



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

COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Alina T. Hudak, City Manager

DATE: May 21, 2021

**SUBJECT: DISCUSSION REGARDING INDEPENDENT COST ESTIMATES
PRIOR TO THE ISSUANCE OF A SOLICITATION**

At its April 21, 2021 meeting, the City Commission referred an item to the Finance and Economic Resiliency Committee (the "Committee") for a discussion on requiring independent cost estimates on capital projects prior to the issuance of a competitive solicitation.

Typically, construction cost estimating is performed at specific milestones along a project's design cycle. As part of their professional service agreements, design consultants retained by the City are required to provide cost estimates at intervals as deemed necessary by the Administration. Additionally, it has been the Administration's practice to retain the services of independent (third-party) estimators on select projects as warranted.

CONCLUSION

The Administration recommends continuing the practice of obtaining construction costs estimates throughout a project's design cycle at the Administration's discretion. The Administration also agrees that, at a minimum, independent (third-party) cost estimates should be obtained prior to the issuance of a solicitation for the construction of projects greater than \$1,500,000 to be consistent with other requirements that are triggered for projects at this threshold (e.g., prevailing wages and local workforce participation).

ATH / EC / DM / AD