

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE CITY MANAGER TO REJECT THE SOLE PROPOSAL RECEIVED PURSUANT TO REQUESTS FOR PROPOSALS (RFP) NO. 2022-047-WG FOR PARKING GARAGE ADVERTISING SERVICES.

WHEREAS, on October 13, 2021, the Mayor and City Commission authorized the issuance of RFP 2022-047-WG for City parking garage advertising services; and

WHEREAS, the City received a sole response to the RFP from Alchemy Miami Beach, LLC ("Alchemy"), which staff confirmed as responsive to the requirements of the RFP; and

WHEREAS, because the City only received one proposal under the RFP, the City Manager did not appoint an evaluation committee; and

WHEREAS, Alchemy proposed two revenue options for the City's consideration:

- Option I – the greater of \$3,000 minimum guarantee per month or 15% of gross revenues
- Option II – the greater of \$4,500 minimum guarantee per month or 15% of gross revenues

WHEREAS, on April 6, 2022, the City Manager recommended that the sole bid received in response to the RFP from Alchemy be rejected because of the low amount of revenue proposed; and

WHEREAS, the City Commission deferred action on the City Manager's recommendation and directed the Administration to attempt to negotiate mutually acceptable financial terms with Alchemy; and

WHEREAS, the Administration complied with the City Commission's directive and resumed negotiations with Alchemy; and

WHEREAS, while the parties negotiated in good faith, the Administration considers the percentage of City revenue proposed by Alchemy to be inadequate for the significant amount of advertising coverage proposed; and

WHEREAS, for its best and final offer (Option I), Alchemy proposed a minimum guarantee of \$100,000, which fell below the annual revenue of \$250,000 yielded by the City under its prior agreement; and

WHEREAS, in exchange for the low minimum guarantee of \$100,000, Alchemy proposed adding a significant amount of vinyl storefront advertising at various locations; and

WHEREAS, staff notes that vinyl storefront advertising is outside the scope of the RFP; and

WHEREAS, for Option II, Alchemy did not increase the minimum guarantee offered in its original proposal, which staff initially deemed inadequate; and

WHEREAS, under the City's prior agreement, the annual minimum guarantee was \$250,000, whereas Alchemy is now proposing a minimum annual guarantee of \$36,000, a reduction of \$214,000; and

WHEREAS, while Alchemy has proposed to increase its revenue share projections, the Administration cautioned that the revenue is difficult to calculate, and that it is difficult to accurately estimate what the revenue could be; and

WHEREAS, in addition to the Administration's concerns with the Alchemy proposals, there is an agreement with OVG for naming rights that would require significant coordination of potentially conflicting advertising, and the Administration does not believe the coordination effort worthwhile in view of the value proposition currently proposed; and

WHEREAS, based on the foregoing, the Administration recommends that the sole proposal received pursuant to the RFP be rejected.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission accept the City Manager's recommendation to reject the sole proposal received pursuant to Request for Proposals (RFP) 2022-047-WG for parking garage advertising services.

PASSED AND ADOPTED this _____ day of _____ 2022.

ATTEST:

RAFAEL E. GRANADO, CITY CLERK

DAN GELBER, MAYOR

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

11-10-22

Date