	\$7,515,403.20	306 days	Pending %	4.3%	
Proposed CO	\$14,732.94	0 days																	
Pending Value	\$4,103,586.67	296 days																	
Pending %	6.1%																		
Proposed CO	\$98,930.80	0 days																	
Pending Value	\$7,515,403.20	306 days																	
Pending %	4.3%																		

Combined w/pending Change Orders		
Total Change orders:	\$548,289.87	5.0%
Base Contract Amount:	\$11,070,700.00	



Reference Material



RESOLUTION NO. 04-124

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA, AUTHORIZING TRANSMITTAL OF BALLOT LANGUAGE TO THE SUPERVISOR OF ELECTIONS FOR THE NOVEMBER 2, 2004 GENERAL ELECTION PROPOSING THAT THE CITY ISSUE GENERAL OBLIGATION BONDS IN AN AMOUNT NOT TO EXCEED \$40,000,000 TO PAY THE COST OF IMPROVEMENTS TO FIRE-RESCUE FACILITIES AND TO PAY THE COST OF NEW FIRE-RESCUE FACILITIES; AUTHORIZING THE CITY ATTORNEY TO DRAFT APPROPRIATE BALLOT LANGUAGE; AUTHORIZING ADVERTISING AND TWO PUBLIC READINGS OF AN ORDINANCE APPROVING A REFERENDUM APPROVING THE ISSUANCE OF GENERAL OBLIGATION BONDS; DIRECTING THE CITY CLERK TO FORWARD A CERTIFIED COPY OF THIS RESOLUTION TO THE SUPERVISOR OF ELECTIONS OF BROWARD COUNTY, FLORIDA.

WHEREAS, at its meeting of July 7, 2004, the City Commission heard additional reports by staff regarding the need for new fire-rescue facilities and improvements to existing fire-rescue facilities; and

WHEREAS, the City Commission wishes to transmit ballot language to the Supervisor of Elections regarding the issuance of general obligation bonds to pay the cost of improvements to existing fire-rescue facilities and to provide for new fire-rescue facilities;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA:


SECTION 1. That the City Commission hereby authorizes transmittal of ballot language to the Supervisor of Elections for the November 2, 2004 General Election proposing that the City issue General Obligation Bonds in an amount not to exceed \$40,000,000 to pay the cost of improvements to existing and develop new fire-rescue facilities.

SECTION 2. That the City Attorney is hereby authorized to draft appropriate ballot language which, in his judgment, evinces the City Commission intent for inclusion in the November 2, 2004 general election ballot.

SECTION 3. That the City Commission hereby authorizes advertising and scheduling of a proposed resolution approving a referendum for issuance of a general obligation bond for payment of the cost of improvements to existing and develop new fire-rescue facilities.

SECTION 4. That the City Clerk is hereby directed to forward a certified copy of this Resolution to the Supervisor of Elections of Broward County, Florida.

ADOPTED this the 7th day of July, 2004.



Mayor
JIM NAUGLE

ATTEST:



City Clerk
JONDA K. JOSEPH

L:\COMM2004\RESOS\JULY7\04-124.WPD

04-124



CITY OF
FORT LAUDERDALE

Venice of America

CITY CLERK'S OFFICE
ORDINANCE AND RESOLUTION DISTRIBUTION


Department/Division	Staff Representative
Administrative Services	Diana McDowell
Budget Office	Margaret Evan
Code	Lori Milano
Community Development	Marti Fishkin
Construction Services	Lisbeth Maiden/Shayne Regnery
Docks and Waterways	Marilyn Kimball
Economic Development	
Engineering	Tony Irvine
Executive Airport	Tiffany Gnisci
Finance	Linda Cohen
Fire-Rescue	Hattie Brinson
General Employees Pension	Dave Desmond
Internal Audit	Cindy Stewart
Labor Relations	Donna Klindt
Parking	Jamie Cryan
Parks and Recreation	Lori Dimeolo
Payroll	Holly Davidson
Personnel	Jerry Crossley
Police	Sue Lewis
Police and Firefighters Pension	Lynn Wenguer
Police Legal	Beverly Colhower
Public Services	
Real Estate	Victor Volpi
Sanitation Rate Increases	Ed Udvardy
Street Name Additions and Changes	Peter Partington, Ian Wint, Broward County Traffic Engineering, BellSouth, FPL and U.S. Post Office
Treasury	Bonnie Fabian
Water and Sewer Rate Increases	
OTHER:	
OTHER:	
OTHER:	
Other Agencies/Individuals	
Applicant	
Broward County Library	
Broward County Records	
Property Appraiser	
OTHER:	
OTHER: SOE	
OTHER:	


MEMORANDUM NO. 04-1091

DATE: July 13, 2004

TO: Mayor Jim Naugle
Vice-Mayor Dean J. Trantalis
Commissioner Christine Teel
Commissioner Carlton B. Moore
Commissioner Cindi Hutchinson

FROM: Alan A. Silva, Acting City Manager

VIA: Otis J. Latin, Sr., Fire Chief/Director 

BY: Keith P. Allen, Deputy Chief, Operations 

SUBJECT: July 26, 2004 Agenda – Resolution Providing for the Issuance of a Fire-Rescue Facilities General Obligation Bond

On July 7, 2004, following staff reports made on the condition of fire-rescue facilities and appropriate funding solutions, the City Commission passed Resolution No. 04-124 authorizing the City Attorney to proceed with the necessary process for a referendum seeking public approval of a Fire-Rescue Facilities General Obligation Bond.

The referendum will seek approval from the qualified electors to issue general obligation bonds not exceeding \$40,000,000, maturing within thirty (30) years, bearing interest not exceeding the maximum legal interest rate, payable from ad valorem taxes levied by the City, to pay for Fire-Rescue Facilities. We have attached a report showing the general cost components and phases associated with Fire-Rescue Facility projects.

The resolution before you outlines the issuance of bonds and project authorization process, provides the drafted ballot language for placing this referendum on the November 2, 2004 General Election ballot, and authorizes the City Clerk and Supervisor of Elections to proceed with necessary steps regarding the ballot, elector qualification, and public notice process.

Staff recommends approval of the resolution providing for the issuance of a Fire-Rescue Facilities General Obligation Bond.

AAS:OJL:KPA:ps

Attachment

RECEIVED

SEP 23 2004

OFFICE OF THE FIRE CHIEF

RESOLUTION NO. 04-145

A RESOLUTION PROVIDING FOR THE ISSUANCE OF CITY OF FORT LAUDERDALE, FLORIDA ("CITY") GENERAL OBLIGATION BONDS NOT EXCEEDING THE AMOUNT OF \$40,000,000 TO PROMOTE MUNICIPAL PURPOSES BY FINANCING THE COST OF IMPROVEMENTS TO FIRE-RESCUE FACILITIES AND TO PAY THE COST OF NEW FIRE-RESCUE FACILITIES AS DESCRIBED HEREIN; CALLING FOR A BOND REFERENDUM OF THE QUALIFIED ELECTORS OF THE CITY TO BE HELD ON NOVEMBER 2, 2004 AS TO WHETHER SAID GENERAL OBLIGATION BONDS SHOULD BE ISSUED.

WHEREAS, the Constitution and laws of the State of Florida, Chapter 166, Florida Statutes, as amended and supplemented, the City's Charter and other applicable provisions of law authorize and empower the City to adopt this resolution; and

WHEREAS, the City Commission has received and reviewed the staff report made by the Fire-Rescue Department, which report contains the uses and purposes for the issuance of general obligation bonds ("Report") and is attached hereto as Exhibit "A" and incorporated herein; and

WHEREAS, the City has determined that it is necessary and desirable for the promotion of various municipal purposes and for the health, safety and welfare of the citizens of the City that the City undertake the municipal projects (collectively, the "Fire-Rescue Facilities" and, individually, the "Facilities") described herein; and

WHEREAS in order to pay the City's cost of such municipal facilities, it is necessary to issue general obligation bonds of the City as hereinafter described; and

WHEREAS, it is necessary to call and hold a bond referendum to determine whether the residents of the City who are qualified electors approve the issuance of such bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA:

SECTION 1. Issuance of Bonds. Subject to a referendum provided for herein and pursuant to subsequent proceedings of the City, the City will issue general obligation bonds in an aggregate principal amount not exceeding FORTY MILLION DOLLARS (\$40,000,000), maturing at such time or times not exceeding thirty (30) years from their date or dates of issuance and bearing interest at a rate or rates not exceeding the legal maximum rate of interest, in each case

as shall be determined by resolution of the City prior to the time of sale thereof ("Bonds"). Such Bonds shall pledge the full faith and credit of the City and be payable from ad valorem taxes levied by the City without limit as to rate or amount on all taxable property within the City. The Bonds will be issued to provide funds which, together with other funds, will enable the City to accomplish the Facilities described in Section 2 hereof and to pay all costs of issuance of the Bonds.

SECTION 2. Authorization of Projects. The Report, which is available for inspection in the office of the City Clerk, describes the various component parts or portions of the Fire-Rescue Facilities. The estimated cost of each component is set forth in the Report. The City hereby finds, declares and determines that the Fire-Rescue Facilities will further important municipal purposes of the City. Accordingly, subject to approval of the issuance of the Bonds by the qualified electors of the City, as provided in Section 3 hereof, a sum not exceeding \$40,000,000 to pay the cost of acquiring, constructing, developing, extending, enlarging, improving, renovating, equipping and furnishing the Fire-Rescue Facilities, as more fully described in the Report attached hereto as Exhibit "A" is hereby authorized.

SECTION 3. Bond Referendum. A bond referendum ("Referendum") is hereby called to be held in conjunction with the general election to be held on November 2, 2004 for the purpose of determining whether the qualified electors of the City approve the issuance of the Bonds to finance, together with other funds, the cost to the City of the Fire-Rescue Facilities described in Section 2 hereof.

SECTION 4. Said Referendum shall be held at the same polling places in the several precincts, respectively, in the City as the polling places for the general election to be held on the same day. The inspectors and clerks who shall conduct said Referendum ("Election Officials") shall be the same as those selected and appointed for the general election. The polling places for the Referendum shall be open from 7:00 a.m. to 7:00 p.m. on the same day. In accordance with the Constitution and the laws of the State of Florida, all qualified electors of the City shall be entitled and permitted to vote in the Referendum.

SECTION 5. Ballots. Vote recorders, electronic voting or other means approved by the Supervisor of Elections shall be used at the Referendum. The ballot to be used in the Referendum shall be that portion of the booklet or other material attached to the vote recorded which shall contain statements of the question with respect to the Bonds submitted for approval of the qualified electors of the City. Said ballots shall be substantially in the following form and shall be hereinafter referred to as the "Ballot":

FIRE-RESCUE FACILITIES BOND ISSUANCE

Shall the City of Fort Lauderdale, Florida issue general obligation bonds not exceeding \$40,000,000, maturing within thirty (30) years, bearing interest not exceeding the maximum legal interest rate, payable from ad valorem taxes levied by the City, to pay for Fire-Rescue Facilities, as described in Resolution No. 04-124?

YES, for approval _____

NO, for rejection _____

SECTION 6. Voting Instructions. Electors desiring to vote for the issuance of the Bonds shall be instructed to do so by depressing the marking device adjacent to the words "FOR BONDS" following the statement of the question relating to the bonds. Electors desiring to vote against the issuance of the bonds shall be instructed to depress the marking device adjacent to the words "AGAINST BONDS" following the statement of the question relating to the Bonds.

SECTION 7. Printing of Ballot. The City Clerk is hereby authorized and directed to deliver a form of the Ballot set forth herein to the Supervisor of Elections of Broward County ("Supervisor") for printing; to ascertain that the wording of the Ballot is correctly printed thereof; and to ensure that any reprinting, if necessary, is ordered by the Supervisor, all within such time as is necessary to allow compliance with any mailing requirements imposed by law in connection with absentee ballots.

SECTION 8. Absentee Ballots. Absentee ballots containing the question set forth in Section 5 above shall be prepared for the use of absent, qualified electors entitled to cast such ballots in the Referendum in accordance with Chapter 101, Florida Statutes.

SECTION 9. Referendum Procedure. The Referendum shall be held and conducted in the manner prescribed by law for holding general elections in the City. The Election Officials at each polling place in the several precincts, respectively, shall prepare and file returns of such Referendum and deliver the same to Broward County Canvassing Board for canvassing in the manner provided by applicable law. Said returns shall be certified to the Florida Department of State in the manner provided by applicable law.

SECTION 10. Referendum Results. If a majority of the votes cast by qualified electors of the City at the Referendum approve the Ballot question concerning the Bonds, the city shall be authorized to issue the principal amount of the Bonds, in the manner provided herein. The Bonds may be issued all at one time or in part from time to time as the City may in its discretion hereafter determine by subsequent resolution.

SECTION 11. Qualified Electors. The Supervisor is hereby authorized and requested to make up and certify a list of the names of all qualified electors residing in the City. A certified copy of such list shall be furnished to the city Clerk and filed among the records of the

Commission.

SECTION 12. Notice of Referendum. The City Clerk shall prepare a notice of the Referendum in the manner required by law to be published together with an appropriate caption in such form as the City Clerk shall determine, in the Sun-Sentinel, a newspaper of general circulation in the City, once in the fifth, third, second and first weeks prior to the week in which the Referendum is to be held, the first publication to be not less than 30 days prior to the date of such Referendum. The city Clerk shall secure from the publisher of said newspaper an appropriate affidavit of proof that said notice has been duly published, and said affidavit shall be made a part of the record of the Commission.

SECTION 13. Severability. In the event that any word, phrase, clause, sentence or paragraph hereof shall be held invalid by any court of competent jurisdiction, such holdings shall not affect any other word, clause, phrase, sentence or paragraph hereof.

SECTION 14. Repealing Clause. All resolutions in conflict or inconsistent herewith hereby are repealed insofar as any conflict or inconsistency exists herewith.

SECTION 15. Effective Date. This Resolution shall take effect immediately upon its adoption.

ADOPTED this the 26th day of July, 2004.



Mayor
JIM NAUGLE

ATTEST:



City Clerk
JONDA K. JOSEPH

L:\COMM2004\RESOS\JULY26\04-145.WPD

Fort Lauderdale Fire-Rescue

Description	Cost Estimate	Total	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Fire Stations										
FS 29	3,760,000									
FS 53-88	3,535,000									
FS 47	3,760,000									
New Southeast FS:										
Land Acquisition	1,350,000									
Construction	3,535,000									
Phase One		15,940,000								
FS 46	3,760,000									
FS 49	3,760,000									
FS 54	3,760,000									
Phase Two		11,280,000								
FS 3	3,760,000									
FS 13	4,510,000									
FS 35	4,510,000									
Phase Three		12,780,000								
Grand Total		40,000,000								
Notes:										
FS 3, 29, 35, 46, 47, 49, 54 & new SE FS:										
12,000 sq.ft. @ \$250/sq.ft. = \$3,000,000										
FS 13, 35:										
15,000 sq.ft. @ \$250/sq.ft. = \$3,750,000										
Land acquisition estimate:										
38,570 sq.ft. @ \$35/sq.ft. = \$1,350,000										
Additional components included in Fire Station cost estimates:										
Design and engineering fees- \$410,000										
Temporary facilities- \$225,000										
Furnitings- \$150,000										

Exhibit "A"

RESOLUTION NO. 04-220

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA, CREATING AN AD HOC COMMITTEE TO BE KNOWN AS THE "FIRE-RESCUE FACILITIES BOND ISSUE BLUE RIBBON COMMITTEE", SETTING FORTH THE DUTIES AND THE DURATION OF THE COMMITTEE.

WHEREAS, the City Commission of the City of Fort Lauderdale wishes to create a Blue Ribbon Committee to make recommendations to the City Commission concerning the Fire-Rescue Facilities Bond Issue which was approved by the electorate at the November 2, 2004 General Election; and

WHEREAS, the City Commission wishes to appoint members to said Committee to serve for a limited period of time;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA:

SECTION 1. That the City Commission does hereby create a committee to be known as the Fire-Rescue Facilities Bond Issue Blue Ribbon Committee" (hereinafter referred to as "Fire-Rescue Bond Committee" or "Committee") for the purpose of making recommendations to the City Commission concerning the Fire-Rescue Facilities Bond Issue ("Bond") which was approved by the electorate at the November 2, 2004 General Election.

SECTION 2. That the duties of the Committee shall be to make recommendations to the City Commission concerning the expenditure of bond funds of the proposed Fire-Rescue Facilities Bond Issue, the purposes for which the bond issue funds should be utilized consistent with the ballot language approved by the electorate, and such other related duties as the City Commission may prescribe from time to time.

SECTION 3. The Fire-Rescue Bond Committee shall consist of ten members who shall serve without compensation for a one-year term. The Mayor and each City Commissioner shall appoint two residents of the City of Fort Lauderdale to serve on the Committee. Members of this Committee shall not be prohibited from serving as members of other City advisory boards or committees. Consideration shall be given to appointing persons with building, construction or development experience.


SECTION 4. The Fire-Rescue Bond Committee shall meet at Fort Lauderdale City Hall at such times as determined by the Committee or by the City Commission, except that the City Clerk shall schedule the Committee's first meeting. The following shall apply to meetings held by the Committee:

- A. At its first meeting, the Committee shall select from among its members a chairperson and a vice chairperson.
- B. The Committee shall adopt rules of procedure for the conduct of its meetings.
- C. A majority of the Committee's members shall constitute a quorum.
- D. The Public Works Director shall appoint a designee to serve as Clerk to the Committee.

SECTION 5. The Committee shall present its recommendations to the City Commission of the City of Fort Lauderdale at such time as it is directed to do so by the City Commission.


SECTION 6. The Committee shall be in existence from the adoption date of this resolution to the completion of the projects authorized to be funded with Bond funds or five (5) years from the date this Resolution is adopted whichever date is first unless otherwise extended by Resolution of the City Commission.

ADOPTED this the 7th day of December, 2004.



Mayor
JIM NAUGLE

ATTEST:



City Clerk
JONDA K. JOSEPH



Management Responses

Date: March 21, 2008
To: John Herbst, City Auditor
Via: Kathleen Gunn, Assistant City Manager
From: Albert Carbon, Public Works Director
Subject: Management Response
Program and Performance Audit
Fire Station Bond Program

AK for KG
Albert

The City of Fort Lauderdale received a draft Audit dated January 28, 2008 entitled, "City of Fort Lauderdale Program and Performance Audit - Fire Station Bond Program" prepared by Sharpton, Brunson & Company, P. A. The draft Audit observations were presented to the City Management on February 21, 2008.

This memorandum is City Management's response to the draft Audit. The responses will be formatted with general comments on the Audit and responds to the specific observations, by number.

General Comments

The Audit is a review of past and current Fire Rescue Bond Program. The four objectives of the Audit were:

- Determine whether sufficient management controls exist;
- Review the reliability of the timeliness of financial and operating results;
- Ascertain compliance with applicable laws, regulations, and contracts; and
- Provide observations and recommendations to improve performance

The Audit fairly represents the Fire Rescue Program and states clearly that management controls are appropriate and sufficient. The Audit does identify that the Fire Rescue Bond Program costs are exposed to potential budget overruns.

Management recognizes the potential for cost overruns and the reports presented to the City Commission in October 2007 identify potential overruns and the need to establish new Fire Rescue Bond Program parameters. Both the Fire Chief and Public Works Director recommended major changes to the Program that included:

- The Fire Chief's review of the current and future Fire Department operations such as:
 - Reducing response times
 - Reallocating staffing to operations

- Current population projections
- Personnel requirements of each fire station

- Excessive construction inflation over the past 3 years
- Two nearly constructed Fire Station Projects
- Adjusting the Fire Station size based on the Fire Department's current and future needs
- Contingency funds for individual Fire Stations

Commission Agenda Report (CAR) No. 07-1599 is attached.

Management Response to Audit Observations

Executive Summary

ES1 - URS performance is partly tied to the City's design performance

This is Observation A1.

Management concurs with this Observation but would add specific reservations.

URS costs and scheduled performance during pre-construction review, construction, and post-construction activities is partly dependent upon the City of Fort Lauderdale design services, processes and procedures. It is also incumbent upon URS to provide highly skilled and knowledgeable individuals to staff these consulting positions.

The City is responsible for the delivery of the bond program regardless of whether program management is completed by City staff or a consultant. City processes must be used for permitting and construction award if the work is completed by URS acting as a consultant or by City staff. The City finds this arrangement suitable for the purposes of the construction of the fire stations. This integrated approach keeps the City actively involved in the project on a day-to-day basis.

Implementation: None Required

ES2 – The Fire Safety Bond Blue Ribbon Committee (FSBBRC) could be provided additional information to better enable them to make recommendations as it relates to the expenditure of bond funds

This is Observation A3.

Management does not concur with this Observation, nor the implication that the Fire Bond Committee is not making recommendations to the City Commission concerning expenditure of bond funds.

As stated in Resolution 04-220, the FSBBC "makes recommendations to City Commission concerning the expenditure of bond funds" through minutes which are presented to City Commission monthly. Committee members also have unfettered access to their City Commission appointer. The relationship that exists is between Committee member and Commissioner; staff does not take direction from Committee members. Staff takes direction from their immediate supervisor only; who is under the direction of the City Manager.

The Observation continues to state that City Management did not make the FSBBC aware of changes to the Fire Bond Program at the FSBBC meeting on September 20, 2007, but forwarded the changes directly to City Commission on October 2, 2007. (See CAR 07-1599 attached)

Both the Fire Chief and Public Works Director were prepared to make a presentation to the FSBBC at their meeting on September 20. However, the FSBBC would not allow the presentation to move beyond the opening remarks of the Fire Chief. City staff then presented the changes to the City Commission on October 2. (FSBBC September 20, 2007 minutes attached to Audit)

The Observation also states, "The Committee does not become aware of the details of the change orders until they are posted on the City Commission Agenda or presented in the URS monthly project reports after they are approved by the Commission."

At each FSBBC meeting, monthly construction progress reports are attached to the agendas and discussed in detail. Each report identifies potential changes and lists amounts of past and pending change orders. An example of Fire Station 47 and 53 construction reports are attached to Managements response.

Implementation: None Required

ES3 - More than half of the \$2.5 million cost increase for Fire Stations 47 and 53 is due to building larger fire stations

This is Observation B3.

Management concurs with Observation.

Fire Station 47 was increased in size after the City annexed parts of unincorporated Broward County. Fire Station 53 includes effectively three operations: two fire stations (53 and 88) merging into one station and the City's Emergency Operations Center (EOC). All housed in one facility located near Executive Airport.

In its October 2, 2007 presentation to City Commission, management recommended the reduction in Fire Station size, based on staffing and equipment requirements of the Fire Department.

Implementation: None Required.

ES4 - The greatest risk for the Fire Station Bond Program to be completed under \$40 million is the City's ability to re-furbish FS 53 and 13 for under \$1.3 million each

This is Observation B5.

Management concurs with Observation.

Management's October 2, 2007 report and presentation stated that part of the re-base lining plan was that Fire Stations 54 and 13 would be renovated. (See CAR 07-1599 attached). Management informed the FSBBRC and City Commission that an in-depth analysis of renovation verses replacement of the two stations would be completed.

The cost effectiveness of renovating or building two new fire stations is currently under review by management.

The review includes costs associated with the findings of (for each station):

- Structural evaluation to all relevant current building codes
- Mechanical, Electrical and Plumbing evaluation to current Building Codes in addition those needed for current Fire operations
- Architectural and interior improvements necessary for Fire operational needs

The reviews are underway and are expected to be completed in April 2008.

Implementation: Detailed renovation costs will be presented at which time further decisions will need to be made by the Commission.

ES5 - The Fire Station Program should consider enhancing the change review process

This is Observation A2.

Management does not concur with this Observation.

Audit Observations F1 and F2 support the City's internal change order control process and finds it sound.

Management does not agree that a Change Control Board (CCB) should be formed for the Fire Station program. The formation of a formal CCB would increase the time it would take to complete change order review without added value. The City Engineer and Construction Manager currently conduct a thorough review. An increase in time for CCB review would delay change order authorization by the City Commission, ultimately requiring construction contractors to increase pricing to compensate for delays and lack of efficiencies in being able to move forward with construction.

The Observation recommends the CCB be established to include representatives from the City Attorney's Office, along with members of the Fire Department, Public Works and Procurement.

The inclusion of the City Attorney's Office in a City operational function, such as change order review, is in conflict with the City Charter and Municipal Code.

Specifically, the City Charter states that the City Commission appoints the City Manager to:

"...be responsible to the city commission for the proper administration of all affairs of the city coming under his jurisdiction."

"Exercise control, direct, and supervise all activities of the municipal government, except as otherwise provided in this charter."

"See that all terms and conditions imposed in favor of the city or its inhabitants in all contracts are faithfully kept and performed..."

"Investigate and determine whether purchases of current supplies and contractual services are made in accordance with regulations prescribed by charter and ordinance..."

(Chapter 4.09 c, d, and i of the City Charter)

The City Attorney advises the City Manager and City Departments on legal matters affecting the City (Sec. 4.12 e and f of the City Charter). The City Manager is the charter officer authorized to negotiate City contracts.

(Note: Cited City Charter references are attached to Management's Response)

Public Works regularly requests legal advice from the City Attorney's Office as it relates to construction contracts. These include clarifications on contractual language, liquidated damages, and response to legal questions presented by the construction contractor.

Implementation: None Required

ES6 - Changes to baseline scope and assumptions should be reviewed by the newly formed a Change Control Board (CCB) and the FSBBC and reported to the City Commission

This is Observation C4.

Management concurs with this Observation with reservation.

As stated in Management Response to Observation A2, management does not concur with the formation of a Change Control Board.

However, management will continue to update the City Commission and FSBBC on the changes to the baseline scope and assumptions of the Fire Station Program as they are developed.

Implementation: Complete and on-going.

ES7 - The current budget for all 10 fire stations should be inputted and maintained in FAMIS

This is Observation C6.

Management concurs with this Observation with comment.

The City Finance Department uses FAMIS as its accounting control system. The current level of detail within FAMIS is sufficient for municipal government accounting controls.

Therefore, Fire Station Budgets will not be maintained in FAMIS. Public Works will maintain the details in a separate Excel spreadsheet. Public Works will reconcile its Excel spreadsheets with FAMIS on a monthly basis.

In future budget years, Management will implement a project tracking system that identifies budget and costs in major project components.

Implementation: October 2008

ES8 - FAMIS only appropriates (budgets) Fire Station costs at the Construction Sub-Object Level

This is Observation C7.

Management concurs with this Observation with comment.

The City Finance Department uses FAMIS as its accounting control system. The current level of detail within FAMIS is sufficient for municipal government accounting controls.

Therefore, Fire Station Budgets will not be maintained in FAMIS. Public Works will maintain the details in a separate Excel spreadsheet. Public Works will reconcile its Excel spreadsheets with FAMIS on a monthly basis.

In future budget years, Management will implement a project tracking system that identifies budget and costs in major project components.

Implementation: October 2008

ES9 - Reporting can be enhanced to be made more informative for internal and external stakeholders

This is Observation C5.

Management concurs with this Observation.

Management will provide detailed additional information reports on all Fire Station Projects beginning in March 2008. Previously, detailed reports were provided on the two Fire Stations under construction, 47 and 53.

Implementation: Complete

Organizational and Management Oversight Review

A1 - URS performance is partly tied to the City's design performance

Management concurs with this Observation but would add specific reservations.

URS costs and scheduled performance during pre-construction review, construction, and post-construction activities is partly dependent upon the City of Fort Lauderdale design services, processes and procedures. It is also incumbent upon URS to provide highly skilled and knowledgeable individuals to staff these consulting positions.

The City is responsible for the delivery of the bond program regardless of whether program management is completed by City staff or a consultant. City processes must be used for permitting and construction award if the work is completed by URS acting as a consultant, or by City staff. The City finds this arrangement suitable for the purposes of the construction of the fire stations. This integrated approach keeps the City actively involved in the project on a day-to-day basis.

Implementation: None Required

A2 - The Fire Station Program should consider enhancing the change review process

Management does not concur with this Observation.

Audit Observations F1 and F2 supports the City's internal change order control process and finds it sound. This Audit finds the City has sufficient management controls and processes established in the areas of change order review. Technical staff does a structured and thorough review of all proposed changes.

The formation of a formal Change Control Board (CCB) would increase the time it would take to complete change order review without added value. The increase in time would delay change order authorization by the City Commission, ultimately requiring construction contractors to increase pricing to compensate for delays and lack of efficiencies in being able to move forward with construction.

The Observation recommends the CCB be established to include representatives from the City Attorney's Office, along with members of the Fire Department, Public Works and Procurement. The inclusion of the City Auditor and City Attorney's Office in a City operational function such as change order review is in conflict with the City Charter and Municipal Code.

Specifically, the City Charter states that the City Commission appoints the City Manager to:

"...be responsible to the city commission for the proper administration of all affairs of the city coming under his jurisdiction."

"Exercise control, direct, and supervise all activities of the municipal government, except as otherwise provided in this charter."

"See that all terms and conditions imposed in favor of the city or its inhabitants in all contracts..."

"Investigate and determine whether purchases of current supplies and contractual services..."

(Chapter 4.09 c, d, and i of the City Charter)

The City Attorney advises the City Manager and City Departments on legal matters affecting the City (Sec. 4.12 e and f of the City Charter). The City Attorney is also not authorized to negotiate City contracts.

(Note: Cited City Charter references are attached to Management's Response)

Public Works regularly requests advice from the City Attorney regarding requests and needed changes to construction contracts. These include clarifications on contractual language, liquidated damages, and responses to legal questions presented by the construction contractor.

Implementation: None Required

A3 - The FSBBRC could be provided additional information to better enable them to make recommendations as it relates to the expenditure of bond funds

Management does not concur with this Observation, nor the implication that the Fire Bond Committee is not making recommendations to the City Commission concerning expenditure of bond funds.

As stated in Resolution 04-220, the FSBBRC "makes recommendations to City Commission concerning the expenditure of bond funds" through its minutes which are presented to City Commission monthly. Committee members also have unfettered access to their City Commission appointer.

The relationship that exists is between Committee member and Commissioner; staff does not take direction from Committee members. Staff takes direction from their immediate supervisor only; who is under the direction of the City Manager.

The Observation continues to state that city management did not make the FSBBRC aware of changes to the Fire Bond Program at the FSBBRC meeting on September 20, 2007 but forwarded the changes directly to City Commission on October 2, 2007 (See CAR 07-1599 attached).

Both the Fire Chief and Public Works Director were prepared to make a presentation to the FSBBRC at their meeting on September 20. However, the FSBBRC would not allow the presentation to move beyond the opening remarks of the Fire Chief. City staff then presented the changes to the City Commission on October 2 (FSBBRC September 20, 2007 minutes attached to Audit).

The Observation also states, "The Committee does not become aware of the details of the change orders until they are posted on the City Commission Agenda or presented in the URS monthly project reports after they are approved by the Commission."

At each FSBBRC meeting, monthly construction progress reports are attached to the agendas and discussed in detail. Each report identifies potential changes and lists amounts of past and pending change orders. An example of Fire Station 47 and 53 construction reports are attached to Managements Response.

Implementation: None Required

A4 - The FSBBRC should report more frequently to the City Commission

Management believes this is a policy decision to be determined by the City Commission.

The FSBBRC regularly reports to the City Commission through the distribution of their meeting minutes and agendas. The FSBBRC agendas and minutes are provided to the City Commission monthly and are available on the City's website. The FSBBRC Committee Members also have direct access to their appointer at anytime without City staff's involvement.

These two means of reporting apprise the City Commission of the FSBBRC discussions, recommendations, and the status of all active projects.

Implementation: None by City Management

Fire Station Bond Projects Review

B1 - There is material volatility in the assumption categories per Fire Station as well as total costs per Fire Station. As a result, these costs should be proactively monitored and reported in order to maintain the viability of the \$40 million budget or plan for additional funding if required

Management concurs with Observation with comment.

Management recognizes the volatility of the market and proceeds accordingly. This was specifically highlighted early in the Fire Bond Program. The initial bid for Fire Station 47 was recommended to be rejected due to high costs (see CAR 06-1076 attached). Fire Station 47 was rebid and lower bids were received and the project awarded (see CAR 06-1274 attached). In the report to the City Commission on October 2, 2007, management identified the volatility of the costs associated with the Fire Bond Program and recommended specific actions to minimize the potential cost increases.

The Public Works and Fire Departments meet regularly to review costs and schedules. Formal meetings are held monthly with URS, the Fire Chief, Public Works Director and Assistant City Managers to discuss costs and schedules. In addition, the City's Construction Manager completes a thorough review of all construction documents.

In addition, staff has on-going discussions and meetings on project progress including reviews of costs and schedules. Any potential variance is brought to the attention of the Fire Chief and/or Public Works Director and discussed at the monthly meeting.

Implementation: Complete

B2 - The (reasonableness of the square footage) for a majority of the Fire Stations cannot be validated

Management concurs with this Observation with comment.

The Fire Chief and his managers, as technical experts, are responsible for the administrative and operational needs of the Fire Department. The Fire Chief and management staff reviewed the current and future needs of the Fire Department and reported the staffing and equipment needs at each

station. Per direction of the Fire Department, the Public Works Department sized each station to meet the Fire Department needs.

This was reported in management's report to City Commission October 2, 2007 (see CAR 07-1599 attached).

Implementation: None Required.

B3 - More than half of the \$2.5 million cost increase for Fire Stations 47 and 53 is due to building larger Fire Stations

Management concurs with Observation.

Both Fire Station 47 and 53 were under final design before the Bond Referendum was approved in November 2004. Fire Station 47 was increased in size after the City annexed parts of unincorporated Broward County. Fire Station 53 includes effectively three operations: two fire stations (53 and 88) merging into one station and the City's Emergency Operations Center (EOC). All housed in one facility located near Executive Airport.

In its October 2, 2007 presentation to City Commission, management recommended the reduction in Fire Station size, based on staffing and equipment requirements of the Fire Department.

Implementation: None Required.

B4 - The City has taken steps and included appropriate risk factors in the remaining six "new" Fire Stations

Management concurs with Observation.

This Observation reviewed the information presented to City Commission on October 2, 2007, and found the information appropriate (see CAR 07-1599 attached).

Implementation: Complete

B5 - The greatest risk for the Fire Station Bond Program to remain within budget is the City's ability to refurbish FS 54 and 13 for under \$1.3 million each

Management concurs with Observation.

Management's October 2 report and presentation stated that part of the re-base lining plan was that Fire Stations 54 and 13 would be renovated (see CAR 07-1599 attached). Management informed the FSBBRC and City Commission that an in-depth analysis of renovation verses replacement of the two stations would be completed.

The cost effectiveness of renovating or building two new fire stations is currently under review by management.

The review includes costs associated with the findings of (for each station):

- Structural evaluation to all relevant current building codes
- Mechanical, Electrical and Plumbing evaluation to current Building Codes plus those needed for current Fire operations.
- Architectural and interior improvements necessary for Fire operational needs.

These reviews are underway and expected to be completed in April 2008.

Implementation: Detailed renovations costs will be presented at which time further decisions will need to be made by the Commission.

Internal Controls Review

C1 - Commission Agenda Reports (CARs) presented to the City Commission should identify the cost impact of design and construction awards vs. the current baseline budget

Management does not concur with this Observation.

The Commission Agenda Reports (CARs) detail funding requirements and the source of the funding and are reviewed by the City's Public Works, Finance and Budget Departments, as well as the City Auditor's Office, before being presented to City Commission for approval.

The details in the CARs are insufficient detail to meet the requests of the City departments and City Auditor's office, as well as City Commission. Change Order forms are attached to CARs for City Commission approval. As City Commission requests additional detail in CARs, management implements these requests. Attached is a sample CAR for change order approval.

Implementation: As needed to meet City Commission direction.

C2 - The FSBBRC could be provided additional information to better enable them to make recommendations as it relates to the expenditure of bond funds

Management concurs with this Observation.

Management will provide detailed additional information reports on all Fire Station Projects, beginning in March 2008. Previously, detailed reports were provided on the two Fire Stations under construction, 47 and 53.

Implementation: Complete

C3 - The Fire Station Program should consider enhancing the change review process

Management does not concur with this Observation.

See Management Response to Observation A2.

C4 - Changes to baseline scope and assumptions should be reviewed by the newly formed CCB and the FSBBRC and reported to the City Commission

Management concurs with this Observation with reservation.

As stated in Management Response to Observation A2, management does not concur with the formation of a Change Control Board.

However, management will continue to update the City Commission and FSBBRC on the changes to the baseline scope and assumptions of the Fire Station Program as they are developed.

Implementation: Complete and on-going.

C5 - Reporting can be enhanced to include more information for internal and external stakeholders

Management concurs with this Observation.

Management will provide detailed additional information reports on all Fire Station Projects beginning in March 2008. Previously, detailed reports were provided on the two Fire Stations under construction, 47 and 53. Samples of these monthly reports are attached.

Implementation: Complete

C6 - The current budget for all 10 fire stations should be inputted and maintained in FAMIS

Management concurs with this Observation with comment.

The City Finance Department uses FAMIS as its accounting control system. The current level of detail within FAMIS is sufficient for municipal government accounting controls.

Therefore, Fire Station Budgets will not be maintained in FAMIS. Public Works will maintain the details in a separate Excel spreadsheet. Public Works will reconcile its Excel spreadsheets with FAMIS on a monthly basis.

In future budget years, Management will implement a project tracking system that identifies budget and costs in major project components.

Implementation: October 2008

C7 - FAMIS only appropriates (budgets) Fire Station Costs at the Construction sub-object level

Management concurs with this Observation with comment.

The City Finance Department uses FAMIS as its accounting control system. The current level of detail within FAMIS is sufficient for municipal government accounting controls.

Therefore, Fire Station Budgets will not be maintained in FAMIS. Public Works will maintain the details in a separate Excel spreadsheet. Public Works will reconcile its Excel spreadsheets with FAMIS on a monthly basis.

In future budget years, Management will implement a project tracking system that identifies budget and costs in major project components.

Implementation: October 2008

C8 - Payment application document does not contain basic contractual information necessary for proper invoice review

Management concurs with observation.

While the standard Payment Request Form contains a wealth of information, in the future, Public Works will attach documentation to include additional contractual information such as, Notice To Proceed, original and current completion dates, and completion percentage to date.

Implementation: Complete

C9 - City should consider peer review on Fire Station designs

Management concurs with observation.

Peer reviews of Fire Station design have been implemented since URS was contracted as the Program Manager. Between the City's Construction Management staff and the URS Program Managers, peer review of all future Fire Station design are being implemented.

Additionally, outside engineering consultants are engaged to review and ultimately design the mechanical, electrical and plumbing systems for each station.

Implementation: Complete

URS Contract and Incentives Review

D1 - A different execution approach could be undertaken in order to ensure the timely delivery of the Fire Station Program on budget

Management does not concur with this Observation.

The Observation is centered on Design/Build project delivery. The Observation clearly states reasons Design/Build are not going forward:

- "...Design/Build approach does not guarantee lower costs or savings..."
- "...The "window of opportunity" of fully utilizing the Design/Build approach may have passed..."

In 2005, Public Works reviewed contracting options with the Fire Rescue Blue Ribbon Committee and determined that Prequalification of general construction contractors was the best approach. In addition, the October 2 report to City Commission identified Design/Build as an alternative contracting method to be considered.

Public Works continues to review contracting options such as Construction Management At Risk.

Implementation: None Required

Project Tracking System Review

E1 - The current budget for all 10 fire stations should be maintained in FAMIS

Management concurs with this Observation with comment.

The City Finance Department uses FAMIS as its accounting control system. The current level of detail within FAMIS is sufficient for municipal government accounting controls.

Therefore, Fire Station Budgets will not be maintained in FAMIS. Public Works will maintain the details in a separate Excel spreadsheet. Public Works will reconcile its Excel spreadsheets with FAMIS on a monthly basis.

In future budget years, Management will implement a project tracking system that identifies budget and costs in major project components.

Implementation: October 2008

E2 - FAMIS only appropriates (budgets) Fire Station Costs at the Construction sub-object level

Management concurs with this Observation with comment.

The City Finance Department uses FAMIS as its accounting control system. The current level of detail within FAMIS is sufficient for municipal government accounting controls.

Therefore, Fire Station Budgets will not be maintained in FAMIS. Public Works will maintain the details in a separate Excel spreadsheet. Public Works will reconcile its Excel spreadsheets with FAMIS on a monthly basis.

In future budget years, Management will implement a project tracking system that identifies budget and costs in major project components.

Implementation: October 2008

E3 - If FAMIS cannot maintain the current budget for all 10 fire stations at the sub-object level; the PWD spreadsheet should be used as the primary tracking system

Management concurs with observation with comment

Public Works will continue to track costs through its Excel spreadsheet. Public Works will reconcile the spreadsheet with FAMIS on a monthly basis.

In future budget years, management will implement a project tracking system that identifies budget and costs in major project components.

Implementation: October 2008

E4 – Reporting can be enhanced to be made more informative for internal and external stakeholders.

Management concurs with this Observation.

Management will provide detailed additional information reports on all Fire Station Projects beginning in March 2008. Previously, detailed reports were provided on the two Fire Stations under construction, 47 and 53.

Implementation: Complete

Change Order Review

F1 - Change orders were properly supported

Management concurs with observation.

Public Works Construction management in conjunction with URS has established a thorough change order review process that this Observation supports.

Implementation: None Required

F2 - Change order pricing is adequately reviewed by the City and appears to be appropriate and reasonable

Management concurs with observation.

Public Works Construction management in conjunction with URS has established a thorough change order review process that this Observation

supports. This includes the utilization of counter estimates to insure that the final cost is appropriate and reasonable.

Implementation: None Required

F3 - The Fire Station Program should consider enhancing the change review process

Management does not concur with this Observation.

See Management's Response to Observation A2.

Bidding and Purchasing Review

G1 - The program bidding process is consistent with methodologies commonly used for these types of projects

Management concurs with observation.

The City's Procurement and Public Works Departments have established a prequalification process for contractors on the Fire Bond Program. This process was used on Fire Stations 53 and 47.

The prequalification process ensures contractors:

- Are financially secure;
- Have successfully completed numerous projects on time and within budget; and
- Have previous experience in public safety projects.

This process will continue for the remaining Fire Rescue Bond Projects.

Implementation: None Required

G2 - The Fire Station Bond Program is effectively purchasing materials directly

Management concurs with Observation.

The City's Fire, Procurement, and Public Works Departments work closely together to ensure City funds are used efficiently and effectively.

Implementation: None Required

Invoice Processing Review

H1 - Payment application document does not contain basic contractual information necessary for proper invoice review

Management concurs with Observation.

While the standard Payment Request Form contains a wealth of information, going forward Public Works will attach additional document that will include additional contractual information, such as notice to proceed, the original and current completion dates, and percentage complete, as well as any other required information.

Implementation: Complete

H2 - The application of costs to approved funding sources weren't consistent from invoice to invoice

Management concurs with this Observation with clarification.

The Observation is only for Fire Station 53. Station 53 is funded from four sources: Fire Bond; Florida Department Of Transportation Airport Grants; Airport Enterprise Capital; and General Fund. At the beginning of Fire Station 53 project, specific percentage of costs for Airport related costs and the Fire Bond/General Fund costs were established and fund transfers. Appropriations and encumbrances were made per those established percentages.

Individual monthly payment estimates may vary due to the amount of work the contractor performed that month. For instance, if the majority of the work completed were associated with the new Emergency Operations Center (EOC), a higher percentage of Fire Bond/General Fund would be charged since the EOC is not for Airport Fire Operations.

Furthermore, each contract change order is evaluated for its preoperational costs associated with Airport or Fire Bond/General Fund, and each fund is charged for its appropriate cost.

Completion of Fire Station 53 will establish final cost appropriations that will be approved by City Commission.

Implementation: Construction contract completion.

Attachments:

1. CAR 07-1599: Fire Rescue Facilities Bond Program Update dated 10-02-2007
2. FS 53 Progress Report for January 2008
3. FS 47 Progress Report for January 2008
4. Excerpts of City of Fort Lauderdale Charter
5. CAR 08-0228 – Change Order Review Sample
6. CAR 06-1274
7. CAR 07-1076

COMMISSION AGENDA REPORT

COMMISSION MEETING DATE: 10-02-2007

AGENDA ITEM: I-A

COMMISSION REPORT NO: 07-1599

PREPARED BY:
Albert Carbon 09-27-2007 08:24:40

DEPT: Public Works

DEPARTMENT DIRECTOR'S SIGNATURE

Albert J. Carbon III, P.E., Public Works Director (954) 828-5290

AUTHOR'S NAME, TITLE, AND TELEPHONE NUMBER

George Gretsas 09-27-2007 16:33:59

CITY MANAGER'S SIGNATURE

TITLE 1:

TITLE 2:

SUBJECT:

FIRE RESCUE FACILITIES BOND PROGRAM UPDATE

REQUESTED ACTION (STAFF RECOMMENDATION - CONTENT OF MOTION):

REGULAR AGENDA

CONFERENCE

Motion

Motion for Discussion

Old/New Business

City Commission Reports

Public Hearing

Ordinance

Exec Closed Door

City Manager Reports

Resolution

Presentation

Conference Reports

Purchase

Citizen Presentation

Advisory Boards

Consent Resolution

Public Notice Advertised:

FUNDS APPROPRIATION/TRANSFER (provide index code, subobject, and title of subobject):

No budgetary impact.

FOR PROCUREMENT ITEMS ONLY

PROCUREMENT REFERENCE NO: TRANSACTION TYPE:

BIDS SOLICITED/RECEIVED: WBE: LATE BID:

Vendor: MBE: NO BID:

Amount: Details:

Procurement Recommendation:

Description of Exhibits:

- | | | |
|----------------|----------------------------|----|
| 1. MEMO 07-210 | 2. Powerpoint presentation | 3. |
| 4. | 5. | 6. |
| 7. | 8. | 9. |

EXHIBITS: AVAILABLE VIA HARDCOPY: Exhibit #s:

PRIOR COMMISSION/BOARD ACTION: (attach additional file if necessary)

BACKGROUND/DETAIL:

A presentation on the Fire Rescue Departments Operational Review will be given by Fire Chief James Eddy. Following the Chief Eddy's presentation, Public Works Director, Albert Carbon will give an update on the Fire Rescue Bond program.

A copy of Memorandum 07-210 has been provided as Exhibit 1; a copy of the powerpoint presentation is provided as Exhibit 2.

Attorney's Initials:

MEMORANDUM NO. 07-210

DATE: September 20, 2007

TO: Mayor Jim Naugle
Vice-Mayor Carlton B. Moore
Commissioner Christine Teel
Commissioner Charlotte E. Rodstrom
Commissioner Cindi Hutchinson
John Herbst, City Auditor
Jonda Joseph, City Clerk
Harry Stewart, City Attorney

FROM: George Gretsas, City Manager

BY: Albert Carbon, Public Works Director
James Eddy, Fire Chief

SUBJECT: Fire-Rescue Facilities Bond Program Update

As you are aware Fire Stations 47 and 53/88 are under construction. Several others are in design. As you are also aware on July 17, 2007 URS was hired to be the program manager of the fire station program.

Over the summer, and in keeping with the plan of building two stations, and evaluating costs and issues, it was determined by Chief Eddy that the stations planned were larger than they needed to be. Each station was planned to accommodate ten firefighters per shift. Chief Eddy determined that the stations need to accommodate seven firefighters. This decision was made in conjunction with other fire bond staff after evaluating population projections for the next twenty-five years.

Additionally two stations originally planned to be rebuilt will be renovated (stations 54 & 13). Both are larger and newer than the majority of the other stations.

Fire-Rescue Operational Review

The Fire Chief has examined the needs of the Fire Department as it relates to new fire stations. It is his opinion that the new stations should be built with the specific criteria of the number of apparatus, type of apparatus, and staffing needed to man that apparatus. With this in mind, it is his recommendation that the stations be designed to house the appropriate apparatus and to accommodate the appropriate number of personnel needed to operate that apparatus.

At the present time, Fire-Rescue operates with 3 personnel on an Engine Company, 3 personnel on a Ladder Company, and two personnel on a Rescue Company. The new satellite stations should be built to accommodate 4 personnel on a Ladder or Engine Company and 3 personnel on a Rescue Company. The larger battalion stations will accommodate additional personnel and equipment.

The Fire Chief has examined the needs of the department going forward and has also looked at population projections. The needs of the department and citizens will be met by building the six new stations that house the same number of apparatus in the former replaced stations.

CAR 07-1599

EXHIBIT 1

In addition, it is the Fire Chief's recommendation that Fire Stations 13 and 54 be renovated. This recommendation is subject to the appropriate design and engineering studies that will be required to determine sound structures before renovations begin.

Public Works Review

Public Works reviewed the Fire-Rescue Bond Program using the following criteria:

- **The Fire Chief's operational plan**
 - Reducing response times
 - Reallocating staffing to operations
 - Current population projections
 - Personnel requirements of each station

- **Excessive construction inflation over the past 3 years**

Since the hurricanes of 2004 and 2005, construction in Fort Lauderdale, South Florida and the country have increased higher and faster than in the past ten years. RS Means, a leading supplier of construction cost information, tracks construction costs specific to Fort Lauderdale's building industry. Reviewing RS Means Building Construction Cost Index Summary for the past twelve years shows the annual construction cost inflation in the City of Fort Lauderdale was 1.98% between 1995 and 2003. Between 2004 and 2007 the construction cost inflationary index rose to 7.55% annually.

As of 2007 the construction cost indexes have risen 26.65% since the approval of the Fire-Rescue Bond Program.

- **Two nearly constructed Fire Station Projects which included:**
 - Review of designs and project change orders
 - Design revisions as needed to accommodate the Fire Chief's changes

Three scenarios were presented to the Fire Chief and staff per the Fire Chief's request. Each scenario includes the same assumptions.

Underlying assumptions for the three scenarios:

- Fire Station 53 & 47 would continued to be constructed. Both are projected to be completed this winter.
- The additional 8 Fire Stations to be constructed as new stations or renovated in compliance with the Fire Bond Resolutions.
- New Fire Stations would be constructed at an estimated cost \$255 per square foot (2007 dollars).
- Stations 13 and 35 will have ladder trucks (relates to station size)
- Station 46 has two rescues (relates to station size).
- Land to be purchased for Station 8 only. This is the new SE Fire Station
- Temporary facilities were estimated to be constructed at \$200,000
- Engineering, design, construction management and program management was estimated to be 17% of the construction estimate.

- No City engineering fees would be charged to the program. Only consultant fees working on the program would be charged to the Program. These would include services for items such as engineering, architecture, construction management and program management.
- Program contingencies were placed at 6%. The original Fire-Rescue estimates contained no contingencies.
- Annual inflation was estimated at 4%. The original Fire-Rescue estimates contained 2% inflation.

Conclusions and Recommendations

The City's Fire Chief has evaluated the Fire Department and is recommending organizational changes including changes to Fire-Rescue Bond Program Plan. In addition, rising construction costs in South Florida require municipalities to look hard at their current and future capital improvement program projects and funding. The City of Fort Lauderdale is no exception.

The City's Fire-Rescue Facilities Bond Program was funded before the extraordinary cost increases began, but the Program is forced to deal with it nonetheless.

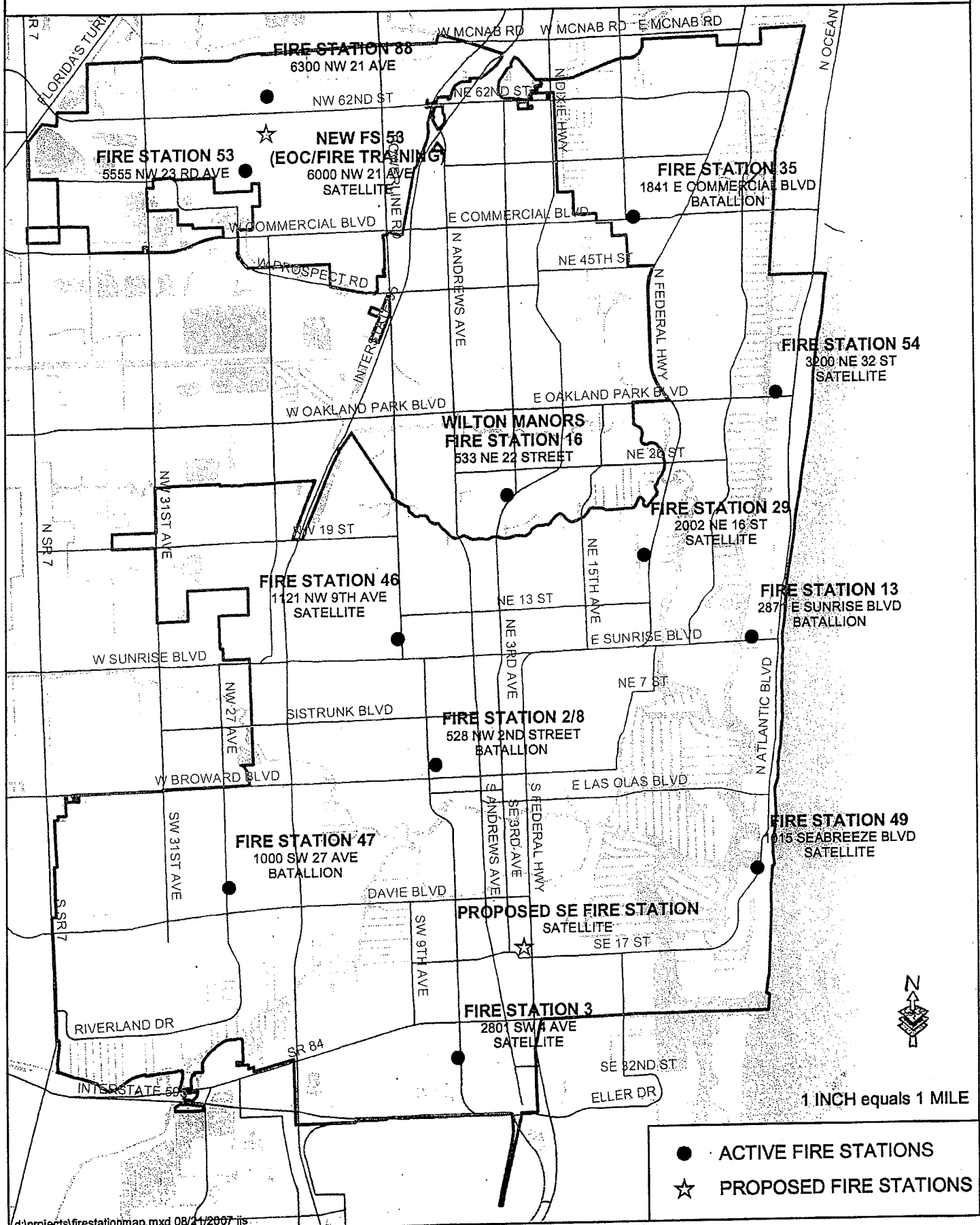
It is recommended that the Fire-Rescue Bond Program continue with the following program controls:

- Continue the construction of Fire Stations 53 & 47
- Land to be purchased for the New SE Fire Station (Station 8) only at an amount not to exceed \$2,000,000.
- Fire Stations 3, 8, and 29 will have 2 apparatus bays and 7 bunks and will be designed at a size not to exceed 10,000 square feet
- Fire Station 49 will be built with 2 apparatus bays and 7 bunks and will be designed at a size not to exceed 12,000 square feet due to site constraints.
- Fire Station 35 will be built with 3 apparatus bays and 11 bunks and will be designed at a size not to exceed 12,200 square feet. Station 35 has an engine, ladder truck and rescue that requires the additional bay and bunk rooms.
- Fire Station 46 will be built with 3 apparatus bays and 10 bunks and will be designed at a size not to exceed 12,000 square feet. Station 46 has an engine and two rescues that requires the additional bay and bunk rooms.
- Temporary facilities will be needed for Stations 49 and 35 only at a cost of \$200,000 each. Fire Station 29 temporary station is at the adjacent building being improved for a maximum amount of \$100,000.
- Renovate Fire Stations 54 and 13 at a hard construction cost not to exceed \$1,000,000 in 2007 dollars.

Attachments:

1. Fire Station Location Map
2. Resolution No. 04-145
3. RS Means Building Construction Cost Indexes for 2005 through 2007
4. Inflationary Construction Cost – City of Fort Lauderdale

CITY OF FORT LAUDERDALE FIRE STATION MAP



1 INCH equals 1 MILE

- ACTIVE FIRE STATIONS
- ☆ PROPOSED FIRE STATIONS

RECEIVED

SEP 23 2004

OFFICE OF THE FIRE CHIEF

RESOLUTION NO. 04-145

A RESOLUTION PROVIDING FOR THE ISSUANCE OF CITY OF FORT LAUDERDALE, FLORIDA ("CITY") GENERAL OBLIGATION BONDS NOT EXCEEDING THE AMOUNT OF \$40,000,000 TO PROMOTE MUNICIPAL PURPOSES BY FINANCING THE COST OF IMPROVEMENTS TO FIRE-RESCUE FACILITIES AND TO PAY THE COST OF NEW FIRE-RESCUE FACILITIES AS DESCRIBED HEREIN; CALLING FOR A BOND REFERENDUM OF THE QUALIFIED ELECTORS OF THE CITY TO BE HELD ON NOVEMBER 2, 2004 AS TO WHETHER SAID GENERAL OBLIGATION BONDS SHOULD BE ISSUED.

WHEREAS, the Constitution and laws of the State of Florida, Chapter 166, Florida Statutes, as amended and supplemented, the City's Charter and other applicable provisions of law authorize and empower the City to adopt this resolution; and

WHEREAS, the City Commission has received and reviewed the staff report made by the Fire-Rescue Department, which report contains the uses and purposes for the issuance of general obligation bonds ("Report") and is attached hereto as Exhibit "A" and incorporated herein; and

WHEREAS, the City has determined that it is necessary and desirable for the promotion of various municipal purposes and for the health, safety and welfare of the citizens of the City that the City undertake the municipal projects (collectively, the "Fire-Rescue Facilities" and, individually, the "Facilities") described herein; and

WHEREAS in order to pay the City's cost of such municipal facilities, it is necessary to issue general obligation bonds of the City as hereinafter described; and

WHEREAS, it is necessary to call and hold a bond referendum to determine whether the residents of the City who are qualified electors approve the issuance of such bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA:

SECTION 1. Issuance of Bonds. Subject to a referendum provided for herein and pursuant to subsequent proceedings of the City, the City will issue general obligation bonds in an aggregate principal amount not exceeding FORTY MILLION DOLLARS (\$40,000,000), maturing at such time or times not exceeding thirty (30) years from their date or dates of issuance and bearing interest at a rate or rates not exceeding the legal maximum rate of interest, in each case

as shall be determined by resolution of the City prior to the time of sale thereof ("Bonds"). Such Bonds shall pledge the full faith and credit of the City and be payable from ad valorem taxes levied by the City without limit as to rate or amount on all taxable property within the City. The Bonds will be issued to provide funds which, together with other funds, will enable the City to accomplish the Facilities described in Section 2 hereof and to pay all costs of issuance of the Bonds.

SECTION 2. Authorization of Projects. The Report, which is available for inspection in the office of the City Clerk, describes the various component parts or portions of the Fire-Rescue Facilities. The estimated cost of each component is set forth in the Report. The City hereby finds, declares and determines that the Fire-Rescue Facilities will further important municipal purposes of the City. Accordingly, subject to approval of the issuance of the Bonds by the qualified electors of the City, as provided in Section 3 hereof, a sum not exceeding \$40,000,000 to pay the cost of acquiring, constructing, developing, extending, enlarging, improving, renovating, equipping and furnishing the Fire-Rescue Facilities, as more fully described in the Report attached hereto as Exhibit "A" is hereby authorized.

SECTION 3. Bond Referendum. A bond referendum ("Referendum") is hereby called to be held in conjunction with the general election to be held on November 2, 2004 for the purpose of determining whether the qualified electors of the City approve the issuance of the Bonds to finance, together with other funds, the cost to the City of the Fire-Rescue Facilities described in Section 2 hereof.

SECTION 4. Said Referendum shall be held at the same polling places in the several precincts, respectively, in the City as the polling places for the general election to be held on the same day. The inspectors and clerks who shall conduct said Referendum ("Election Officials") shall be the same as those selected and appointed for the general election. The polling places for the Referendum shall be open from 7:00 a.m. to 7:00 p.m. on the same day. In accordance with the Constitution and the laws of the State of Florida, all qualified electors of the City shall be entitled and permitted to vote in the Referendum.

SECTION 5. Ballots. Vote recorders, electronic voting or other means approved by the Supervisor of Elections shall be used at the Referendum. The ballot to be used in the Referendum shall be that portion of the booklet or other material attached to the vote recorded which shall contain statements of the question with respect to the Bonds submitted for approval of the qualified electors of the City. Said ballots shall be substantially in the following form and shall be hereinafter referred to as the "Ballot":

FIRE-RESCUE FACILITIES BOND ISSUANCE

Shall the City of Fort Lauderdale, Florida issue general obligation bonds not exceeding \$40,000,000; maturing within thirty (30) years, bearing interest not exceeding the maximum legal interest rate, payable from ad valorem taxes levied by the City, to pay for Fire-Rescue Facilities, as described in Resolution No. 04-124?

YES, for approval _____

NO, for rejection _____

SECTION 6. Voting Instructions. Electors desiring to vote for the issuance of the Bonds shall be instructed to do so by depressing the marking device adjacent to the words "FOR BONDS" following the statement of the question relating to the bonds. Electors desiring to vote against the issuance of the bonds shall be instructed to depress the marking device adjacent to the words "AGAINST BONDS" following the statement of the question relating to the Bonds.

SECTION 7. Printing of Ballot. The City Clerk is hereby authorized and directed to deliver a form of the Ballot set forth herein to the Supervisor of Elections of Broward County ("Supervisor") for printing; to ascertain that the wording of the Ballot is correctly printed thereof; and to ensure that any reprinting, if necessary, is ordered by the Supervisor, all within such time as is necessary to allow compliance with any mailing requirements imposed by law in connection with absentee ballots.

SECTION 8. Absentee Ballots. Absentee ballots containing the question set forth in Section 5 above shall be prepared for the use of absent, qualified electors entitled to cast such ballots in the Referendum in accordance with Chapter 101, Florida Statutes.

SECTION 9. Referendum Procedure. The Referendum shall be held and conducted in the manner prescribed by law for holding general elections in the City. The Election Officials at each polling place in the several precincts, respectively, shall prepare and file returns of such Referendum and deliver the same to Broward County Canvassing Board for canvassing in the manner provided by applicable law. Said returns shall be certified to the Florida Department of State in the manner provided by applicable law.

SECTION 10. Referendum Results. If a majority of the votes cast by qualified electors of the City at the Referendum approve the Ballot question concerning the Bonds, the city shall be authorized to issue the principal amount of the Bonds, in the manner provided herein. The Bonds may be issued all at one time or in part from time to time as the City may in its discretion hereafter determine by subsequent resolution.

SECTION 11. Qualified Electors. The Supervisor is hereby authorized and requested to make up and certify a list of the names of all qualified electors residing in the City. A certified copy of such list shall be furnished to the city Clerk and filed among the records of the

Commission.

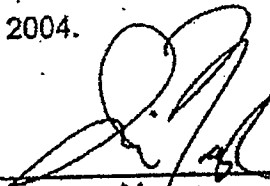
SECTION 12. Notice of Referendum. The City Clerk shall prepare a notice of the Referendum in the manner required by law to be published together with an appropriate caption in such form as the City Clerk shall determine, in the Sun-Sentinel, a newspaper of general circulation in the City, once in the fifth, third, second and first weeks prior to the week in which the Referendum is to be held, the first publication to be not less than 30 days prior to the date of such Referendum. The city Clerk shall secure from the publisher of said newspaper an appropriate affidavit of proof that said notice has been duly published, and said affidavit shall be made a part of the record of the Commission.

SECTION 13. Severability. In the event that any word, phrase, clause, sentence or paragraph hereof shall be held invalid by any court of competent jurisdiction, such holdings shall not affect any other word, clause, phrase, sentence or paragraph hereof.

SECTION 14. Repealing Clause. All resolutions in conflict or inconsistent herewith hereby are repealed insofar as any conflict or inconsistency exists herewith.

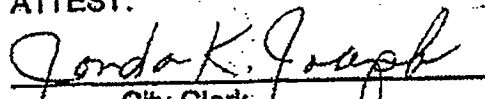
SECTION 15. Effective Date. This Resolution shall take effect immediately upon its adoption.

ADOPTED this the 26th day of July, 2004.



Mayor
JIM NAUGLE

ATTEST:


City Clerk
JONDA K. JOSEPH

L:\COMM2004\RESOS\JULY26\04-145.WPD

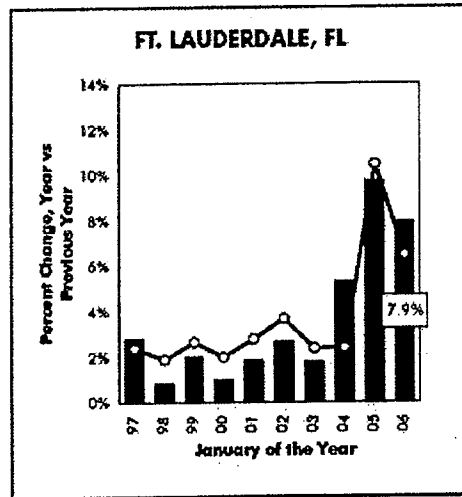
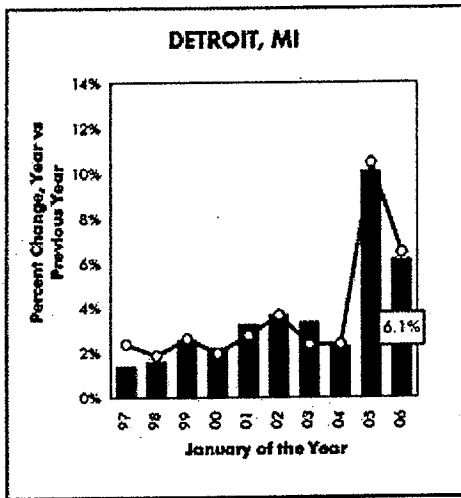
Fort Lauderdale Fire-Rescue

Description	Cost Estimate	Total	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Fire Stations										
FS 29	3,760,000									
FS 53-88	3,535,000									
FS 47	3,760,000									
New Southeast FS:										
Land Acquisition	1,350,000									
Construction	3,535,000									
Phase One		15,940,000								
FS 46	3,760,000									
FS 49	3,760,000									
FS 54	3,760,000									
Phase Two		11,280,000								
FS 3	3,760,000									
FS 13	4,510,000									
FS 35	4,510,000									
Phase Three		12,780,000								
Grand Total		40,000,000								
Notes:										
FS 3, 29, 35, 46, 47, 49, 54 & new SE FS:										
12,000 sq.ft. @ \$250/sq.ft. = \$3,000,000										
FS 13, 35:										
15,000 sq.ft. @ \$250/sq.ft. = \$3,750,000										
Land acquisition estimate:										
38,570 sq.ft. @ \$35/sq.ft. = \$1,350,000										
Additional components included in Fire Station cost estimates:										
Design and engineering fees- \$410,000										
Temporary facilities- \$225,000										
Furnitings- \$150,000										

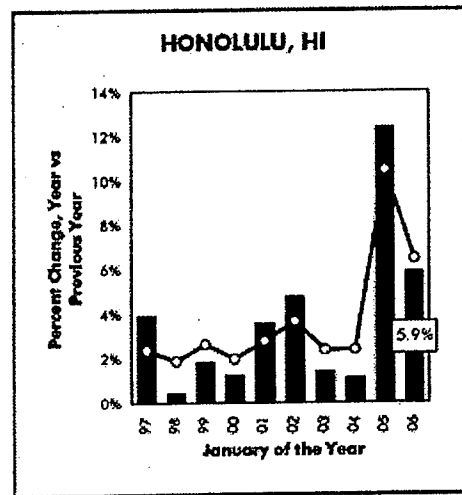
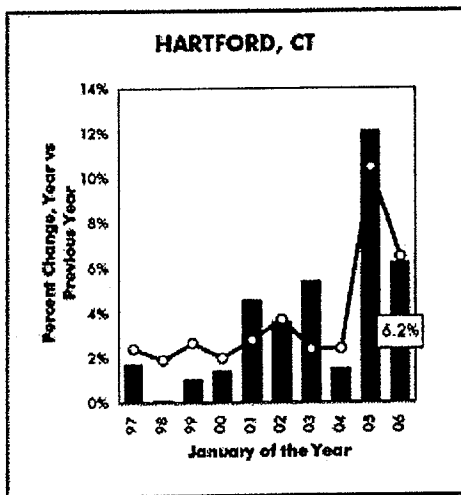
Exhibit "A"

**RSMEANS BUILDING CONSTRUCTION COST INDEX (CCI)
MAJOR U.S. CITIES (D-H) (cont'd) - JANUARY 2006**

Released March 31, 2006



These charts are based on index figures that are relative to the National 30-City Average in January 1993. This allows a comparison of costs between cities and over time (i.e., a relational data base).

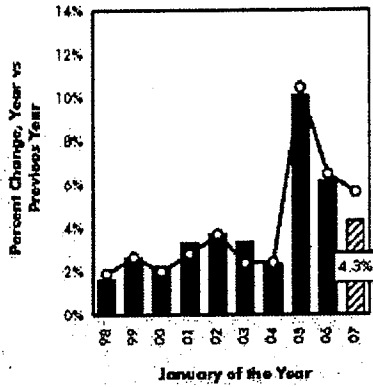


The Means CCI is based on a composite model of 9 building types. Costs in the index are a weighted average of material and installation by Construction Specifications Institute (CSI) MasterFormat™ division. The model is priced quarterly in 316 cities in the U.S. and Canada.

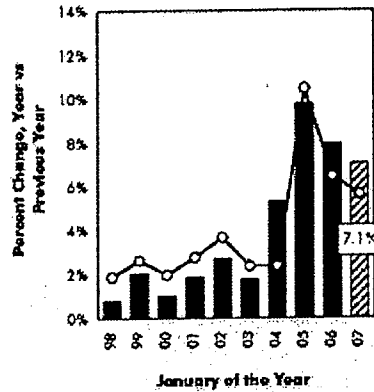
Data source: Reed Construction Data - RSMeans.
Charts: Reed Construction Data - CanaData.

RSMEANS BUILDING CONSTRUCTION COST INDEX (CCI) - MAJOR U.S. CITIES (D-H) - JANUARY 2007

DETROIT, MI

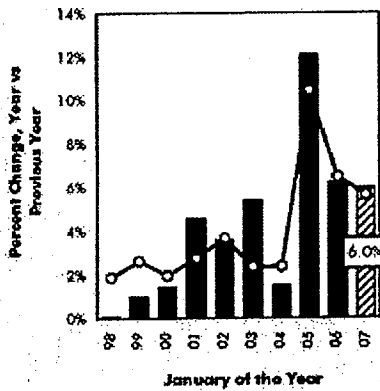


FT. LAUDERDALE, FL

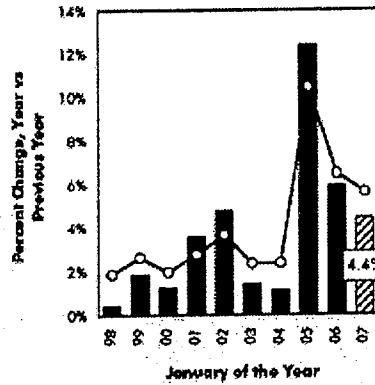


These charts are based on index figures that are relative to the National 30-City Average in January 1993.
This allows a comparison of costs between cities and over time (i.e., a relational database).
Percent changes are January versus previous January.

HARTFORD, CT



HONOLULU, HI

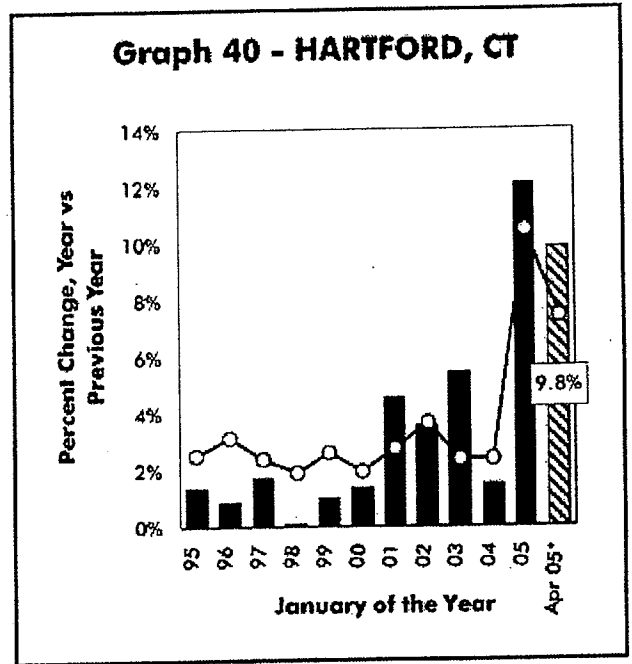
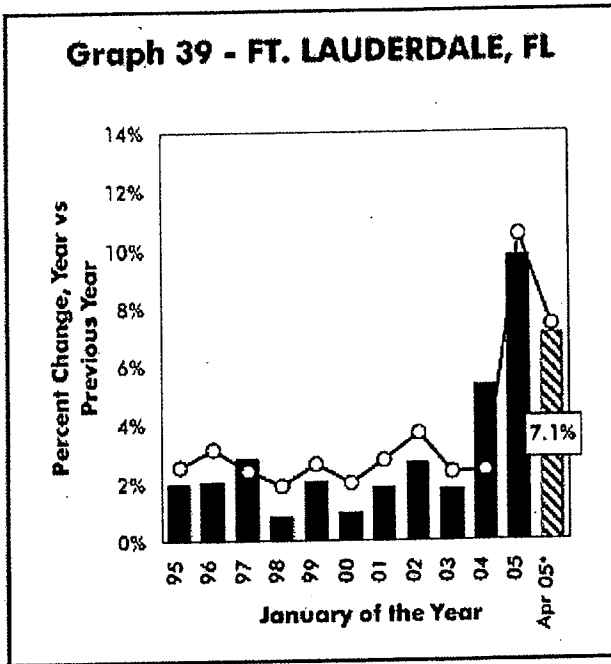


The Means CCI is based on a composite model of 8 building types. Costs in the index are a weighted average of material and installation by Construction Specifications Institute (CSI) MasterFormat™ division. The model is priced quarterly in 316 cities in the U.S. and Canada.

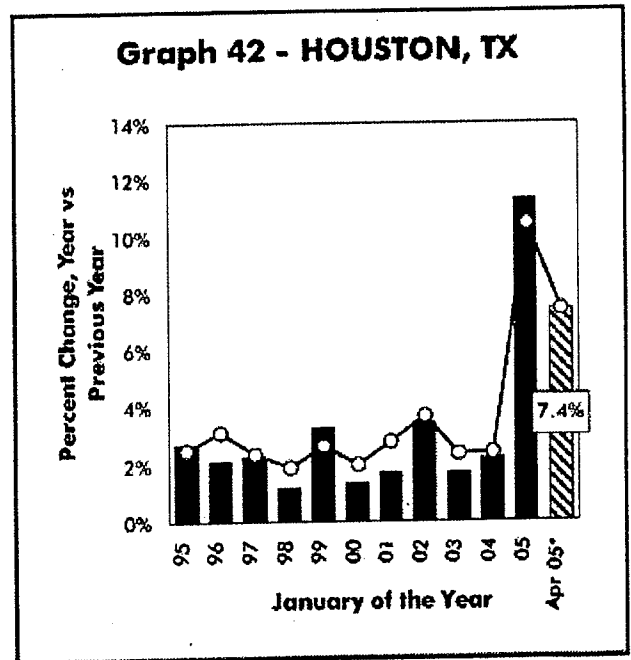
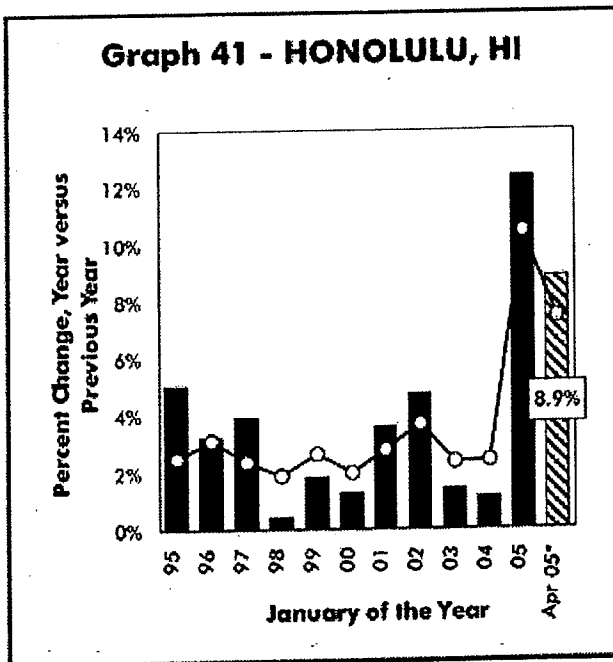
Data source: Reed Construction Data - RSMeans/Charts: Reed Construction Data - CanaData.

RSMeans Building Construction Cost Index (F-H) Major U.S. Cities vs National 30-City Average — Percent Change

RSMeans Building Construction Cost Index (F-H)
Major U.S. Cities vs National 30-City Average — Percent Change



For comparison purposes, the National 30-City Average is repeated as the blue line in each city graph.
*National April 2005 vs. April 2004 = 7.4%.



The Means CCI is based on a composite model of 9 building types. Costs in the index are a weighted average of material and installation by Construction Specifications Institute (CSI) MasterFormat™ division. The model is priced quarterly in 316 cities in the U.S. and Canada.

Data source: Reed Construction Data - RSMeans/Charts: Reed Construction Data - CanaData.

RSMEANS RANKING OF U.S. CITY CONSTRUCTION COSTS - JANUARY 2007

Alex Carrick - Released February 23, 2007

RSMEANS MEASURE OF U.S. CITY CONSTRUCTION COSTS - JANUARY 2007

Highest to Lowest Cost (relative to 30-city national average)			Year-over-Year % Change		Quarter-to-Quarter % Change			
Rank	City	January 2007	Rank	Jan 07 vs Jan 06	Rank	Jan 07 vs Q4 06		
1	New York	130.4%	1	Tampa	11.3%	1	New Orleans	1.0%
2	San Francisco	121.9%	2	Orlando	10.3%	2	Norfolk	1.0%
3	Honolulu	121.5%	3	Jacksonville	9.9%	3	Washington	0.9%
4	Oakland	117.9%	4	Wilmington	9.5%	4	Charlotte	0.5%
5	Boston	116.2%	5	Miami	8.9%	5	Boston	0.5%
6	San Jose	115.8%	6	Norfolk	8.5%	6	Wilmington	0.5%
7	Philadelphia	114.2%	7	Phoenix	7.1%	7	Philadelphia	0.4%
8	Chicago	113.0%	8	St. Louis	7.1%	8	Memphis	0.4%
9	Minneapolis	111.8%	9	Ft. Lauderdale	7.1%	9	Milwaukee	0.4%
10	Stamford	111.1%	10	New Orleans	6.9%	10	Seattle	0.4%
11	Hartford	108.8%	11	Providence	6.6%	11	Phoenix	0.3%
12	Sacramento	108.5%	12	Washington	6.6%	12	Atlanta	0.3%
13	Los Angeles	107.6%	13	Indianapolis	6.6%	13	Cincinnati	0.3%
14	Providence	105.7%	14	Nashville	6.6%	14	Stamford	0.3%
15	San Diego	105.2%	15	Milwaukee	6.4%	15	Jacksonville	0.3%
16	Wilmington	105.1%	16	Boston	6.3%	16	Providence	0.3%
17	Detroit	104.8%	17	Tucson	6.2%	17	Hartford	0.3%
18	Seattle	103.9%	18	Charlotte	6.2%	18	Houston	0.3%
19	St. Louis	103.4%	19	Los Angeles	6.1%	19	Honolulu	0.3%
20	Portland	102.7%	20	Minneapolis	6.1%	20	Pittsburgh	0.2%
21	Kansas City	102.4%	21	Philadelphia	6.0%	21	Detroit	0.2%
22	Milwaukee	102.4%	22	Hartford	6.0%	22	Los Angeles	0.2%
23	Buffalo	102.2%	23	Buffalo	5.9%	23	Dallas	0.2%
24	Las Vegas	101.0%	24	San Diego	5.9%	24	Tampa	0.2%
25	Cleveland	99.9%	25	Atlanta	5.8%	25	San Jose	0.2%
26	Pittsburgh	98.9%	26	Dallas	5.7%	26	Nashville	0.1%
27	Washington	98.8%	27	Houston	5.6%	27	Columbus	0.1%
28	Toledo	97.9%	28	Columbus	5.6%	28	Portland	0.1%
29	Denver	94.5%	29	Stamford	5.6%	29	San Diego	0.1%
30	Columbus	94.0%	30	Baltimore	5.5%	30	Oakland	0.1%
31	Indianapolis	93.4%	31	New York	5.2%	31	San Francisco	0.1%
32	Baltimore	92.4%	32	Seattle	5.2%	32	New York	0.1%
33	Cincinnati	92.4%	33	San Francisco	5.2%	33	Tucson	0.1%
34	Tampa	92.1%	34	Cincinnati	5.2%	34	Toledo	0.1%
35	Miami	90.2%	35	Cleveland	5.1%	35	Buffalo	0.1%
36	Orlando	89.8%	36	San Antonio	5.1%	36	Minneapolis	0.1%
37	Atlanta	89.7%	37	Salt Lake City	5.0%	37	Chicago	0.1%
38	Phoenix	89.5%	38	Pittsburgh	5.0%	38	Sacramento	0.0%
39	Norfolk	88.5%	39	Chicago	4.9%	39	Denver	0.0%
40	Houston	88.5%	40	Austin	4.9%	40	Salt Lake City	0.0%
41	Ft. Lauderdale	88.2%	41	Memphis	4.8%	41	St. Louis	-0.1%
42	New Orleans	88.0%	42	Portland	4.8%	42	Las Vegas	-0.1%
43	Salt Lake City	87.6%	43	Oakland	4.7%	43	Cleveland	-0.1%
44	Nashville	87.5%	44	San Jose	4.7%	44	Baltimore	-0.1%
45	Tucson	86.7%	45	Toledo	4.6%	45	San Antonio	-0.1%
46	Memphis	86.7%	46	Denver	4.5%	46	Austin	-0.1%
47	Jacksonville	84.2%	47	Honolulu	4.4%	47	Kansas City	-0.1%
48	Dallas	84.0%	48	Kansas City	4.3%	48	Indianapolis	-0.1%
49	San Antonio	82.7%	49	Denver	4.3%	49	Miami	-0.7%
50	Charlotte	80.5%	50	Las Vegas	4.2%	50	Orlando	-1.9%
51	Austin	79.8%	51	Sacramento	4.0%	51	Ft. Lauderdale	-2.2%
	National	100.0%		National	5.6%		National	0.2%

Based on RSMeans' Construction Cost Indices (CCIs) for each city

Data source: Reed Construction Data - RSMeans (www.rsmeans.com)/Table: Reed Construction Data - CanaData.

These charts and tables were abstracted from RSMeans cost data publications for the A/E/C industry. For more information about RSMeans Square Foot Cost Guide and RSMeans CCI (Construction Cost Index), which indexes square foot costs for cities in the U.S. and Canada, visit the online bookstore at www.rsmeans.com and click on cost data publications (or call 1-800-448-8182).

RSMeans Building Construction Cost Index (CCI) - Major U.S. Cities - January 2006

Inflationary Construction Cost – City of Fort Lauderdale

Since the hurricanes of 2004 and 2005, construction in Fort Lauderdale, South Florida and the country have increased higher and faster than in the past ten years. RS Means, a leading supplier of construction cost information, tracks construction costs specific to Fort Lauderdale's building industry. Reviewing RS Means Building Construction Cost Index Summary for the past twelve years shows the annual construction cost inflation in the City of Fort Lauderdale was 1.98% between 1995 and 2003. Between 2004 and 2007 the construction cost inflationary index rose to 7.55% annually.

RS Means Building Construction Cost Index Summary

Year (January)	Fort Lauderdale	National Average		
1995	2.00%	2.80%		
1996	2.00%	3.10%		
1997	3.00%	2.50%		
1998	1.00%	2.00%		
1999	2.00%	2.90%		
2000	1.00%	2.00%		
2001	2.00%	3.00%		
2002	3.00%	4.00%		
2003	1.80%	2.50%	1.98%	2.76%
2004	5.60%	2.50%		
2005	9.60%	10.00%		
2006	7.90%	6.50%		
2007	7.10%	5.60%	7.55%	6.15%
2008 thru 2012	4.00%	4.00%	Assumed inflation rates beyond 2007.	

Data Source: Reed Construction Data - RSMeans/Charts:
Reed Construction Data - CanaData

This most recent four year period of extraordinary construction cost increase has necessitated review of the Fire-Rescue Facilities Bond Program and funding. As of 2007 the construction cost indexes have risen 26.65% while the Fire-Rescue Facilities Bond Program estimated 6%; over a 20% increase in expected construction costs.

Fire-Rescue Department Update

Chief James Eddy

CAR 07-1599
Exhibit 2

City of Fort Lauderdale
Fire Rescue Bond

Fire Rescue Bond

- ◆ **Resolution 04-124**
 - City issue General Obligation Bonds in an amount not to exceed **\$40,000,000** to pay the cost of improvements to Fire-Rescue facilities and to pay for the cost of new Fire-Rescue facilities.
- ◆ **Resolution 04-145**
 - Ballot Measure – Approved November 4, 2004
 - \$20 M in Bonds issued in July 2005

Fire Rescue Bond Delivery Plan

- ◆ Meet the Fire-Rescue Department Needs
- ◆ Stay within the Fire-Rescue Bond Budget of \$40 million

Fire-Rescue Delivery Plan Review Process

- ◆ **Build 2 Fire Stations**
- ◆ **Review Designs/Contract Change Orders**
- ◆ **Redesign as needed**
- ◆ **Review Fire Operation**
 - **Response Times**
 - **Population Projections**

2004 through 2007

- ◆ Program Inception (2004) to Actual Construction (2007)
 - Hurricanes – Katrina and Wilma
 - Construction Costs Increase – 26.65% as compared to 6% in Bond estimates
 - Land Value Appreciation – Land projected to cost \$1,375,000 now valued at \$2 million

Take Stock/Reevaluate Plan

- ◆ Issues to consider
 - Size of fire stations
 - Equipment
 - Renovate vs. new construction

Underlying Assumptions

- Station 53 & 47 under construction
- Additional 8 Stations to be built (Constructed or Improved)
- Square Foot Cost = \$255 per SF
- Stations 2, 13 and 35 will have ladder trucks (relates to station size)
- Station 46 has two rescues (relates to station size)
- Land to be purchased for Station 8 only = \$2,000,000
- Temporary facilities needed = \$200,000 each
- Engineering, Design, CM (% of Construction) = 17% (Including Program Management)
- Contingencies = 6%
- Inflation = 4%

Options to Consider

- Build Stations as identified in Fire Rescue Bond
- Build Stations at current designed size and equipment
- Reduce size of 6 Stations to meet fire needs and renovate 2 Stations

Reduce 6 Station Sizes (+/-10,000 SF) to Meet Fire Needs & Remodel 2 Stations

Fire Station	Current	2008	2009	2010	2011	Totals
47	\$3,366,632					\$3,366,632
53	\$5,074,622					\$5,074,622
49		\$3,060,000				\$3,060,000
29		\$2,550,000				\$2,550,000
54			\$1,000,000			\$1,000,000
46			\$3,067,250			\$3,067,250
3		\$2,550,000				\$2,550,000
13			\$1,000,000			\$1,000,000
35				\$3,067,250		\$3,067,250
8					\$2,550,000	\$2,550,000
Property			\$2,000,000			\$2,000,000
Temporary		\$200,000		\$200,000		\$400,000
Equipment	\$730,000	\$1,095,000	\$365,000	\$365,000	\$365,000	\$2,920,000
Engineering		\$1,074,075	\$587,058	\$587,058	\$329,125	\$2,577,315
Subtotal	\$9,171,254	\$10,529,075	\$7,019,308	\$5,219,308	\$3,244,125	\$35,183,069
Inflation Rate	0.00%	4.00%	8.16%	12.49%	16.99%	
Inflation \$\$		\$421,163	\$572,775	\$651,704	\$551,042	\$2,196,685
Program						
Management	\$626,250					\$626,250
Contingencies		\$657,014	\$455,525	\$352,261	\$227,710	\$1,692,510
Total	\$9,797,504	\$11,607,252	\$8,047,608	\$6,223,272	\$4,022,877	\$39,698,513

Impact & Alternative Delivery Methods

- ◆ Conventional Design-Bid-Build
- ◆ Construction Manager at Risk
- ◆ Pre-qualified Contractors
- ◆ Other

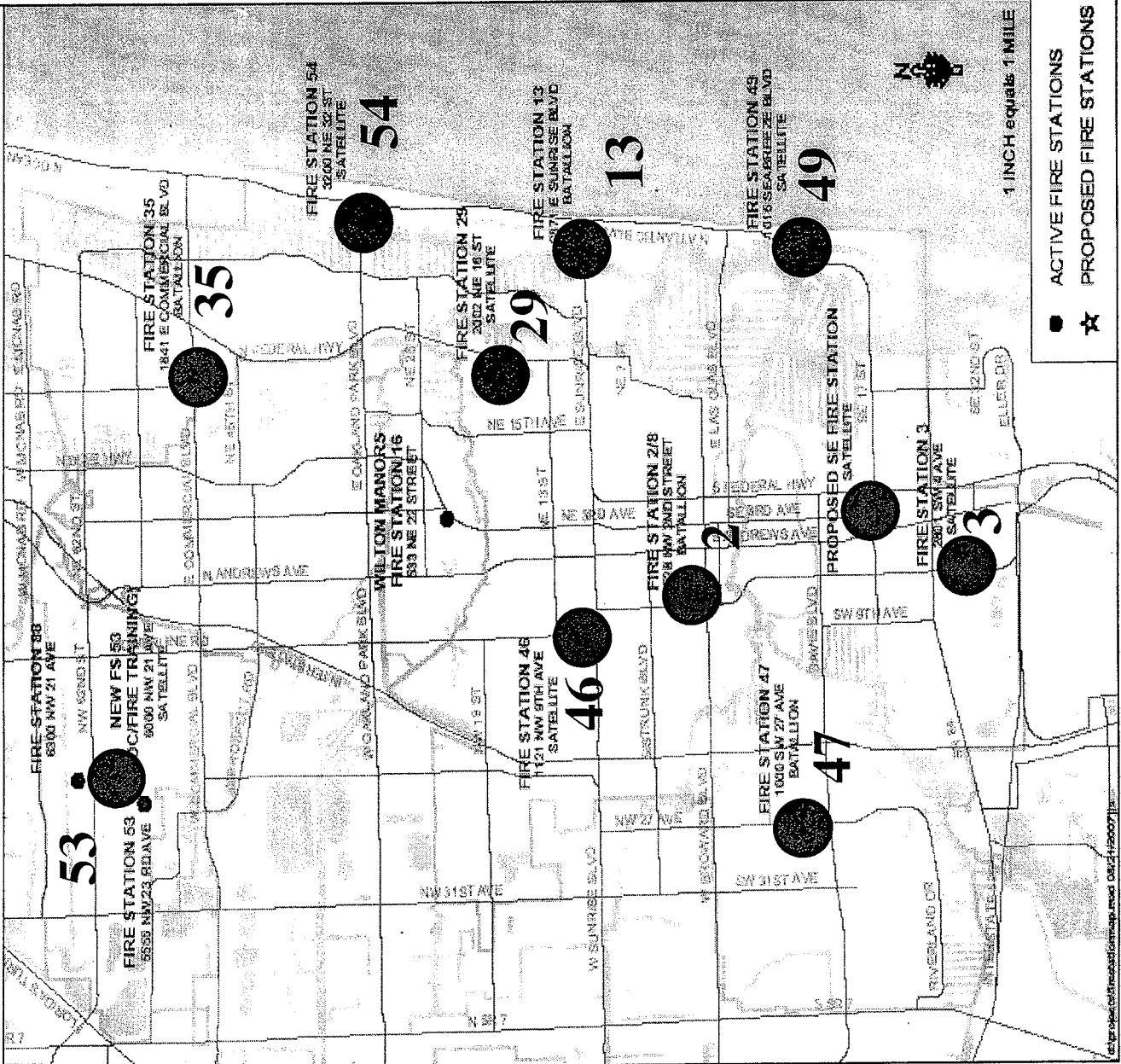
Recommendations to Move Forward

- ◆ Build 6 Stations at 10,000 SF +/-
- ◆ Evaluate the Remodeling of 2 Stations
 - Stations 54 and 13 (Proposed)
 - Evaluation to include
 - Fire Department Needs
 - Florida Building Code Requirements

Fire Station



CITY OF FORT LAUDERDALE FIRE STATION MAP



FS 53 PROGRESS REPORT TO JANUARY 31, 2008

FS 53 Construction Progress

January 1st through 31, 2008 Monthly Progress:

During the month of January the majority of the work performed consisted of the following:

- Electrical work is complete.
- Stripping and symbols on asphalt is complete.
- Light fixture installation is complete.
- Tile work and correction of deficiencies is complete.
- 1-1/2" irrigation water main is complete.
- Irrigation system is complete.
- Elevator interior cab-work is complete including electrical installation.
- Installation of gates and motors is complete excluding card readers.
- Placement of curbs is complete.
- All landscaping is complete.
- Security system installation is complete other than roof top cameras which will be selected by the City.
- Low voltage wiring is complete.
- Interior signage is complete.
- Installation of photo eyes in the apparatus bay is complete.
- Carpeting is installed in the Media room and Training rooms.
- Rubber flooring is installed in exercise room.
- Fire suppression and Fire Alarm system is complete.
- Trane workstation is complete and the additional phone line was provided.
- Phone lines are installed in the elevator, fire alarm and mainline.
- Fire alarm monitoring system was finalized.

January 2008 Construction Difficulties:

- Comcast line connection is required from the City of Fort Lauderdale.
- Delivery of antennas are needed from the City of Fort Lauderdale
- Additional rack in the AV room to be delivered by the City of Fort Lauderdale.
- Apparatus bay doors inspection is pending.
- Canopy fascia to be revised per City's request.
- Programming of network server.

Major Construction Anticipated Work for February 2008:

The following work is anticipated to be completed during the month of February 2008:

- New logo was submitted, installation is pending.
- Antenna installation
- Install AV system.
- Safety rails for the fire poles

- Kitchen pantries and cabinets
- Air conditioning for the electrical rooms.

FS 53 Financial Summary as of January, 2008

• Base Bid Lump Sum	\$7,089,000.00
• Alternate No. 1 AV System	\$ 50,000.00
• Alternate No. 2 Security System	<u>\$ 65,000.00</u>
• Total Base Bid + Alternates	<u>\$7,204,000.00</u>
• Approved Change Order #1	\$ 128,863.13
• Approved Change Order #2	\$ (9,147.49)
• Approved Change Order #3	\$ 74,410.02
• Approved Change Order #4	\$ 18,346.74
• Total Current Contract Value Including Changes	\$7,416,472.40

Payment Applications:

No. 1 - \$210,042.14
 No. 2 - \$179,300.85
 No. 3 - \$204,060.44
 No. 4 - \$736,591.67
 No. 5 - \$411,101.61
 No. 6 - \$214,005.28
 No. 7 - \$459,106.16
 No. 8 - \$934,604.24
 No. 9 - \$493,006.23
 No.10 - \$644,101.44
 No.11 - \$340,095.54
 No.12 - \$286,709.78
 No.13 - \$432,824.83
 No.14 - \$483,005.81

\$6,027,993.40 Total Paid to Date

The City of Fort Lauderdale is reviewing Application for Payment #15.

FS 53 Construction Schedule:

URS estimates that FS 53 installed construction at the project site is approximately 94% complete. (Plus or minus 5% as this can be very subjective). Financially the project is approximately 83% complete. To this end URS is confident that the contractor is being paid in accordance with the value of construction installed and materials stored on-site. The current contracted scheduled completion date is November 16, 2007. URS is of the opinion that due to difficulties with the final mechanical inspection, Temporary Certificate of Occupancy for FS 53 is now expected for early February due to code issues for the final mechanical inspection. Liquidated damages will be addressed upon obtaining a Certificate of Occupancy.

FS 53 Challenges:

1. Kitchen pantry and shelving design is being finalized for contractor pricing and installation. Fire cage for the fire poles shop drawings are being reviewed by the architect and will be priced by the contractor.
2. Potential schedule impacts due to added scope continue to be a concern. Schedule issues continue to be reviewed with all parties.
3. The installation of 20 antennas is required on the roof. A separate grounding system needs to be designed and the mounting of the antennas will be designed not to penetrate the walls.
4. Final Mechanical inspection did not pass, the inspector cited sections of the code requiring tie down details and guard rails on the roof where equipment is 10'-0" from the edge of the building. This issue will delay TCO.

QA/QC

During the month of January the inspections for final fire alarm, final fire, final plumbing and final electrical all passed. The electrical gate inspection, sprinkler inspection and landscape inspection passed. The drop test for the LP tank took place and the underground fuel tank is certified. Apparatus Bay door inspection is pending.

Safety

The Contractor has been conducting weekly Site Safety "Tool box" meetings. Currently, there are no safety issues.

END OF REPORT.

Prepared by: Ana Sora, Project Manager, URS

FS 47 PROGRESS REPORT JANUARY 31, 2008

FS 47 Construction Progress

January 2008 Monthly Progress:

The following describes the progress through the month of January:

- Completed installation of 1st and 2nd floor tile base
- Completed installation of the generator gas line
- Completed installation of 1st and 2nd floor light fixtures
- Completed installation of 1st and 2nd floor electrical fixtures
- Completed installation of the roof mounted lightning protection
- Completed installation of the 1st and 2nd floor plumbing fixtures
- Formed and poured concrete parking lot and miscellaneous slabs
- Completed installation of the gas line to the generator
- Completed installation of the second floor water heater
- Completed installation of the acoustical ceiling tile
- Completed installation of the smoke detectors and thermostats
- Continued installation of the Security System
- Installed electrical for bi-fold doors in the Apparatus Bay
- Completed installation of shower heads and bathroom fixtures
- Began installation of irrigation system

January 2008 Construction Difficulties

The following items are the major construction difficulties that were overcome this past month:

- The conduit for AT&T service needed to be rerouted to the Northwest corner of the Building. Due to the fact that this extra work was not caused by the Contractor or the City, AT&T was directed to reroute this conduit at their own cost.
- Data cable was completed this past month by the City's subcontractor, ASE
- CH2MHILL installed the well for the pump station on the northeast corner of the site. This work had to be coordinated as to not impact the Contractor's ongoing work.

January 2008 Construction Difficulties (Continued...)

- The City requested that the east drive be concrete in lieu of the asphalt drive that was in the original plans. This item was completed by the Contractor and the extra cost was included in Change Order No. 6.

Major Construction Anticipated Work for February 2008:

The following work is anticipated to be completed/underway next month:

- Complete interior painting of Building
- Complete landscaping
- Complete installation of irrigation system
- Complete final plumbing testing
- Complete final electrical testing
- Complete final mechanical and HVAC testing
- Complete final elevator testing
- Complete Comcast cable installation to the Building
- Complete AT&T phone installation to the Building
- Obtain Temporary Certificate of Occupancy
- Obtain Final Completion
- Set up Fire Alarm Monitoring Agreement with Advance Fire and Security Inc.

FS 47 Financial Summary as of January 31, 2008

• Base Bid Lump Sum	\$3,816,700.00
• Permit Allowance	<u>\$ 50,000.00</u>
• Total Base Bid + Allowance	<u>\$3,866,700.00</u>
• Change Order #1	\$52,720.31
• Change Order #2	\$68,782.14
• Change Order #3	\$2,431.27
• Change Order #4	\$98,220.01
• Change Order #5	\$14,732.94
• Change Order #6	\$58,955.35*

FS 47 Financial Summary as of January 31, 2008 (Continued...)

Payment Applications:

No. 1 - \$142,961.15
No. 2 - \$186,442.67
No. 3 - \$172,643.60
No. 4 - \$176,976.83
No. 5 - \$300,215.32
No. 6 - \$273,763.24
No. 7 - \$220,309.12
No. 8 - \$258,476.67
No. 9 - \$250,438.59
No. 10-\$222,541.80
No. 11-\$540,837.18
No. 12-\$517,806.50
No. 13-\$259,361.78

Total \$3,522,774.44

*Change Order No. 6 was sent to the City and is currently being processed.

FS 47 Construction Schedule

Padula and Wadsworth submitted an updated construction schedule with Pay Estimate No. 13. The update was reviewed and the logic for the sequencing of work needs to be corrected to reflect actual progress.

Change Order 6 was generated in January including extra work associated with; electrical for flush valves, antenna mast, Bunker Storage light fixtures, electrical for bi-fold doors, gas water heater, stainless steel shower head, concrete driveway, tile in the Officer Bunk Rooms, AV and Bay switches and the 30 amp outlets in the Apparatus Bay. Change Order number 4 was approved by the City during the month of October and as a result the adjusted completion date is February 20, 2008.

FS 47 Challenges

The major challenges that will need to be overcome this coming month are as follows: Installation of the AT&T line to prevent delay to final inspections, delivery of the City furnished gas range to not delay final gas line inspection, reconnection of the building sewer line to the existing street sewage line to prevent delay of the final plumbing inspection, delivery of the remaining kitchen appliances and the completion of the northeast corner of the site as it was removed from Padula and Wadsworth's Contract in order to install the sewer lift station.

Quality Assurance/ Quality Control

Nodarsie & Associates have been present during all concrete pours to assure materials being used are within Project Specifications. All sub-base densities have also been tested to assure conformance with the Contract Documents.

This past month the City Inspector has approved the ac partial, structural above ceiling, low voltage partial, electrical ceiling rough, mechanical partial, fire sprinkler and steel in driveways.

Safety

The Contractor has been conducting weekly toolbox safety meetings to assure all workers are taking proper safety precautions. There have been no safety incidents this past month.

FS 47 Project Completion Status

As of January 31, 2008, URS estimates this project is less than 96% complete and financially less than 85% of the Contract value has been approved for payment.

End of Report.

This Report was prepared by Esam Pietras, Project Manager

Excerpts from City of Fort Lauderdale City Charter.

Note: Highlights for reference only.

ARTICLE III. GOVERNMENT OF CITY AND FORM OF GOVERNMENT

Sec. 3.01. Commissioner-manager plan.

The form of government of City of Fort Lauderdale, provided for under the charter, shall be known as the "commissioner-manager plan." **The city manager shall be the administrative head of the city, answerable to the city commission.**

Sec. 3.02. Creation, composition and term of commission.

There is hereby created a city commission composed of one (1) mayor-commissioner and four (4) city commissioners all of whom shall be elected in the manner provided in this charter, shall take office on the first Tuesday following their election, and who shall hold office for a term of three (3) years, or until their successors are elected and qualified. No person who has been elected to the office of mayor-commissioner or to the office of city commissioner for three (3) consecutive terms shall be qualified for nomination or election to that office for the succeeding term. This limitation shall apply to terms which commence after the regular election of March 7, 2000. The mayor-commissioner and the four (4) city commissioners are sometimes referred to herein as commissioners or the city commission.

(Ord. No. C-86-77, § 1, 9-16-86; Ord. No. C-98-47, § 1, 9-1-98/11-3-98)

Sec. 3.03. Qualification of members; forfeiture of office.

To be eligible to hold the office of mayor-commissioner of the City of Fort Lauderdale, or to qualify for nomination or election as such, the candidate shall have resided in the City of Fort Lauderdale for six (6) months immediately preceding the date of the election, shall continuously reside in the City of Fort Lauderdale, and shall be a resident of the State of Florida and a citizen of the United States of America; shall be duly qualified to vote at city, state and national elections; shall be over the age of twenty-one (21) years; shall be otherwise qualified as in this charter provided; shall hold no other public elective office; and shall not be an officer, employee or serving any capacity with the city government, except that a city commissioner serving may qualify for election to the office of mayor. Candidates for nomination or election as mayor-commissioner shall comply with all the rules and regulations set out in the charter as to their conduct. Any candidate for mayor-commissioner or any mayor-commissioner who shall cease to possess the qualifications required herein shall forthwith forfeit his office.

To be eligible to hold the office of city commissioner of the City of Fort Lauderdale, or to qualify for nomination or election as such, the candidate shall have resided in the City of Fort Lauderdale for six (6) months immediately preceding the date of the election, and shall reside in the commission district from which he seeks election on the day he qualifies as a candidate for that office, shall continuously reside in that district and shall be a resident of the State of Florida, and a citizen of the United States of America; shall be duly qualified to vote at city, state and national elections; shall be over the age of twenty-one (21) years; and shall be otherwise qualified as in this charter provided; shall hold no other public elective office; and shall not be an officer, employee or serving in any capacity with the city government, except that a city commissioner serving may qualify for reelection. Candidates for nomination or election for the office of city commissioner shall comply with all the rules and regulations set out in the charter as to their conduct. Any candidate for city commission or any city commissioner who shall

cease to possess the qualifications required herein shall forthwith forfeit his office or candidacy.
(Ord. No. C-86-77, § 2, 9-16-86)

Sec. 3.04. Judge of elections and qualifications of members.

The city commission shall be the judge of all municipal elections and referendums and of the qualifications of its members, subject to review by the courts. At the time that the city commission meets to canvass the results of any election, any registered elector of City of Fort Lauderdale shall be entitled to file with the city commission an affidavit setting out the facts showing that a candidate has violated the provisions of this charter as to the manner of his election, or is otherwise unqualified to hold office, and the city commission shall take proof at such meeting and declare the results.

Sec. 3.05. Designation of vice-mayor.

(a) At its first meeting after the regular triennial election of 1988, the city commission shall, by resolution, designate a district commissioner as vice-mayor. The vice-mayor selected in 1988 shall serve until the first city commission meeting to be held in April 1989 and at that meeting and at the first meeting in April for every year thereafter the city commission shall by resolution designate a district commissioner as vice-mayor. Should a commissioner decline or be otherwise disqualified from serving in the office of vice-mayor, then and in that event, another district commissioner shall be designated by resolution to serve in such office.

(b) The vice-mayor shall preside at any meeting of the city commission from which the mayor is absent and shall perform those functions and duties set forth in section 4.04 hereof. Should the mayor resign from office or be otherwise unable to continue to serve as mayor, the vice-mayor shall serve as mayor until the vacancy in the office of mayor shall be filled as provided herein.

(Ord. No. C-86-77, § 3, 9-16-86)

Sec. 3.06. Powers vested in commission; limitations.

The legislative powers of the city shall be vested in and exercised by the city commission, and the commission shall have the power to pass ordinances, adopt resolutions, appoint by resolution all appointive officers, boards and those employees specified in this charter as being appointed by the city commission, and exercise all other powers herein provided. All powers of the City of Fort Lauderdale, except as otherwise provided by this charter or by the Constitution of the State of Florida, are hereby vested in the city commission; and except as otherwise provided by this charter or by the Constitution of the State of Florida, the city commission may by ordinance or resolution prescribe the manner in which any powers of the city shall be exercised.

Sec. 3.07. Not to direct appointment of employees.

Neither the city commission nor any of its members shall direct the appointment of any person to office or employment by the city manager, or in any manner prevent the city manager from using his own judgment in selecting those officers or employees which he is entitled to appoint or select under provisions of this charter, and the civil service system rules and regulations. Except for the purpose of inquiry, the commission and its members shall deal with the administrative service solely through the city manager, and neither the commission nor any member thereof shall give orders to any subordinates of the city manager, either publicly or privately. Nothing herein contained shall restrict the power of the

commission at regular or special meetings by formal motion, resolution or ordinance to establish policies and require compliance therewith by all personnel in the service of the city.

(Ord. No. C-85-40, § 1, 5-7-85)

Sec. 3.08. Forfeiture of office.

Absence by any commissioner from four (4) consecutive regular meetings of the city commission shall operate to vacate the seat of such member, unless such absence is excused by the city commission, by formal action duly entered upon the minutes. Any member of the city commission who shall, while in office, be convicted of a felony, shall thereupon forfeit his office, notwithstanding any appeal or right of appeal he may take or have subsequent to such conviction. Any member of the city commission who shall violate the provisions of article VI, section 6.06 of this charter shall forfeit his office.

Sec. 3.09. Organization meeting.

On the first Tuesday following each regular election the existing city commission shall meet at the usual place for holding the meetings of the legislative body of the city, for the purpose of transacting any and all necessary business before assumption of office by the newly elected commissioners. At 11:00 a.m. Eastern Standard Time the newly elected city commissioners shall assume the duties of office.

Sec. 3.10. Special meeting to seat a new member.

On the first Tuesday following the election of a new member, elected at other than a triennial regular election, the commission shall meet to receive such new member.

Sec. 3.11. Regular meetings.

The city commission shall meet regularly at such times as may be specified by ordinance; provided, however, that it shall meet regularly not less than twice each month except that meetings may be eliminated for one (1) month each year to provide for vacations.

Sec. 3.12. Special meetings--How called.

The mayor, any two (2) members of the city commission, or the city manager, may call special meetings of the city commission upon at least six (6) hours' written notice to each member, the city manager, city clerk, city attorney and chief of police, served personally or left at his usual place of residence. The call notice shall state the general purpose of the meeting. The regularity or validity of any proceedings, taken at any special meeting at which a majority of members of the city commission and city clerk is present, or where written waiver of call and consent in writing is filed, shall not be questioned on account of any omission or irregularity in calling such special meeting.

Sec. 3.13. Meeting place; meetings to be public.

All regular meetings of the city commission shall be held at the usual place of holding meetings of the city commission; but a special meeting may be held elsewhere in the city under authority of a resolution previously adopted authorizing such meetings. Meetings of the city commission shall be public, and any citizen shall have access to the minutes and records thereof at all reasonable times and under the supervision of the city clerk. The commission shall prescribe its own rules, regulations and order of business, and shall keep minutes of its proceedings. The mayor shall maintain order at all meetings, and the police department, upon instructions of the mayor, shall expel any person from the meeting who refuses to obey the order of the mayor in relation to preserving order at

the meetings. The commission may meet in conference session at a place other than the regular meeting place, but no official action shall be taken at such conference meeting.

Sec. 3.14. Quorum and vote.

A majority of all members of the city commission shall constitute a quorum, but a less number may adjourn from day to day and compel the attendance of absent members in such manner and under such penalties as may be prescribed by ordinance. The vote on any ordinance or resolution shall be taken by "yeas" and "nays" and the vote of each member of the city commission voting shall be entered on the official record of the meeting.

Sec. 3.15. Initiative; petition for proposed ordinance.

Any proposed ordinance, including ordinances for the repeal or amendment of the "Code of Ordinances of the City of Fort Lauderdale, Florida," then in effect, may be initiated, submitted and enacted in the following manner:

(a) A committee of not less than one thousand (1,000) electors of the city shall prepare and sign a petition addressed to the City Commission of the City of Fort Lauderdale requesting that a proposed ordinance attached to the petition be enacted. Each signer of the petition must be an elector of the city and shall sign his name in ink and shall indicate his place of residence and voting precinct. The petition shall have attached the certificate of the supervisor of elections indicating whether each of the signers is a qualified elector of the city. Thereafter, such signers shall be referred to as the committee, and one (1) member shall be designated therein as chairman of the committee. The committee shall have the right to request the city attorney, in writing, to assist in the drafting of such proposed ordinance in proper form, and such city attorney shall draft the proposed ordinance in proper form within thirty (30) days after being requested to do so by said committee in writing. He shall append to the drafted form of ordinance his opinion as to the legality of such proposed ordinance.

(b) Such signed petition and proposed ordinance and the opinion of the city attorney shall be presented by the committee to the city commission at a regular meeting, after sixty (60) days prior notice to the city manager that such matter will be presented at such meeting. An opportunity shall be given for proponents and opponents of the proposed ordinance to be heard. At such meetings the city commission shall take definite action upon the ordinance by rejecting same, failing to take action upon same, passing same in prepared form upon first reading or passing same in amended form upon first reading. If passed on first reading in an amended form, the chairman of the committee shall state in open meeting whether the committee accepts or rejects the ordinance, as amended, and the decision of the chairman shall be binding upon the committee. If the committee accepts the amended ordinance, as aforesaid, or if the city commission accepts the proposed ordinance, same shall be placed upon its first reading at such meeting, upon the second reading at the next regular meeting. If the proposed ordinance is passed upon first reading, or if the proposed ordinance is amended and passed upon first reading, and such amended ordinance is accepted and approved by the chairman of the committee, it shall be the duty of the city commission to pass such ordinance, and to continue reading such ordinance upon progressive readings at each regular meeting of the city commission until such ordinance is duly enacted.

(c) If the city commission should:

- (1) Reject the proposed ordinance; or
- (2) Fail to take action upon said proposed ordinance; or
- (3) Pass the ordinance in an amended form not acceptable to the committee; or
- (4) Fail to pass the proposed ordinance upon first and second reading; or

- (5) Fail to pass an amended ordinance, acceptable to the committee, upon successive meetings; or
- (6) Do any act to delay passage of such ordinance; the chairman of the committee shall have the right to demand in writing that an election upon the matter of enactment of the proposed ordinance, or amended ordinance which has been accepted or approved by the committee, be held in the manner provided in section 3.18 of this charter, and at such meetings at which such demand in writing is presented, the said city commission shall take action either calling such election or refusing to call such election, and the failure to call such election shall constitute a refusal.

Sec. 3.16. Circulating petition for an election.

After a demand for an election has been refused, as hereinbefore set out, the committee shall have the right to circulate petitions to obtain the signatures of registered electors of the city, equal in number to fifteen (15) percent of the qualified electors of the city, in order to compel the enactment of such ordinance or amended ordinance in the following manner:

- (a) Within ten (10) days after the demand for an election has been refused by the city commission, the clerk shall prepare a form of petition addressed to the city commission demanding that an election be called in the manner provided by section 3.18 of this charter in order that there may be submitted to the qualified electors of the city at such election the question of enactment by initiative proceedings of the proposed ordinance or amended ordinance. Such petition shall clearly outline the action sought and shall contain a copy of the ordinance proposed for enactment by the committee and shall contain spaces for signatures for electors and a form of affidavit for circulators to sign. All petitions shall be uniform in character and shall contain the names of each of the members of the committee of the petitioners, and designate the chairman thereof.
- (b) The chairman of the committee shall sign a receipt for the form of petition and shall return all signed petitions to the clerk within sixty (60) days from the date of said receipt.
- (c) Each elector of the city signing a petition shall sign his name as registered in the office of supervisor of elections of Broward County, Florida, in ink or indelible pencil, shall specify his voting precinct and shall place on the petition opposite his name the date he signed the petition and his place of residence in the city. Each counterpart of the petition shall contain appropriate lines for signatures by electors and a form of affidavit to be executed by the circulator thereof, verifying the fact that such circulator saw each person sign the counterpart of the petition, and that each signature appearing thereon is the genuine signature of the person it purports to be, and that such petition was signed in the presence of the affiant on the date indicated.
- (d) All counterparts of the petition shall be assembled and filed with the city clerk as one (1) instrument within sixty (60) days after receipt of such petition by the chairman, and when so filed, the clerk shall determine forthwith from the supervisor of elections if such petitions contain the signatures of electors constituting fifteen (15) percent in number of the registered electors of said city, and when such fact has been determined by report from the supervisor of elections, the city clerk shall submit such petitions and such affidavits to the city commission at its next regular meeting.
- (e) Any elector signing such petition shall have the right to file with the city clerk a demand in writing that his name be deleted and stricken from the petition, and upon the filing of such demand the name of such elector shall be stricken by the clerk and not be counted or computed in the total of electors signing the petition. No signature may be stricken after the clerk has certified the total of registered electors to the commission.

Sec. 3.17. Commission required to take action.

If the certificate of the clerk, so submitted, shows that fifteen (15) percent of the registered electors of the city signed such petition and have not requested that their signatures be stricken or deleted, then it shall be the mandatory duty of the city commission at such meeting at which the clerk's certificate is presented to enact the ordinance in final form, or call an election for the purpose of submitting such proposed ordinance to the votes of the electorate.

Sec. 3.18. Time of holding election.

If an election is scheduled to be held not less than thirty (30) days and not more than sixty (60) days after such meeting, such proposed ordinance shall be submitted to a vote of the electors at such election. If no election is to be held within the time aforesaid, the city commission shall provide for submitting the proposed ordinance to the electors at a special election to be held not later than sixty (60) days, nor earlier than thirty (30) days thereafter. At least ten (10) days before any such election the city clerk shall cause such proposed ordinance to be published, in one (1) issue of the official newspaper.

Sec. 3.19. Ballots.

Ballots to be used when voting upon any such proposed ordinance shall state the title of the ordinance to be voted on and below it the two (2) propositions "For the proposed Ordinance" and "Against the proposed Ordinance." If a majority of the electors voting on any such proposed ordinance shall vote in favor thereof, it shall thereupon become an ordinance of the city, and a part of the "Code of Ordinances of the City of Fort Lauderdale," upon canvass of such votes and proper certification.

Sec. 3.20. Referendum elections.

Any existing ordinance of the City of Fort Lauderdale, or any section or related sections of the "Code of Ordinances of the City of Fort Lauderdale," including ordinances approved by the electorate, may be repealed or amended, and any intended sale or lease of public property may be approved or rejected by a majority of the electors voting at a referendum election, when such matter is submitted to a referendum by the city commission, upon its own motion or as a result of initiative proceedings. In case of initiative proceedings, when the necessary requirements have been met, and proper petitions bearing the signatures of fifteen (15) percent of the registered electors have been filed, the city commission shall pass a resolution calling for a referendum election to be held under the same procedure as provided in section 3.18 and section 3.19 of this charter.

Sec. 3.21. Recall.

Any or all of the members of the city commission may be removed from office by the electors of the city in the manner provided for by general law.

Sec. 3.22. Offenses relating to petitions.

No person shall falsely impersonate another, or purposely write his name or residence falsely, in the signing of any petition for initiative, referendum or recall, or forge any name thereto, or sign any such paper with knowledge that he is not a qualified elector of the city. No person shall employ or pay another to accept employment or payment for circulating an initiative, referendum or recall petition. Any person violating any of the provisions of this section shall be deemed guilty of an offense and shall, upon conviction, be punished as provided by section 1-6 of the Code of Ordinances.

ARTICLE IV. EXECUTIVE OFFICERS

Sec. 4.01. Executive officers.

The mayor-commissioner, the city manager, the city clerk, the director of finance and the city attorney are recognized as executive officers of the city and shall severally perform on behalf of the city the following duties:

(a) The mayor-commissioner, the city manager, the director of finance and city clerk shall sign all bonds issued by the city.

(b) All contracts, agreements, leases or other instruments to which the city is a party and under which the city assumes any liability, shall be executed in the name of the city by the mayor-commissioner and city manager, attested by the city clerk, and the form of any such instrument shall be previously approved by the city attorney or assistant city attorney, provided, however, that where by ordinance or resolution, the execution of short-term leases or other instruments is delegated to another person, such instrument may be executed in the manner provided by such ordinance or resolution.

(c) All checks for the payment of money by the municipality shall be signed by the director of finance or by the holder of such other position as is authorized by resolution of the city commission. All persons authorized to sign checks shall be under fidelity bond in an amount recommended by the city manager and prescribed by resolution of the city commission.

(Ord. No. C-85-40, § 2, 5-7-85)

Sec. 4.02. Compensation of officers and employees.

The city commission of the City of Fort Lauderdale shall by resolution fix the compensation of commissioners, but any resolution increasing or reducing the compensation of commissioners shall not be adopted subsequent to July 31 of the year immediately preceding the year of the election and shall not be effective until the seating of the next commission following the next election. The city commission shall by resolution fix the compensation of the city manager and the city attorney. All other officers and employees shall receive the compensation designated under the pay plan and rules and regulations of the civil service system or the applicable collective bargaining agreement.

Sec. 4.03. Official bonds.

The city commission shall by resolution determine and fix the amount of bonds of all officers or employees required to furnish bond, as determined by the city commission. Where bond is required, same shall be procured from a regularly accredited surety company, licensed and authorized to do business in the State of Florida and maintaining an office and having an attorney-in-fact authorized to sign such bonds in the City of Fort Lauderdale, City of Fort Lauderdale shall pay the premium on such bonds; all of which shall be payable to City of Fort Lauderdale.

Sec. 4.04. Functions and duties of mayor-commissioner.

The mayor-commissioner or, in his absence or disqualification, the vice-mayor or mayor pro tem, as the case may be, shall perform the following functions:

(a) Preside at all meetings of the city commission, and maintain order and decorum. He shall have the right to limit the time a person shall be permitted to speak upon a given subject. He shall have the right to follow an order of business by written agenda, if desired. He shall have the right to expel any person from the meeting who refuses to obey the order of the mayor in relation to preserving order and decorum at the meeting, and upon direction of the presiding officer, the police department shall expel such person from the meeting.

(b) He shall have a voice and vote in the proceedings of the city commission, but no veto power. He shall vote last upon the roll call of commissioners. He shall have the right to temporarily relinquish the chair to the vice-mayor or other commissioner in order to make a motion, or offer a resolution or ordinance.

(c) He may use the title of mayor in any case in which the execution of legal instruments, writings, or other papers so require; but this shall not be considered as conferring upon him any of the administrative or judicial functions of a mayor under the general laws of the state, except as herein provided.

(d) He shall be recognized as the official head of the city by the courts for the purposes of serving civil processes; by the government in the exercise of military law; and by the public in general for all ceremonial purposes.

(e) He shall exercise all the power and duties of the mayor as may be conferred upon him by the city commission in pursuance of the provisions of this charter, and no others.

Sec. 4.05. City manager; appointment; qualifications; compensation.

The city commission shall appoint a city manager who shall be the administrative head of the municipal government answerable to and under the direction and supervision of the city commission, and he shall hold office at the pleasure of the city commission. He shall receive such compensation as the city commission may by resolution fix and determine, and shall furnish such bond as the city commission may require. He shall be chosen solely on the basis of his executive and administrative qualifications, without regard to his political belief, shall be over the age of twenty-one (21) years, shall reside in the city during his term of office, but he need not be a resident of the city or state at the time of his appointment. A city manager shall serve the city on a full-time basis. He shall not be or become engaged in any other occupation. He shall not serve on any committee, board, or as an officer of any enterprise, compensated or not, while in the city's service, except by approval of the city commission by resolution.

Sec. 4.06. Acting city manager upon resignation of or during absence or disability of city manager.

Upon the resignation of or during the absence or disability of the city manager, the city commission may by resolution designate some properly qualified person, either classified or exempt service, to temporarily execute the functions of his office. The person thus designated shall have the same powers and duties as the city manager, and shall be known while service as "acting city manager."

Sec. 4.07. Assistants to the city manager.

Upon the recommendation of the city manager, a deputy city manager may be appointed by resolution of the city commission. Assistant city managers and all other professional managerial and administrative employees in the office of the city manager shall be appointed by the city manager. The deputy city manager, assistant city managers and all other professional managerial and administrative employees in the office of the city manager shall be in the exempt service and may be suspended, demoted or removed by the city manager. The compensation of such members of the city manager's staff who are in the exempt service shall be established by the provisions of the city's pay plan.

Sec. 4.08. Removal or discharge.

The city manager may be removed or discharged by resolution of the city commission at any time. In such resolution the commission shall designate an acting city manager to serve in the place of the removed city manager, and the removed city manager shall vacate the office upon adoption of the resolution. Within five (5) days after the adoption of resolution removing or discharging him, such removed city manager shall have the right to have served upon him written statement of specific reasons for his discharge, if he so desires, by filing a demand for same with the city clerk, and leaving sufficient copies with the city clerk for service upon members of the city commission. Such written statement of specific reasons, signed by a majority of the city commission shall be delivered to such removed officer within five (5) days after service of such demand as aforesaid, and a definite time and date fixed in such written statement for a public hearing before the commission within not less than five (5) days and not more than ten (10) days after the service of such written statement. At the time and place specified the city commission shall convene as a body at a special meeting for the purpose of conducting a public hearing upon such charges. The removed city manager shall have the right to appear at such hearing to answer and rebut such charges or reasons, and he shall have the right to be represented by his own private counsel. At the conclusion of such hearing the commission shall adopt a resolution confirming such removal or reinstating such removed city manager. If reinstated he shall receive full pay for the period intervening between his removal and reinstatement.

An acting city manager may be removed at any time by resolution of the city commission, and such removed person shall not be entitled to a public hearing upon such removal.

(Ord. No. C-98-46, § 1, 9-1-98/11-3-98)

Sec. 4.09. Powers and duties.

The city manager shall be responsible to the city commission for the proper administration of all affairs of the city coming under his jurisdiction, and to that end he shall:

- (a) See that the laws and ordinances of the city are enforced.
- (b) Appoint, suspend, demote or remove any subordinate officers and employees under his jurisdiction, in accordance with the charter and applicable rules.
- (c) Exercise control, direct, and supervise all activities of the municipal government, except as otherwise provided in this charter.**
- (d) See that all terms and conditions imposed in favor of the city or its inhabitants in all contracts including leases and public utility franchises are faithfully kept and performed; and upon knowledge of any violation thereof, to call the same to the attention of the city attorney and the city commission, and it is hereby made the duty of the city attorney to take such legal steps as may be necessary to enforce the same when so directed by the city commission.
- (e) Attend all meetings of the city commission, with right to take part in the discussions, but without having a vote.
- (f) Recommend to the city commission for consideration such measures as he may deem necessary or expedient in the interests of the city.
- (g) Keep the city commission fully advised as to the financial conditions and needs of the city, and at such times and in such detail as may be specified submit to the city commission for its consideration an annual budget.
- (h) Advise and consult with all officers and official heads of the several departments of the city relative to the affairs of such departments, and to make recommendations to the city commission respecting such department.
- (i) Investigate and determine whether purchases of current supplies and contractual services are made in accordance with regulations prescribed by charter and ordinance, and whether competitive conditions are maintained in a fair and impartial manner.
- (j) Permit no contract to be let for the construction of public improvements, unless same is approved by the city commission after public advertisement for bids, except emergency construction.
- (k) Sign all bonds, contracts and agreements of the City of Fort Lauderdale.
- (l) Perform such other duties as may be prescribed under this charter, or may be required of him by motion, direction, ordinance or resolution of the city commission.**

Sec. 4.10. City attorney; appointment; qualifications; compensation.

The city commission shall appoint a city attorney who shall be employed under such terms and conditions as it may deem advisable. The city attorney shall be a lawyer of at least two (2) years' experience and practice in the courts of the State of Florida. The city attorney shall receive such compensation as the city commission may by resolution fix and designate. Neither the city attorney nor any of his assistants shall receive any compensation in connection with the performance of the duties of the office other than the amounts paid directly by the city for services rendered to the city. The city commission may, by resolution, authorize one (1) or more special counsel to be retained for the purpose of performing such legal duties as may be prescribed by said resolution. Each such resolution shall further prescribe the compensation to be paid the special counsel.

Sec. 4.11. Assistants to the city attorney.

Upon the recommendation of the city attorney, a deputy city attorney may be appointed by resolution of the city commission. Assistant city attorneys shall be appointed by the city attorney. The deputy city attorney and assistant city attorneys shall be in the exempt service and may be suspended, demoted or removed by the city attorney. The compensation of the deputy city attorney and assistant city attorneys shall be established by the provisions of the city's pay plan.

Sec. 4.12. Duties.

The city attorney shall be the legal advisor to, and attorney and counselor for, the municipality and all of its officers in matters relating to their official duties, and is further charged with the responsibility of prosecuting offenders against the ordinances of City of Fort Lauderdale, and to that end he or his delegated assistants shall:

- (a) Attend the meetings of the city commission and advise the city commission on all points of law and parliamentary procedure.
- (b) Prepare all ordinances and resolutions required by the city commission for adoption or enactment.
- (c) Prepare, and/or review, all contracts and other instruments in writing in which the municipality is concerned, and endorse on each his approval of the form and correctness thereof (except that municipal bonds need not be endorsed with the approval of the city attorney as to form and correctness thereof), and no formal contract with the municipality shall take effect until such approval is so endorsed thereon.
- (d) Protect and defend on behalf of the city all complaints, suits and controversies in which the city is a party, or, when required to do so by the city commission, file any action on behalf of the city.
- (e) Furnish the city commission or the city manager, when requested to do so, his opinion on questions of law relating to any**

legal matter or to the powers, duties, obligations, or liability of any officer or employee of the city.

(f) Act as the legal advisor to any city board or department.

(g) If required to do so, compile and codify the laws and ordinances of the City of Fort Lauderdale into a Code of Ordinances; but the city may contract for such work to be performed by other persons and may allow special compensation for such work.

(h) Perform such other professional duties as may be required of him by this charter or by ordinance or resolution of the city commission.

(i) The deputy city attorney and assistant city attorneys shall work under the supervision of the city attorney, and perform such duties as he shall require of them. In such cases they shall have the same powers as the city attorney.

Sec. 4.13. City clerk.

The city commission shall appoint a city clerk who shall be under the direction and supervision of the city commission and who shall hold office at the pleasure of the city commission. The duties of the city clerk shall be as set forth in section 2-83 of the city's Code of Ordinances. The compensation of the city clerk shall be established by the provisions of the city's pay plan.

(Ord. No. C-96-50, § 2, 9-17-96)

Sec. 4.14. City auditor; appointment; qualifications; compensation.

(a) The city commission shall appoint a city auditor who shall be employed under such terms and conditions as the city commission may deem advisable. The city auditor shall receive such compensation as the city commission may by resolution fix and designate. The individual appointed to the position of city auditor shall be a person who holds and maintains an active license to practice public accounting pursuant to Chapter 473, Florida Statutes, as may be amended from time to time, and shall have sufficient experience in governmental accounting and auditing practices.

(b) The city auditor shall follow governmental auditing standards, and shall review business practices, procedures, internal controls, and procurement practices which are used, employed and promulgated by the city government. The city auditor shall also be responsible for the performance of such other duties assigned by the city commission. To the degree necessary to fulfill the responsibilities of the office, the auditor shall have the power and authority to:

(1) Conduct financial and compliance, economy and efficiency, and performance audits of city government and city officials with written reports submitted to both city commission and the city manager.

(2) Have free and unrestricted access to government employees, officials, records, and reports; and where appropriate, require all branches, departments, and officials of city government to produce documents, files and other records.

(c) The city auditor shall review any matter related to city business upon the request of a city commissioner or the city manager.

(d) The city auditor has authority to remove, for further review and evaluation, an item from any city commission agenda and defer consideration on that item until the next regularly-scheduled meeting of the city commission. The item must relate to a transaction in which the city will either expend or receive funds, property, goods or services. The city commission may override the city auditor's decision to remove an item from the city commission agenda by a vote of one (1) more than that which would constitute a majority vote of the full city commission. This right of removal may only be exercised once for each agenda item removed.

(e) The city auditor shall employ such other administrative, professional, expert and clerical assistance as is necessary to carry out the city auditor's required duties.

(Ord. No. C-04-37, § 1, 7-26-04)

ARTICLE III. OFFICERS AND EMPLOYEES*

***Charter references:** Officers and employees generally, §§ 4.02 et seq., 6.01 et seq.

Cross references: Personnel, Ch. 20.

DIVISION 1. GENERALLY

Sec. 2-41. Residence requirement for department directors.

Any person appointed by the city manager to the position of department director or department head shall, within six (6) months from the date of such appointment, establish residence and reside during such employment within the corporate limits; provided, however, such requirement is not applicable to any employee promoted and appointed to such position by the city manager. The city manager may extend the time period set forth above if it is determined that the appointee is experiencing financial difficulty in meeting the requirements of this section.

(Code 1953, § 1-16; Ord. No. C-85-24, § 1, 2-10-85)

Sec. 2-42. Indemnification of city officials.

(a) *Definitions.* In this section the word "official" includes the mayor and every city commissioner, officer, agent, or employee of the city, whether elected, appointed, or employed, with or without compensation and also includes trustees, plan administrators and employees of the city's retirement systems. The word "official" shall also include any individual who, pursuant to hiring or promotional procedures of the city, participates in oral examinations of persons seeking employment or promotion, and it shall not be necessary that such individuals so participating be appointed by the city commission or by the city manager, appointment by the personnel manager of the city or by his designated assistant being sufficient to constitute any individual so appointed as an "official" under this section, regardless of whether such individual is an officer, agent or employee of any other city, governmental agency or entity.

(b) *Indemnification.* Whenever in the performance of or in connection with the performance of official duties in behalf of the city an official has been involved or shall hereafter be involved in a dispute, proceeding, or litigation, either in a representative or personal capacity, with or without the city as a co-party in the matter, and if final judgment is entered against such official and such judgment becomes final, the city shall promptly indemnify such official to the extent allowed by state law. The city, to the extent allowed by state law, shall promptly preserve, protect, defend, aid and assist such official and exonerate, indemnify and hold harmless such official from and against any and all expenses, liabilities, claims, demands, proceedings, damages, losses, charges, advances, disbursements, payments, expenses, costs, including reasonable counsel fees, awards, settlements, judgments, decrees and mandates paid, incurred by or imposed upon such official in all disputes, proceedings, trials and appeals, by reason of such official being or having been a city official, even though he is no longer an official at the time the expenses are incurred or the claims are made against him. The protection guaranteed in this section shall exist during and after the term of office or employment for liabilities incurred during the term of office or employment.

(c) *Actions authorized.* All officials of the city are hereby authorized, required and directed promptly to perform any and all acts necessary, expedient or proper to carry out the purposes of this section, including, but not limited to the following:

(1) The city legal department shall appear in all disputes, proceedings, litigation and appellate proceedings and conduct the same in behalf of such officials and is authorized to incur costs and expenses.

(2) The finance department shall promptly pay, disburse and reimburse the necessary funds required for such costs, expenses and indemnification and shall satisfy any awards, settlements, judgments, mandates or decrees recovered or entered against such officials, to the extent allowed by state law.

(3) The city officials shall execute as principal or surety any and all judicial or other bonds, including supersedeas or appeal bonds, or post cash or securities in lieu of surety bonds.

(4) The payment of all the foregoing sums is hereby declared to be a proper municipal purpose and expense, and the appropriation of all funds necessary for such payment is hereby authorized and made.

(d) *Duties of officials.* Each official protected hereby shall promptly cooperate in his own defense, and shall:

(1) Attend hearings, trials and depositions and furnish such evidence as shall be needed.

(2) Grant the city full rights of subrogation and the right to recover under any claims, offsets or counterclaims of the protected official arising in connection with the controversy involved in this section; provided, that if the protected official shall recover any sum, then the city shall deduct all disbursements, costs and expenses of litigation, including attorney's fees, and any award against the city, and the remainder shall belong to the protected official.

(3) Execute and deliver to the city all assignments, papers and documents needed to carry out the purposes of this section.

(e) *Nonliability of city.* The obligation of the city in this section shall extend only to such officials, but nothing in this section shall extend the liability of the city to the general public, and no act or omission under this section shall constitute any waiver of defenses or any admission of liability to the general public.

(f) *Hearing.* The city shall, for good cause, refuse to pay any judgment or decree entered against any official by following this procedure after a final judgment or decree, including any appellate proceedings:

(1) The official shall be given a written notice, at least twenty (20) days before a hearing, and a written complaint showing that the official acted with malice, moral turpitude, wantonness, willfulness or reckless indifference to the rights of others. The notice shall state the particulars of the complaint with enough detail so that the person may prepare his defense.

(2) At the hearing, which shall be before the city commission, the city and the official shall produce witnesses who shall give sworn testimony.

(3) At the conclusion of the hearing, the commission shall make its findings of fact and conclusions on the evidence. If the commission shall conclude that the official acted with malice, moral turpitude, wantonness, willfulness or reckless indifference to the rights of others, then the commission shall refuse to pay all or a part of the judgment or decree.

(4) If the official shall willfully fail or refuse to cooperate in his defense, then the commission may, to the extent that the city was damaged thereby, reduce the protection and indemnification provided under this section.

(Code 1953, § 2-13; Ord. No. C-2007, § 2, 2-25-64; Ord. No. C-76-119, § 1, 1-4-77; Ord. No. C-80-53, § 1, 7-1-80; Ord. No. C-95-4, § 1, 2-7-95)

Sec. 2-43. Restrictions on employment of relatives.

(a) In this section, unless the context clearly requires otherwise, the following words and phrases shall have the meanings herein ascribed to them:

(1) *Appointing authority* means any officer or employee of the city in whom is vested the authority by law, rule or regulation or to whom the authority has been delegated to appoint, employ, promote or advance individuals or to recommend individuals for appointment, employment, promotion or advancement in connection with employment by the city.

(2) *City official or employee* means any officer or employee of the city and specifically including every person engaged in any employment relationship with the city under any appointment or contract of hire, whether express or implied, oral or written, for remuneration and including all full-time, part-time, seasonal, permanent and temporary employees. Notwithstanding the provisions of subsections (e) and (g) of this section, the city manager may authorize temporary employment of individuals for any continuous period of four (4) months and assign those individuals to a department in which a relative of such individual is serving, which relative is related to such individual within the degrees of relationship as set forth in paragraph (a)(3) of this subsection.

(3) *Relative* means any individual related to a city official or employee of the city by a degree of consanguinity or affinity as set forth below:

Consanguinity

Father
Mother
Son
Daughter
Sister
Brother
Uncle
Aunt
Nephew
Niece
First
Half
Half sister

cousin
brother

Affinity

Husband
Wife
Father-in-law
Mother-in-law
Son-in-law
Daughter-in-law
Brother-in-law
Sister-in-law

Stepfather
Stepmother
Stepson
Stepdaughter
Stepsister
Stepbrother

(b) An appointing authority may not appoint, employ, promote or advance or advocate for appointment, employment, promotion or advancement in or to a position in a department or agency of the city in which such appointing authority is serving or over which such appointing authority exercises jurisdiction or control any individual who is a relative of the appointing authority. An individual may not be appointed, employed, promoted or advanced in or to a position in a department or agency of the city if such appointment, employment, promotion or advancement has been advocated by an appointing authority serving in or exercising jurisdiction or control over the department or agency and who is a relative of the individual.

(c) Mere approval of budgets shall not be sufficient to constitute "jurisdiction or control" for the purposes of this section.

(d) Except as provided in this section, an individual appointed, employed, promoted or advanced in violation of this section is not entitled to pay and money may not be paid to an individual so appointed, employed, promoted or advanced.

(e) No person who is related to an incumbent city employee or official within the degrees of relationship set forth in paragraph (a)(3) of this section shall be hired for employment in the same department in which such incumbent employee is employed or holds an appointive position.

(f) When persons employed in the same department become related to each other within any degree or degrees as set forth in paragraph (a)(3) of this section through acts of affinity or other processes of law, the city manager may, where practical and reasonable, transfer one (1) of such employees to another department.

(g) No employee who is related to another city employee within any degree of relationship as set forth in paragraph (a)(3) of this section shall be transferred into the department in which the related employee is assigned or in which he holds an appointive position.

(Code 1953, § 2-32; Ord. No. C-76-71, § 1, 7-6-76)

State law references: Restriction on employment of relatives, F.S. § 116.111.

Secs. 2-44--2-60. Reserved.

DIVISION 2. CITY MANAGER*

***Charter references:** City manager, §§ 4.01, 4.05 et seq.

Sec. 2-61. Powers and duties.

The city manager shall be responsible to the city commission for the proper administration of all affairs of the city coming under his jurisdiction, and to that end he shall:

- (1) See that the laws and ordinances of the city are enforced.
- (2) Appoint, suspend, demote and/or remove any subordinate officers and employees under his jurisdiction, in accordance with the charter and applicable rules.
- (3) Exercise control, direct and supervise all activities of the municipal government, except as otherwise provided in the charter.
- (4) See that all terms and conditions imposed in favor of the city or its inhabitants in all contracts, including leases and public utility franchises, are faithfully kept and performed and, upon knowledge of any violation thereof, call the same to the attention of the city attorney and the city commission, and it is hereby made the duty of the city attorney to take such legal steps as may be necessary to enforce the same when so directed by the city commission.
- (5) Attend all meetings of the city commission, with right to take part in the discussions, but without having a vote.
- (6) Recommend to the city commission for consideration such measures as he may deem necessary or expedient in the interests of the city.
- (7) Keep the city commission fully advised as to the financial conditions and needs of the city and, at such times and in such detail as may be specified, submit to the city commission for its consideration an annual budget.
- (8) Advise and consult with all officers and official heads of the several departments of the city relative to the affairs of such departments and make recommendations to the city commission respecting such department.
- (9) Investigate and determine whether purchases of current supplies and contractual services are made in accordance with regulations prescribed by charter and ordinance and whether competitive conditions are maintained in a fair and impartial manner.
- (10) Permit no contract to be let for the construction of public improvements, unless same is approved by the city commission after public advertisement for bids.
- (11) Prepare and submit to the city commission, after the close of each fiscal year, a complete report of the operation and business of the city for the preceding fiscal year.

(12) Sign all bonds, contracts and agreements of the city.

(13) Perform such other duties as may be prescribed under the charter or may be required of him by motion, direction, ordinance or resolution of the city commission.

(Laws of Fla. Ch. 57-1322, § 61; Laws of Fla. Ch. 59-1281, § 6; Laws of Fla. Ch. 63-1335, §§ 12--15; Laws of Fla. Ch. 65-1540, § 16; Laws of Fla. Ch. 67-1384, § 9)

Editor's note: Laws of Florida chapter 57-1322 is the former city charter. To the extent not inconsistent with the current charter, section 11.01 of the current charter converted the former city charter into an ordinance.

Charter references: Powers of city manager, §§ 4.09, 9.2.

Sec. 2-62. Authority to execute indemnification and hold harmless agreements.

The city manager is hereby authorized and empowered to execute indemnification and hold harmless agreements with other municipalities and county or state agencies in order to provide that the city will appear, defend, indemnify and hold harmless any such municipalities and county or state agencies and their authorized agents or employees as a result of any litigation which might arise because of the participation of such authorized agents or employees upon oral interview panels of the city.

(Code 1953, § 2-5.3; Ord. No. C-77-42, § 1, 4-5-77)

Sec. 2-63. Authority to lease city property.

Except when otherwise specified within this Code, the city manager is hereby empowered, upon the city commission's approval by motion, to lease city property for periods not exceeding one (1) year, and to execute such leases upon forms bearing the approval of the city attorney and the attestation of the city clerk.

(Code 1953, § 2-5.4; Ord. No. C-79-32, § 1, 4-17-79)

Sec. 2-64. Authority to grant concession rights in or upon city property.

Except when otherwise specified within this Code, the city manager or his designee is hereby empowered, upon the city commission's approval by motion, to grant concession rights in or upon city property for periods not exceeding one (1) year and to execute agreements granting such concession rights upon forms bearing the approval of the city attorney and the attestation of the city clerk.

(Code 1953, § 2-5.5; Ord. No. C-79-32, § 2, 4-17-79)

Sec. 2-65. Authorization and cancellation of projects not over ten thousand dollars.

(a) *Authorization.* The city manager may authorize a new engineering/construction project on behalf of the city when the total cost of the project does not exceed ten thousand dollars (\$10,000.00). The city manager is empowered to execute all necessary agreements for such projects on behalf of the city.

(b) *Cancellation.* The city manager may cancel an existing engineering/construction project on behalf of the city when the project is funded in an amount not exceeding ten thousand dollars (\$10,000.00) and the city manager determines that the project is no longer necessary for city purposes.

(Code 1953, § 2-22.2; Ord. No. C-83-43, § 3, 3-15-83)

Secs. 2-66--2-80. Reserved.

DIVISION 3. CITY CLERK

Sec. 2-81. Appointment; bond.

There shall be a city clerk who shall be in the classified service and appointed in accordance with civil service rules and regulations.

(Laws of Fla. Ch. 57-1322, § 64)

Editor's note: Laws of Florida chapter 57-1322 is the former city charter. To the extent not inconsistent with the current charter, section 11.01 of the current charter converted the former city charter into an ordinance.

Sec. 2-82. Deputy clerk.

An assistant city clerk or deputy clerk may from time to time be appointed under the rules and regulations of the civil service department and when serving as such shall have the same powers and authority as the city clerk and shall perform his duties under the supervision of the city clerk.

(Laws of Fla. Ch. 57-1322, § 65; Laws of Fla. Ch. 71-640, § 3)

Editor's note: Laws of Florida chapter 57-1322 is the former city charter. To the extent not inconsistent with the current charter, section 11.01 of the current charter converted the former city charter into an ordinance.

Sec. 2-83. Duties generally.

The city clerk and his duly authorized deputies shall perform the following duties:

- (1) Attend all meetings of the city commission and keep minutes of its proceedings, the correctness of which proceedings shall be certified to by his signature and by the signature of the presiding officer of the city commission at such meeting; and the official minutes of the city

commission, when duly signed by the clerk and mayor-commissioner or vice-mayor presiding at such meeting, shall be prima facie evidence of the facts and happenings stated therein. He shall furnish certified copies of the minutes as required.

(2) Administer any oath required by the law or ordinances of the city.

(3) Be the official custodian of the seal of the city and of all records and papers of an official character pertaining to the affairs of the city; and whenever an official seal is required on any official document of the city, the same shall be affixed by the city clerk or deputy clerk.

(4) Sign all ordinances and resolutions and record in full in books kept for such purposes all ordinances and resolutions; and furnish certified copies as required.

(5) Perform any other duties required of the clerk by charter or ordinance or any duties applicable and proper to be performed by the city clerk.

(Laws of Fla. Ch. 57-1322, § 66)

Secs. 2-84--2-100. Reserved.

Albert Carbon

From: Peter Partington
Sent: Monday, February 18, 2008 5:37 PM
To: Albert Carbon
Cc: Heslop Daley
Subject: RE: Harbordale

BCTE has issued work orders for more than 60 new signs in the Harbordale area. Heslop is going to check for completeness of no thru truck signing.
I'll give you handwritten notes on the Harbordale overall wish list.

-----Original Message-----

From: Albert Carbon
Sent: Monday, February 18, 2008 9:11 AM
To: Sandra Doughlin
Cc: Gerry Burrini; Peter Partington
Subject: RE: Harbordale

I spoke with Peter and he is getting the information.

Albert.

From: Sandra Doughlin
Sent: Friday, February 15, 2008 10:22 AM
To: Albert Carbon
Cc: Gerry Burrini
Subject: Harbordale
Importance: High

Good morning, Please provide status, (Gerry this was given to you last Thursday).

Thanks

Sandra A. Doughlin
Administrative Assistant
City Manager's Office
(ph) 954-828-4508
(fax) 954-828-5599
(e-mail) SDoughlin@fortlauderdale.gov

COMMISSION AGENDA REPORT

COMMISSION MEETING DATE:

02-19-2008

AGENDA ITEM:

M-11

COMMISSION REPORT NO:

08-0228

PREPARED BY:

Albert Carbon 02-07-2008 10:40:13

DEPT: Public Works

DEPARTMENT DIRECTOR'S SIGNATURE

Peter R. Partington, P.E., City Engineer (954) 828-5240

AUTHOR'S NAME, TITLE, AND TELEPHONE NUMBER

George Gretsas 02-14-2008 16:02:02

CITY MANAGER'S SIGNATURE

TITLE 1:

CHANGE ORDER 6 - PADULA AND WADSWORTH CONSTRUCTION, INC. - \$55,245.14

TITLE 2:

FIRE STATION 47 BUILDING REPLACEMENT

SUBJECT:

A motion authorizing 1) Change Order 6 to Padula and Wadsworth Construction, Inc., in the amount of \$55,245.14 - additional scope of work at Fire Station 47 Building Replacement - Project 10766 and 2) transfer \$55,245.14 to fund this change order.

REQUESTED ACTION (STAFF RECOMMENDATION - CONTENT OF MOTION):

Motion to approve.

REGULAR AGENDA

CONFERENCE

Motion

Motion for Discussion

Old/New Business

City Commission Reports

Public Hearing

Ordinance

Exec Closed Door

City Manager Reports

Resolution

Presentation

Conference Reports

Purchase

Citizen Presentation

Advisory Boards

Consent Resolution

Public Notice Advertised:

FUNDS APPROPRIATION/TRANSFER (provide index code, subobject, and title of subobject):

Transfer \$55,245.14 from P10916.336, Fire Station 3, to P10766.336, all in Fund 336, Subfund 01, Subobject 6599.

FOR PROCUREMENT ITEMS ONLY

PROCUREMENT REFERENCE NO:

TRANSACTION TYPE:

BIDS SOLICITED/RECEIVED:

WBE:

LATE BID:

Vendor:

MBE:

NO BID:

Amount:

Details:

Procurement Recommendation:

Description of Exhibits:

- | | | |
|-----------------------|-------------------------|----|
| 1. Change Order No. 6 | 2. Project Cost Summary | 3. |
| 4. | 5. | 6. |
| 7. | 8. | 9. |

EXHIBITS: AVAILABLE VIA HARDCOPY: Exhibit #s:

PRIOR COMMISSION/BOARD ACTION: (attach additional file if necessary)

BACKGROUND/DETAIL:

This item is to propose Change Order No. 6 to Padula and Wadsworth Construction, Inc., and will compensate the contractor for extra work associated with revisions made to the Fire Station No. 47 Project, including: the provision of electricity to a number of flush valves on the first and second floors; antenna masts installed at the request of the City's Information Technology Services Department; ten (10) light fixtures for the bunker storage room; electrical power to the bi-fold and rollup doors in the apparatus bay; a substitute water heater to meet clearance requirements in the janitor's closet; a showerhead with emergency pull down lever for emergency use in the decontamination room; concrete slab instead of asphalt paving in the east parking lot and driveway that will provide a better surface for the heavy trucks accessing the bays; changes to the apparatus bay outlets to accommodate the fire truck air conditioner units used to keep the trucks at a consistent temperature; and, additional tile and trash receptacles.

A copy of Change Order No. 6 is attached as Exhibit 1; the Project Cost Summary as Exhibit 2.

Staff recommends the City Commission authorize the 1) Change Order No. 6 to Padula and Wadsworth Construction, Inc., in the amount of \$55,245.14, for additional scope of work at Fire Station No. 47 Building Replacement, Project 10766 and 2) transfer of \$55,245.14 to fund this change order.

Attorney's Initials:

To: George Gretsas, City Manager
 From: Peter Partington, P.E., City Engineer
 Date: January 31, 2008
 Re: Change Order (X) Extra Work () Additional Work ()

Job Description: Project 10766 Fire Station No. 47 Replacement
 Contractor: Padula and Wadsworth Construction, Inc.
 Amount: \$55,245.14
 Funds Available: Transfer \$55,245.14 from P10916.336 Fire Station 3 to P10766.336

Itemized and explained as follows:

Changes and additions are required due to error and omission, owners request and previously unforeseen site conditions in the original scope of work. This Change Order will compensate Padula and Wadsworth for additional costs incurred as a result of the following line items:

New Items Are Utilized:

Item 27: **Electrical for Flush Valves:** During the submittal review process the Contractor was instructed to provide sensor type flush valves for both the urinals and the water closets. This proposal includes all work associated with providing the electricity to a number of the flush valves on the first and second floor. The electrical system was originally designed to provide power to a number of the valves but excluded the second floor bathrooms # 1 and 2 and the first floor bathrooms. URS has reviewed Padula and Wadsworth's proposed cost associated with this additional work and has found it to be fair and equitable. This was an error and omission and URS recommends payment by the owner in the amount of \$866.74. (PCO #35).

Add \$866.74

TOTAL AMOUNT OF THIS CHANGE ORDER

\$ 55,245.14

This Change Order provides for all costs and schedule adjustments associated with completing the work, including materials, labor, equipment, bond, insurance, overhead, profit, impacts, and any and all related items or associated costs incurred or resulting from the items listed above.

Approved: *Frank Padula*
 Padula and Wadsworth Construction, Inc.

2-4-08
 Date

Recommended by: *Peter Partington*
 Peter Partington, P.E.
 City Engineer

2/5/08
 Date

Approved by: _____
 City Commission

 Date

cc: Mark Friedman, Construction Manager, City of Fort Lauderdale
 Mike Nekolny, Financial Administration, City of Fort Lauderdale
 Kymberly Holcombe, Administrative Assistant II, City of Fort Lauderdale
 Frank Snedaker, City Architect, City of Fort Lauderdale
 Eric Geen, URS Corporation
 Esam Pietras, URS Corporation **EP**
 Padula and Wadsworth Construction Inc.
 Finance Department
 File

CAR 08-0228
EXHIBIT 1

Item 28:

Antenna Mast: During coordination with the City of Fort Lauderdale's Communications Department it was stated that the roof mounted antennas must be bracketed to the building and extend through the raised roofs so that they will be able to withstand the appropriate wind loads. The antenna masts were installed, as directed, utilizing brackets provided by the City. Padula and Wadsworth submitted a proposal for this extra work. URS has reviewed the Contractor's proposal and found it to be fair and equitable. This was an Owner's Request and URS recommends payment by the City in the amount of \$1,651.28 (PCO #29).

Add \$1,651.28

Item 29:

Bunker Storage Fixtures: Ten (10) Type F Light Fixtures were indicated for the Bunker Storage Room. These fixtures are surface mounted and due to the fact that there is a ceiling grid indicated in this room, lay-in lights were needed. Padula and Wadsworth submitted a proposal to provide the required light fixtures. There is not a credit included in this price as the Contractor was unable to return the already purchased surface mounted lights. These additional lights will be given to the City for replacement purposes. The proposal resulted in an additional cost to the Project. URS has reviewed this proposal and found it to be fair and equitable. This was an error and omission and URS recommends payment by the City in the amount of \$1,493.69 (PCO #37)

Add \$1,493.69

Item 30:

Electrical for Bi-Fold Doors: At the time of design the engineer was not aware of the electrical needs of the bi-fold and rollup doors in the Apparatus Bay. Though power was supplied to the doors on the original plans the remaining electrical requirements could not be issued to the Contractor until the Door Contractor was selected by the City and shop drawings were generated. Padula and Wadsworth submitted a proposal to provide the required power to the bi-fold/rollup doors in accordance with the shop drawings and direction issued by the City's subcontractor. URS has reviewed this proposal and found it to be fair and equitable. This was an unforeseen condition URS recommends payment by the City in the amount of \$14,991.16 (PCO #39).

Add \$14,991.16

Item 31:

2nd Floor Water Heater: It was discovered by the Contractor at the time of installation that the gas water heater specified and delivered did not meet the clearance requirements in the space provided in the Janitor Closet. A substitute water heater was suggested by Padula and Wadsworth and approved by the mechanical engineer. Padula and Wadsworth then submitted a proposal to provide a substitute hot water heater including a credit for the water heater that was originally specified. URS has reviewed this proposal and found it to be fair and equitable. This was an Unforeseen Condition URS recommends payment by the City in the amount of \$6,317.65 (PCO #40).

Add \$ 6,317.65

Item 32:

Stainless Steel Shower Head: The showerhead required for the Decontamination Room was not specified in the Contract. The Contractor submitted the showerhead they intended to provide at the time of bid and the submittal was rejected due to the need for a larger stainless steel showerhead with an emergency pull down lever for emergency usage. Padula and Wadsworth submitted a proposal to provide the requested showerhead. URS has reviewed this proposal and found it to be fair and equitable. This was an Owner's Request and URS recommends payment by the City in the amount of \$819.35 (PCO #41).

Add \$ 819.35

Item 33:

Concrete Driveway: The City requested that the east parking lot/driveway be constructed with concrete in lieu of asphalt as was originally intended by the Contract. This change was requested due to the fact that the trucks that will be accessing the bays are extremely heavy and will tear into the asphalt when turning into the bays. Padula and Wadsworth submitted a proposal to provide a concrete drive as requested. URS has reviewed this proposal and found it to be fair and equitable. This was an Owner's Request and URS recommends payment by the City in the amount of \$24,143.00 (PCO #42).

Add \$ 24,143.00

Item 34: **Apparatus Bay Outlets:** The City requested 30amp outlets be provided at each bay in lieu of one of the 20amp outlets that are indicated at each bay. This change was made to accommodate the fire trucks' a/c units used to keep the trucks at a consistent temperature. Padula and Wadsworth submitted a proposal to provide the outlets that were requested. URS has reviewed this proposal and found it to be fair and equitable. This was an Owner's Request and URS recommends payment by the City in the amount of \$1,961.33. (PCO #43).

✓
Add \$ 1,961.33

Item 35: **Additional Tile:** The finish schedule did not indicate tile in Officer Bunk No. 1, 2 or 3. The Contractor was directed to install tile in these rooms by way of the revised flooring plans issued by the City. Padula and Wadsworth submitted a proposal to provide the additional floor tile. URS has reviewed this proposal and found it to be fair and equitable. This was an Error and Omission and URS recommends payment by the City in the amount of \$2,803.48. (PCO #45).

✓
Add \$ 2,803.48

Item 36: **Additional Trash Receptacles:** At the request of the City of Fort Lauderdale, the Contractor will be providing trash receptacles in the second floor Men's and Women's bathrooms. Padula and Wadsworth submitted a proposal for this extra work. This was an Owner's Request and URS recommends payment by the City in the amount of \$197.46. (PCO #46)

✓
Add \$ 197.46

CHANGE ORDER SUMMARY SHEET

ORIGINAL CONTRACT AMOUNT		\$ 3,866,700.00
COST OF CHANGE ORDERS TO DATE		\$ 236,886.67
	TOTAL:	\$ 4,103,586.67
COST OF THIS CHANGE ORDER		\$ 55,245.14
	TOTAL:	\$ 4,158,831.81
ORIGINAL CONTRACT TIME		<u>280 Working Days</u>
TIME ADDED TO DATE		<u>16 Working Days</u>
	TOTAL:	<u>296 Working Days</u>
TIME ADDED TO THIS CHANGE ORDER		<u>0 Working Days</u>
	TOTAL:	<u>296 Working Days</u>

SCHEDULE OF CHANGE ORDERS TO DATE

<u>C.O.#</u>	<u>DATE</u>	<u>DESCRIPTION</u>	<u>AMOUNT OF COST OR CREDIT</u>
001	February 19, 2007	Septic System Removal, Storage Room Footings and Bunker Storage Room Lockers	\$52,720.31
002	April 25, 2007	Permit Review Changes, Pre-stressed Joist Revisions	\$68,782.14
003	June 26, 2007	Revised flooring, Kitchen Hood, Bathroom Tile, Fire Pole, Trash Chute, Columns and Beams	\$2,431.27
004	September 11, 2007	Revised Sewer Line, Credit for Kitchen Appliances, Lowering Arch Beam, Electric Flush Valves, Time Ext for Septic System Removal, Security System, Electrical Changes for Room Swap	\$98,220.01
005	November 15, 2007	Wall Chases, Electric Gate, TV Backing, Revised Signage, Additional Card Reader	\$14,732.94

Project Cost Summary

Project - 10766 - Fire Station No. 47 Replacement

ITEM	AMOUNT
Construction Contract Amount	\$ 3,866,700.00
Engineering Fees/Other Costs	\$ -
Requested Change Order	\$ 55,245.14
Total Contract Change Orders to Date (including request)	\$ 292,131.81
Percentage (Contract Changes/Contract Amount)	7.56%
Remaining Unencumbered Project Appropriation	\$ -

CAR 08-0228
EXHIBIT 2

COMMISSION AGENDA REPORT

COMMISSION MEETING DATE: 09-19-2006 AGENDA ITEM: M-08

COMMISSION REPORT NO: 06-1274

PREPARED BY:

Albert Carbon 09-07-2006 16:47:20

DEPT: Public Works

DEPARTMENT DIRECTOR'S SIGNATURE

Peter R. Partington, P.E., City Engineer X 5240

AUTHOR'S NAME, TITLE, AND TELEPHONE NUMBER

George Gretsas 09-13-2006 12:19:12

CITY MANAGER'S SIGNATURE

TITLE 1: CONTRACT AWARD - PADULA & WADSWORTH CONSTRUCTION, INC. - \$3,866,700

TITLE 2: FIRE STATION 47 REPLACEMENT

SUBJECT:

A motion authorizing the proper City Officials to award and execute a contract with Padula & Wadsworth Construction, Inc., in the amount of \$3,866,700 - Fire Station 47 Replacement Project 10766.

PROPERTY LOCATION/ADDRESS:

REQUESTED ACTION (STAFF RECOMMENDATION - CONTENT OF MOTION):

Motion to approve.

REGULAR AGENDA

CONFERENCE

COMMISSION MEMO

Motion

Motion for Discussion

Old/New Business

Public Hearing

Ordinance

CRA

Resolution

Presentation

Exec Closed Door

Purchase

Citizen Presentation

Advisory Boards

Guest Speaker

City Commission Reports

City Manager Reports

Public Notice Advertised:

Name of Guest Speaker:

Affiliation of Guest Speaker:

FUNDS APPROPRIATION/TRANSFER (provide index code, subobject, and title of subobject):

\$738,370 needs to be transferred from P10363.336, subobject 6599 CIP Executive Airport ARFF/EOC Building to P10766.336, subobject 6599

FOR PROCUREMENT ITEMS ONLY

PROCUREMENT REFERENCE NO:

TRANSACTION TYPE:

BIDS SOLICITED/RECEIVED:

WBE:

LATE BID:

Vendor:

MBE:

NO BID:

Amount:

Details:

Procurement Recommendation:

Description of Exhibits:

1.	Bid Tabulation	2.	Project Cost Summary	3.	
4.		5.		6.	
7.		8.		9.	

EXHIBITS: AVAILABLE VIA HARDCOPY: Exhibit #s: _____

PRIOR COMMISSION/BOARD ACTION: (attach additional file if necessary)

The Commission at its July 19, 2005 meeting authorized staff to implement a pre-qualification procedure for selection contractors to bid on City construction projects in excess of \$2 million in value. This process was used to pre-qualify four construction firms to bid on the Fire Rescue Bond program, specifically Stations 53 and 47.

BACKGROUND/DETAIL: (2000 character limit)

Plans and specifications were completed and the project was advertised on May 19, 2006 for the four pre-qualified construction firms. On July 13, 2006 a sole bid was received for Project 10766, Fire Station 47. The bid was \$5.7 million and on July 18, 2006 the Commission rejected the single bid.

After the bid was rejected, four additional contractors were pre-qualified to create a new potential bidder pool of eight. The project was re-advertised and on September 6, 2006 three bids were received. Padula & Wadsworth Construction, Inc. submitted the low bid of \$3,866,700. This contractor has extensive experience in the construction of public buildings, include schools, and is currently working on a fire station project for the City of Mirimar. A copy of the bid tabulation is attached as Exhibit 1. A summary of the project costs is attached as Exhibit 2.

Staff recommends that the City Commission award and execute a contract for Project No. 10766 Fire Station No. 47 Replacement to Padula & Wadsworth Construction, Inc. in the amount of \$3,866,700. Funding is indicated on the bid tabulation.

Document Name: _____

Type: _____

Expiration Date: _____

Attorney's Initials: VM/dv

Engineering Bid Form - Agenda

To: City Manager's Office

Date:

09/07/06

Project/Improvement:

Project - 10766- Rebid Fire Station #47 Building Replacement

Tabulation

	<u>Contractors</u>	<u>Bid</u>	<u>Low Bid</u>
*WBE	West Construction, Inc., Lake Worth, FL	\$5,392,000.00	
*N	C.G. Chase Construction Management, Inc., Miami, FL	\$4,296,000.00	
*N	<u>Padula & Wadsworth Construction, Inc., Pompano Beach, FL</u>		\$3,866,700.00
Other Costs:	Engineering		\$0.00
	TOTAL		\$3,866,700.00

Engineer's Pre- Bid Estimate/Date:

\$3,550,000.00

July 24, 2006

Project:

P10766.331 - Replacement Firestation 47
P10766.336 - Replacement Firestation 47

Funding

\$860,000.00
\$2,655,000.00
\$3,515,000.00

Transfer:(1)

P10363.336 - Exec. Airport ARFF/EOC Building
P10766.336 - Replacement Firestation 47

Transfer From:

\$738,370.00

Transfer To:

\$738,370.00
\$738,370.00

Total Transfers:

\$738,370.00

Total Funding:

\$4,253,370.00

Recommended Action:

Accept bids and award contract to the lowest responsive and responsible bidder.

Remarks:

*Minority Business Form
MBE = Minority Business Enterprise
WBE = Woman Business Enterprise
N = Neither MBE or WBE
NONE = No Form Turned In



City Engineer

BID DATE:

09/06/06

CAR-06-1274
Exhibit 1

Project Cost Summary

Project - 10766 Fire Station #47 Building Replacement

ITEM	AMOUNT
Construction Contract Amount	\$ 3,866,700.00
Engineering Fees/Other Costs	\$ -
Requested Change Order	\$ -
Total Contract Change Orders to Date (including request)	\$ -
Percentage (Contract Changes/Contract Amount)	0.00%
Remaining Unencumbered Project Appropriation	\$ 386,670.00

CAR 06-1274
Exhibit 2

COMMISSION AGENDA REPORT

COMMISSION MEETING DATE: 07-18-2006

AGENDA ITEM: M-34

COMMISSION REPORT NO: 06-1076

PREPARED BY:

Albert Carbon 07-13-2006 15:44:13
DEPARTMENT DIRECTOR'S SIGNATURE

DEPT: Public Works

Peter R. Partington, P.E., City Engineer X 5240
AUTHOR'S NAME, TITLE, AND TELEPHONE NUMBER

George Gretsas 07-13-2006 17:40:40
CITY MANAGER'S SIGNATURE

TITLE 1: FIRE STATION 47 REPLACEMENT

TITLE 2: REJECT BID AND REBID

SUBJECT:

A motion rejecting the sole bid received for Project 10766, Fire Station 47 Replacement - Project 10766, and authorize rebidding.

PROPERTY LOCATION/ADDRESS:

REQUESTED ACTION (STAFF RECOMMENDATION - CONTENT OF MOTION):

Motion to reject and authorize rebidding.

- REGULAR AGENDA
 - Motion
 - Public Hearing
 - Resolution
 - Purchase
 - CONFERENCE
 - Motion for Discussion
 - Ordinance
 - Presentation
 - Citizen Presentation
 - COMMISSION MEMO
 - Old/New Business
 - CRA
 - Exec Closed Door
 - Advisory Boards
 - City Commission Reports
 - City Manager Reports
- Guest Speaker

Public Notice Advertised:

Name of Guest Speaker:

Affiliation of Guest Speaker:

FUNDS APPROPRIATION/TRANSFER (provide index code, subobject, and title of subobject):

No budgetary impact.

FOR PROCUREMENT ITEMS ONLY

PROCUREMENT REFERENCE NO: TRANSACTION TYPE:

BIDS SOLICITED/RECEIVED: WBE: LATE BID:

Vendor: MBE: NO BID:

Amount: Details:

Procurement Recommendation:

Description of Exhibits:

- | | | | | | |
|----|---|----|----------------------|----|----------------------|
| 1. | <input type="text" value="Bid Tabulation"/> | 2. | <input type="text"/> | 3. | <input type="text"/> |
| 4. | <input type="text"/> | 5. | <input type="text"/> | 6. | <input type="text"/> |
| 7. | <input type="text"/> | 8. | <input type="text"/> | 9. | <input type="text"/> |

EXHIBITS: AVAILABLE VIA HARDCOPY: Exhibit #s:

PRIOR COMMISSION/BOARD ACTION: (attach additional file if necessary)

BACKGROUND/DETAIL: (2000 character limit)

On July 13 a sole bid was received for Project 10766, Fire Station 47. The bid was significantly higher, \$5.7 million, than the engineer's estimate of \$3.05 million. A copy of the bid tabulation is attached as Exhibit 1.

Fire Station 47 required bids be submitted by pre-qualified contractors. Four pre-qualified contractors were authorized in July 2005. In June 2006 four additional contractors were pre-qualified. These newly pre-qualified bidders were not eligible to bid Fire Station 47 since the project was advertised before the pre-qualification statements were received.

Staff recommends that the City Commission reject the single sole bid for Project 10766, Fire Station 47 Replacement and authorize rebidding of the project. The rebidding will allow the new pre-qualified contractors to bid the project. The project will be rebid immediately and should be ready for City Commission award at its first meeting in September.

Document Name:

Type:

Expiration Date:

Attorney's Initials:

Engineering Bid Form - Agenda

To: City Manager's Office

Date: July 13, 2006

Project/Improvement: Project - 10766 Fire Station #47 Building Replacement

Tabulation

*N West Construction, Inc., Lake Worth, FL \$5,712,814.00

Other Costs: Engineering

TOTAL

\$5,712,814.00

Engineer's Pre- Bid Estimate/Date: \$3,050,000.00 May 19, 2006

Funding

Project:		
	P10766.336 - Replacement Firestation 47	\$800,000.00
	P10766.331 - Replacement Firestation 47	\$2,600,000.00
	Unfunded	\$2,884,095.40
		<u>\$6,284,095.40</u>

Transfer:(1)

Transfer From:

Transfer To:

Total Transfers:	<u>\$0.00</u>	\$0.00
Total Funding:		<u>\$6,284,095.40</u>

Recommended Action: REJECT SINGLE BID

Remarks:

*Minority Business Form
MBE = Minority Business Enterprise
WBE = Woman Business Enterprise
N = Neither MBE or WBE
NONE = No Form Turned In



CITY ENGINEER

BID DATE: July 13, 2006

CAR 06-1076
Exhibit I