

MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Dan Gelber and Members of the City Commission
FROM: Jimmy L. Morales, City Manager
DATE: June 5, 2019

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE CITY MANAGER PURSUANT TO INVITATION TO NEGOTIATE (ITN) NO. 2019-138-KB, FOR HYDROPONIC FARMING PARTNERSHIP (THE "PROJECT"), AND AUTHORIZING THE ADMINISTRATION TO ENTER INTO SIMULTANEOUS NEGOTIATIONS WITH FREIGHT FARMS, INC., THE TOP RANKED PROPOSER, AND ENERGY COST SOLUTIONS GROUP, LLC, THE SECOND HIGHEST RANKED PROPOSER, WITH SUCH NEGOTIATIONS TO INCLUDE FINAL SITE SELECTION, SITE DEVELOPMENT, SELECTION OF PLANT MATERIALS, COMMUNITY INVOLVEMENT, AND FINANCIAL CONSIDERATIONS FOR THE PROJECT; FURTHER, PROVIDING THAT THE FINAL SELECTION OF THE RECOMMENDED PROPOSER, AND FINAL SCOPE FOR THE PROJECT, SHALL BE SUBJECT TO THE PRIOR APPROVAL OF THE MAYOR AND CITY COMMISSION.**

RECOMMENDATION

Approve the resolution accepting the recommendation of the City Manager, pursuant to Invitation to Negotiate (ITN) No. 2019-138-KB for Hydroponic Farming Containers; authorizing the administration to enter into simultaneous negotiations with Freight Farms, Inc., the top ranked proposer, and Energy Cost Solutions Group, LLC, the second highest ranked proposer, with such negotiations to include final site selection, site development, selection of plant materials, community involvement, and financial considerations for the project; further, providing that the final selection of the recommended proposer, and the final scope for the project, shall be subject to the prior approval of the Mayor and City Commission.

BACKGROUND

The North Beach Master Plan, adopted by the City Commission in 2016, included guidance on planning for the West Lots—the eight, vacant lots owned by the City and spanning from 79th to 87th Streets across Collins Avenue from the North Shore Oceanside Park. In 2018, the City hired consultants Dover, Kohl & Partners, the authors of the North Beach Master Plan, to further examine future use(s) for the eight West Lots.

At community charrettes and meetings regarding both North Beach and the West Lots, residents expressed a need for better access to fresh, healthy food and an interest in a community garden. On May 16, 2018, the City Commission referred to the Sustainability & Resiliency Committee (SRC) a discussion regarding a temporary incubation pilot for a hydroponic farm in North Beach or other areas of the City. Staff examined different areas in the community that could house a hydroponic farm but did not identify any vacant City buildings that would suitably accommodate a container farm.

At the June 27, 2018 City Commission meeting, Dover Kohl presented its conceptual design known as the West Lots Plan. Dover Kohl's study was directly informed by community input and recommended incorporating civic and social uses which complement the passive park. Further, the West Lots Plan indicated a preference for lower height and less impactful uses in the inner core of the West Lots. Dover Kohl specifically suggested a hydroponic farm as an ecofriendly design principle that would support the Plan's key recommendations.

In light of the presentation, the City Commission included funding for West Lots redevelopment as a G.O. Bond item in the November 6, 2018 election. Dover Kohl suggested several possible locations for the container farm, including the North Beach Yard site on West Lot 3 (between 81st and 82nd Streets), or in conjunction with other potential developments proposed in the West Lots Plan, including the proposed eco-park on Lot 2 (between 80th and 81st Streets) or the proposed tropical garden on Lot 6 (between 84th and 85th Streets).

At its September 26, 2018 meeting, the SRC recommended issuance of a solicitation and allowing the experienced responders to provide their ideas. SRC also agreed with Procurement's recommendation to utilize the Invitation to Negotiate (ITN) process. On October 17, 2018, the City Commission accepted SRC's recommendation to develop a solicitation seeking proposals from firms interested in partnering with the City to create container farming opportunities in the West Lots.

ITN PROCESS

On February 13, 2019, the City Commission approved the issuance of Invitation to Negotiate (ITN) No. 2019-138-KB, For Hydroponic Farming Partnership. On February 14, 2019, the ITN was issued. A voluntary pre-proposal conference to provide information to proposers submitting a response was held on February 26, 2019. Three addenda were issued. The Procurement Department issued bid notices to 66 companies utilizing www.publicpurchase.com website. 31 prospective bidders accessed the advertised solicitation. ITN responses were due and received on March 26, 2019.

The City received proposals in response to the ITN from the following three (3) firms: CEA Advisors LLC, Energy Cost Solutions Group, LLC ("ECSG"), and Freight Farms, Inc. ("Freight Farms")

February 13, 2019, the City Commission approved the City Manager appointed Evaluation Committee. The Evaluation Committee convened on May 13, 2019, to consider proposals received. The Committee was comprised of Heather Shaw, Assistant Director, Tourism & Culture Department, Flavia Tonioli, Sustainability Manager, Environment & Sustainability Department, Daniel Veitia, Resident and Planning Board Member, Justin Karr, Real Estate Asset Specialist, Office of Real Estate, and Rodney Knowles, Division Director, Greenspace. The Committee was provided an overview of the project, information relative to the City's Cone of Silence Ordinance and the Government Sunshine Law. The Committee was also provided with general information on the scope of services and a copy of each proposal. The Committee was instructed to score and rank each proposal pursuant to the evaluation criteria established in the ITN.

The evaluation process resulted in the ranking of proposers as indicated in Attachment A, in the following order:

- 1st - Freight Farms, Inc.
- 2nd - Energy Cost Solutions Group, LLC
- 3rd - CEA Advisors LLC

Freight Farms, Inc.

Freight Farms was established in 2010 and are the lead developers in the containerized farm industry. Since then Freight Farms has gone on to develop several iterations of the farms, starting with the Leafy Green Machine™ and recently unveiling the new Greenery this year. Freight Farms are currently in 39 different states and 15 countries around the world with close to 240 farms sold to date. In addition, Freight Farms was the first to emerge as an Agriculture Technology "Ag Tech" leader and to build a farm inside of a shipping container.

Energy Cost Solutions Group, LLC

ECSG was founded in 2009 by Jason Biondi. According to their proposal, ECSG has been the LEED consultant on LEED for Existing Buildings, LEED New Construction, LEED Commercial Interiors, LEED Schools and LEED Core and Shell project certifications. ECSG also states they are well experienced, communicative, especially responsive and particularly equipped to work seamlessly with all stakeholders, in order to gain greater understanding of the social, economic and environmental impacts of the project. ECSG works alongside the projects design and construction teams, from design development through certificate of occupancy, to ensure that the high quality of work required for LEED certification is achieved. ECSG also has intent to meeting the City's, hydroponic produce production goals, while including elements of resilient design, sustainability in operations and community outreach.

CITY MANAGER'S RECOMMENDATION

I have reviewed the proposals submitted and the results of the Evaluation Committee process. I concur with the Evaluation Committee that Freight Farms and ECSG submitted the top proposals; however, neither bidder appears to have submitted a fully developed concept that is ready for award. While the hydroponic container farm project as part of the West Lots development has the potential to be beneficial to the entire community, the proposals received are very general and there are many considerations for the Administration to further evaluate, including: the specific site for the hydroponic farm; the types, sizes and layout of the containers; the plant materials to be grown; the financial considerations, including any revenue or costs to the City; community input; and regulatory approvals, among other terms. Accordingly, I am proposing that the Administration simultaneously negotiate with the two top-ranked proposers, Freight Farms and ECSG, regarding the terms and final scope of the hydroponic farming project. Because the foregoing open items and final scope of the project will likely require direction from the Mayor and City Commission, the Administration will present the results of the negotiation process and any recommendations for next steps to the City Commission at its September 11, 2019 meeting.


JLM / ST / BM / AD / KB

Attachments:

Attachment A – Evaluation Committee Rankings
Resolution