

Memorandum



Date: November 19, 2021

To: Honorable Chairman Jose “Pepe” Diaz
and Members, Board of County Commissioners

From: Daniella Levine Cava 
Mayor

Subject: Report Providing the Value for Money Assessment and Executive Report for the Rickenbacker Causeway

This report provides the Value for Money (VfM) Assessment and Executive Report for the Rickenbacker Causeway. It's critically important that we address major transportation and infrastructure needs for our roadways and bridges — maintaining them not just for the present but to enhance our resilience for the future, given the escalating impacts of climate change and storm surge. Safety and mobility are also paramount, both for the residents of Key Biscayne and because the causeway is an amenity that draws thousands of cyclists and pedestrians. Throughout this entire process, my goal has been to ensure that we can make progress on these substantial challenges while addressing the needs of the multiple stakeholders who use and care deeply about the future of the Rickenbacker Causeway.

On July 8, 2021, the Board of County Commissioners (Board) unanimously adopted Resolution No. R-648-21, approving my recommendation to publish a solicitation for an open and competitive process for the same project purpose as the unsolicited proposal known as Plan Z. The subsequent competitive *Request for Proposals (RFP) No. 01982, Develop, Maintain and Operate the Rickenbacker and Venetian Causeways and Associated Recreational Elements* was advertised on August 15, 2021 and remains under the Cone of Silence.

Since advertisement of the RFP, there have been many important questions and concerns raised about the unsolicited proposal process as well as the project. We know there are significant limitations with the procurement process regarding public engagement and communications. Throughout this process, I've stressed the importance of ensuring that the County has an opportunity to obtain sufficient public input — an essential part of the decision-making process, and why I pressed to incorporate public feedback and speak in the Sunshine at all possible opportunities.

As mentioned in my report to the Board dated October 4, 2021, I identified that a VfM assessment, though not required at this point in the process, was necessary in order to move forward with a more complete understanding of the options for financing and delivering this project. While we can derive important cost savings, time savings, and innovations from public-private partnership (P3) projects, it was important for the County to explore if this project could realize these benefits using a P3 delivery model.

On October 5, 2021, the Board approved Resolution No. R-942-21, directing the removal of the Venetian Causeway from the RFP. The Board also approved Resolution No. R-979-21 to extend the time for submittal of the proposals in response to the RFP to March 1, 2022, to allow time to make the necessary adjustments to the RFP, and allow sufficient time to complete and review the VfM assessment.

As per my direction, the County engaged a consultant, IMG Rebel Advisory, Inc., under our existing P3 Infrastructure and Financial Advisory Services pool, to perform a VfM Assessment. The VfM analyzed both the project delivery and financing options for the Rickenbacker Causeway project and evaluated the delivery model offering the best “value for money.” The VfM analyzed the following four delivery models:

1. **Design-Bid-Build (DBB)** – Conventional County delivery model with financing through a revenue bond, utilization of potential federal funds, maintenance through several short-term contracts, and operation and toll collection by the County.
2. **Design-Build (DB)** – Design and construction folded into one contract with public financing through a revenue bond, utilization of potential federal funds, maintenance through several short-term contracts, and operation and toll collection by the County.
3. **Availability Payment P3 or Design-Build-Finance-Maintain (DBFM)** – Delivery model integrating design, construction, maintenance, financing, and operation (not including toll collection operations) into a single contract, whereby the project entity gets compensated through availability payments paid from County-operated toll collections and, if toll revenue is insufficient, from non-ad valorem funding sources (and potentially federally funded milestone payments).
4. **P3 or Design-Build-Finance-Operate-Maintain (DBFOM)** – Delivery model included in the current RFP that integrates design, construction, maintenance, financing, and operation into a single contract, whereby the project entity is compensated through tolls, with rates set by the project entity in accordance with rate setting policies in the contract to be adopted by the Board (and potentially federally funded milestone payments).

Attached to this report is the Value for Money Assessment Executive Summary and Report for the Rickenbacker Causeway project.

The VfM confirmed that a more integrated delivery model that combines design, construction, maintenance, financing, and operation into a single contract or the P3 delivery following a conventional P3 procurement process is expected to deliver the best "value for money." The VfM also confirmed that the DBFOM model is the only model that minimizes the County's financial risks and financial obligations.

Therefore, the County has two strategic procurement options to further ensure "value for money" for the public.

1. Cancel this procurement and restart a procurement later –

- First, allow time to confirm federal funding availability, further develop the project, engage stakeholders, and complete the NEPA process.
- Second, issue a solicitation – recommend use of an RFQ to pre-qualify proposers, then issue RFP to require more detailed proposals with a committed price.

2. Continue this procurement with adjustments –

- Add a prequalification phase to increase market interest.
- Extend both the RFP and Interim Agreement phases to allow time to confirm federal funding availability, further develop the project, stakeholder engagement, and complete the NEPA process.

As we move forward armed with these findings, I will be convening a virtual public meeting December 6, 2021 as I committed to do following the publication of the VfM, to allow for further feedback from the community and stakeholders. I look forward to discussing these strategic options in more detail with our community and with the Board, as we work together to move forward in the best interest of the County and all the stakeholders who are a critical part of this process.

Should you require additional information, as the project remains under the Cone of Silence, please contact Rita Silva, Internal Services Department at rita.silva@miamidadade.gov.

Attachment

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