

City of Coral Gables City Commission Meeting
Agenda Item D-6
December 12, 2023
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Vince Lago

Vice Mayor Rhonda Anderson

Commissioner Melissa Castro

Commissioner Ariel Fernandez

Commissioner Kirk Menendez

City Staff

City Attorney, Cristina Suárez

City Manager, Peter Iglesias

City Clerk, Billy Urquia

Public Speaker(s)

Maria Cruz

Agenda Item D-6 [Start: 11:50 a.m.]

A Resolution of the City Commission accepting the recommendation of the City Manager to request additional spending authority in the amount of \$150,000 for a contract awarded to John Bell Construction, Inc., pursuant to Section 2-764 of the Procurement Code entitled “approval of change orders and contract modifications”.

Mayor Lago: Moving to item D-6.

City Attorney Suarez: D-6 is a Resolution of the City Commission accepting the recommendation of the City Manager to request additional spending authority in the amount of \$150,000 for a contract awarded to John Bell Construction, Inc., pursuant to Section 2-764 of the Procurement Code entitled “approval of change orders and contract modifications”.

Mayor Lago: Mr. Manager, please address item D-6.

City Manager Iglesias: Yes Mayor. This is Burger Bob’s. We initiated the contract, and the project officially started yesterday. We issued a notice to proceed number two last week. I think we

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successfully negotiated the two change orders for something we feel is appropriate. The contract was awarded for \$1.257 million, which includes some additional work on the kitchen, some work on the roof, some structural issues on the roof and we are left with \$43,000 contingency. We would like to increase the contingency since we're working on an existing structure by another \$150,000, that is a contingency, that is not part of the contract amount.

Mayor Lago: Okay. Mr. Clerk.

City Clerk Urquia: Maria Cruz.

Ms. Cruz: Maria Cruz, 1447 Miller Road, that's Mrs. Maria Cruz. You know every time we talk about money, I get confused. Burger Bob's, we've been dealing with this now, I don't even know, I lose track of time. I think it was the beginning of time, maybe Adam and Eve were there when we started and we're finally getting to this century, but there's always a change. How much longer. We have architects, engineers, people in Building. We have so many people here that should have been able to say, okay, this is what its going to cost. Now, we have issues with the roof that we didn't know before. We have things in the kitchen that we need to fix. My goodness. What has happened? We don't have people in the city, employees that could have figured out exactly what needed to be done. I can imagine anybody trying at this point. Now, this is, I know, its not money that we're paying now, but we're saying we have \$150,000 more in case you need it. So you know what, let's see if we can find something else so we can give you \$150,000 grand more. Enough is enough. What are we building? We're building a cathedral? We're building another Biltmore? How much more money are we going to have to spend for something that all we needed was to bring it up to speed, maybe clean it up. Maybe some things that were too old, recover the stools and the chairs. Let me tell you, that's going to be an asset that we could sell for a million dollars pretty soon, because at the rate we're going this is endless, endless. We keep putting money into there when we – I mean I was standing here when the first amount came up. I remember the Mayor saying, I don't know whether he was Mayor or Vice Mayor at that point, because its been a long time, I can get that done for much less, and instead of much less, every time we talk about it, its much more. So, I don't know guys, I think we need to get better qualified people to look at it and decide what needs to be done.

Mayor Lago: Mr. Manager, quick question. In regard to the roof, the structural issue with the roof, we became aware of that as a result of the demolition process.

City Manager Iglesias: Its an existing structure and so when you have an existing structure, once you start demoing and we are further demoing now and when you work with existing buildings you never know what you're going to find. So we do have that incorporated into the cost and so we do have a \$43,000 contingency now. This is a contingency, this is not part of the contract.

Mayor Lago: Obviously, the reasoning behind that is as you continue to demo and you further demolish in preparation to start building back for the new design, you start exposing walls that you could not see, you did not have access to see. So you start seeing electrical, plumbing, mechanical issues, structural issues, truss issues that you can't witness just by visually inspecting the building

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because the walls are up. Obviously, you vetted the change orders, you reviewed them, your staff reviewed them.

City Manager Iglesias: Yes Mayor. We had a substantial reduction in the change orders to what we felt was correct.

Mayor Lago: Okay. Do we have any other questions by the Commission.

Commissioner Fernandez: I have one. Would it be possible at next Commission meeting to get a report of the projects the city has had in the last five years and what contingency has been used and what has been left over from each of those projects, because that is a concern that I've heard from residents about change orders and contingencies and I think it would be good if we can explain to residents. At the end of each project, obviously each project is different and the contingency is there to address issues that come up during the process, but would it be possible to have that at the next Commission meeting.

City Manager Iglesias: Contingencies are a normal construction process. Drawings – when an engineer or an architect do drawings, they do them one time. The drawings have to work and its understood that drawings don't have to be perfect. If they were perfect, you wouldn't have anybody practicing architecture or engineering. So, in construction its understood because you do it once, you do a drawing once. You don't get to do a prototype, another prototype, another prototype, and do the project five times before you work everything out. So, contingencies are normal in the construction business, because you do them once and they have to work, they have to work. It can't fall down. You can't do any of these things. So, the construction process does have contingencies and it is part of the design process. If you were to ask an architect/engineer to do perfect drawings, nobody would work, because its not possible, because you're doing them once and they all have to work. As you develop that project, there are always issues, there are more issues when you have an existing building than when you're working with new construction, but there are always issues as far as construction. Its inherent in the fact that you do something, you have millions of parts – how many pieces of rebar, how many pieces of block, how much is in this building here, hundreds of thousands, hundreds of thousands of pieces that come together to create a building and those things cannot be perfect, and that's understood and that's why every project private sector, public sector has contingencies.

Commissioner Fernandez: So again, what I would like is just, at next Commission meeting, if we could have a report of the last five.

City Manager Iglesias: We can check that.

Commissioner Fernandez: Okay. Thank you. I appreciate that.

Vice Mayor Anderson: So I just want to give you a corollary. At times you've taken your vehicle to be repaired, right, and they find other things while they are there. This is similar to that, okay.

I'll look forward to the report, so we have a better education on what things really cost, aside from the escalation that none of us predict, but thank you Mr. Manager for making that available to us.

Mayor Lago: So, let me just add a little bit more credence to the Manager's comments. Nobody wants to spend extra money. You want to do this for half the price, a quarter of the price would be wonderful, to spend all that money and apply it to something else. For example, instead of taking \$250,000 from a line item to buy park space, land space, we could continue to push it back into that line item. The issue here is very simple. In every single construction project we do geo-technical reports, we do surveys, we do assessments of the water, you do assessments of the existing structure of the building, but there's only so much you can see visually. Whatever is underneath the ground, whatever unforeseen conditions you see, whatever is behind walls, whatever is in a crawlspace where you can't reach it, are things that pop up once you finish the demolition, or once you commence the demolition, or once you start digging the structure. For example, a spread footer and you realize, hey, there's already an existing footer that needs to be removed before you can continue moving forward, and that's a cost. So, the contingency plays a roll where no matter what you've done, I've been to many different projects where you've done a geo-technical report, you've done a report for contamination and soils, you've tested large pieces of property, and you missed a spot and you find contaminated soil. So, its not done intentionally. Again, that's why contingency is there. Sometimes you use it, sometimes you don't, and it goes back to the owner, as always, if you don't use the contingency.

City Manager Iglesias: Mayor, on the Minorca Garage, I always do additional borings and even with additional borings we did not find silt in the majority of the site, amazing. Every boring missed it, which was amazing, and so we had a major silt condition that rarely, rarely do you see that in the Minorca Garage, and we did additional borings, and every single boring missed it.

Mayor Lago: And that resulted in change in structure, the reinforcement.

City Manager Iglesias: Thank God we went with piles, if not the change orders would have been tremendous, and so, geo-technical conditions, you don't know what's underground, and even though we did additional borings, every boring missed it, and so, that's why you have contingencies in jobs because – and you do them once. You do a project one time and its got to work, its got to work. It cannot fall down. It cannot fall down. We can't have Champlain Towers. It cannot fall down. Its got to work every time and that is very difficult, impossible. Perfection is not possible. In buildings its not like doing a plane when you do one prototype, another prototype, and they even have problems. They do multiple prototypes and testing and so forth. We don't get to test a building. We don't get to do a prototype of a building. You get a building, you get one shot and it better work, and that's how construction functions.

Mayor Lago: Can you do me a favor also, Mr. Manager, just to provide one piece of additional information. I think its pretty easy, you can look up in the archives. Can you provide over the last five years, since we're going back five years, what has been the national standard, the national standard in regard to the increase in construction, especially, but let's use Florida construction, let's not use wood frame construction which is allowed throughout the country. So, I'd like to put

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it on the record also, how much from a reputable entity that will state how much construction has gone up in the last five years.

City Manager Iglesias: Engineering records.

Mayor Lago: Thank you. Are there any further comments in regard to this? If not, I'll entertain a motion. Are there any public comments. Okay. I'll entertain a motion.

Vice Mayor Anderson: I'll move it.

Commissioner Menendez: I'll second.

Commissioner Menendez: Yes

Vice Mayor Anderson: Yes

Commissioner Castro: Yes

Commissioner Fernandez: Yes

Mayor Lago: Yes

(Vote: 5-0)