



**Hallandale Beach**  
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400 South Federal Hwy  
Hallandale Beach, FL 33009

## City of Hallandale Beach City Commission Agenda Cover Memo

<b>Meeting Date:</b>	October 19, 2016		<b>Item Type:</b> <small>(Enter X in box)</small>	<b>Resolution</b> <div style="text-align: center;">X</div>	<b>Ordinance</b>	<b>Other</b>		
<b>Fiscal Impact:</b> <small>(Enter X in box)</small>	<b>Yes</b>	<b>No</b>	<b>Ordinance Reading:</b> <small>(Enter X in box)</small>	<b>1<sup>st</sup> Reading</b>		<b>2<sup>nd</sup> Reading</b>		
		X						
<b>Funding Source:</b>	NA		<b>Advertising Requirement:</b> <small>(Enter X in box)</small>	<b>Yes</b>		<b>No</b>		
						X		
<b>Account Balance:</b>	NA		<b>Quasi Judicial:</b> <small>(Enter X in box)</small>	<b>Yes</b>		<b>No</b>		
							X	
<b>Project Number :</b>	NA		<b>RFP/RFQ/Bid Number:</b>	NA				
<b>Contract/P.O. Required:</b> <small>(Enter X in box)</small>	<b>Yes</b>	<b>No</b>	<b>Strategic Plan Priority Area:</b> <small>(Enter X in box)</small>  <div style="display: flex; justify-content: space-between;"> <div>Safety</div> <input type="checkbox"/> </div> <div style="display: flex; justify-content: space-between;"> <div>Quality</div> <input checked="" type="checkbox"/> </div> <div style="display: flex; justify-content: space-between;"> <div>Vibrant Appeal</div> <input type="checkbox"/> </div>					
		X						
<b>Sponsor Name:</b>	Daniel Rosemond, City Manager		<b>Department:</b> City Manager's Office		Jennifer Frastai, Deputy City Manager			

**Short Title:**

**A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, IMPLEMENTING CHANGES TO THE COMMUNITY BENEFIT PROGRAM ("CBP"); AND PROVIDING AN EFFECTIVE DATE.**

## **Staff Summary:**

### **BACKGROUND**

Since the initiation of the Community Benefit Program (CBP) in 2011, followed by codification in 2013, CBP has matured and changed with the experience of each project. Based on those changes and observations, the attached white paper, presented to the Hallandale Beach Community Redevelopment Agency Board of Directors in January 2016 (Exhibit 3), outlines the City's Community Benefit Program, its origin, the evolution of the program, lessons learned, and suggested changes moving forward.

As set forth in the attached, staff from the Hallandale Opportunity Project (HOP) has been monitoring the implementation of the Community Benefit Program and its impact over the past few projects. Based on implementation and observations, staff is recommending several changes to the administration of the program. They are as follows:

1. Definition of Local Vendor to include tiered percentage dollar value calculation
2. Contractual Language Requirement for Contractor and all subcontractors and penalty provision
3. Definition of Workforce
4. Definition of CBP Calculation

On January 25, 2016, staff provided the HBCRA Board of Directors with a history and update of the Community Benefit Program and suggested several changes to the program. The HBCRA Board reached consensus with the above recommended changes.

On September 21, 2016, this item was presented to the City Commission. The item did not pass as a result of a 2/2 vote. A motion to reconsider the item was passed on October 5, 2016. This item is being brought to the City Commission for reconsideration to implement changes to the Community Benefit Program.

### **CURRENT SITUATION**

Following the presentation in January, it was brought to the City's attention that the penalty proposed would increase the bonding requirement of a project and therefore result in the financing of a project being impracticable. As a result, Staff is recommending the penalty provision previously proposed not be included in the changes.

In addition, there has been some resistance from Developers to require contractual language in their subcontractor agreements; however, staff recommends contractual language be a requirement in such applicable agreement and bidding process. Requiring contractual language beyond the Developer and Contractor to the subcontractors, will create participation beyond the Contractor.

The following are the recommended changes set forth in the attached resolution:

## **1. Definition of Local Vendor to include tiered percentage dollar value calculation**

As provided in the City's Code of Ordinances, in order to be considered a local vendor must fall into one of the three tier categories:

- Tier 1: Homestead Resident and Hallandale Beach Business Tax Receipt greater than 1 year
- Tier 2: Hallandale Beach Business Tax Receipt greater than 1 year
- Tier 3: Homestead Resident and a Business Tax Receipt greater than 1 year

As discussed in January, the intent of the tiered system is to provide a greater benefit to Tier 1 (those individuals who both live and work in the City, followed by those businesses who are located in the City, followed by individuals who reside in the City). The change seeks to address that disparity. Therefore, the following tiered percentage calculation will be utilized in calculating the CBP commitment for vendor utilization:

Tier 1: 100% dollar value

Tier 2: 75% dollar value

Tier 3: 50% dollar value

It should be noted that the percent calculation will only apply to City projects, not for private development.

## **2. Contractual Language Requirement for Contractor and all subcontractors**

Contracts which meet the threshold of projects of \$1 Million or more, shall require the General Contractor, Developer, and/or Construction Manager to include the following, same or similar language, in the bidding process and subsequent agreement to retain subcontractors for the project:

*[Insert Contractor name] requires that all subcontractors commit to supporting the City of Hallandale Beach Community Benefit Program. Subcontractors will be required to commit TBD% of their total contract value to hiring local Hallandale Beach vendors and residents. A list of local vendors and residents that your firm intends to hire MUST be submitted with your company's bid documents by completing Exhibit XX.*

*The following information MUST be included in Exhibit XX and submitted with the bid package:*

- *Local Vendors: company name, address, phone, contact, copy of business tax license, scope of work and value.*
- *Local Residents: resident name, address, phone, copy of driver's license, scope of work, pay rate, projected hours assigned to project.*
- *Acknowledgment: an authorized company official must sign and have notarized Exhibit XX to acknowledge that you understand and commit to the requirements of the described Community Benefit Plan.*

### **3. Definition of Workforce**

The following is how local workforce shall be defined in order to satisfy the committed local workforce utilization.

Local Workforce shall be defined as any worker that is directly working on the project, either during construction or in operations after construction, who resides within the City as a renter or homesteaded property owner. Those classified as local workforce shall be provided with not only work directly on the project, but also provided the opportunity to generate a tangible sustainable impact after the project is complete. This may include, but not be limited to, participation in an apprentice program, mentorship program, training, long term employments beyond the term of the project, etc.

### **4. Definition of CBP Calculation**

Where a contract has a total CBP percent commitment, the calculation of the CBP commitment shall be the overall percentage (%) of the contract cost (or otherwise defined in the agreement, for example: direct construction cost).

As an example, if a Contractor A committed to 25% CBP in their request for proposal submission. The contractor's CBP commitment in the contract includes:

- Local vendor/subcontractor utilization
- Local workforce utilization
- Other

Therefore, when determining if the contractor met their 25% CBP, as committed in the RFP, that percent calculation would be the total financial sum of the components above.

### **A Guide to the Community Benefit Program**

To provide a user friendly, comprehensive guidebook, staff has prepared the attached “Guide to the Hallandale Beach Community Benefit Program.” The purpose of the guide is to outline the program, how it is implemented, enforced, and monitored. The Guide incorporates the above changes to the program. Its intent is to provide an easy to understand comprehensive guide to answer any questions regarding the Community Benefit Program.

### **FISCAL IMPACT**

None.

### **WHY ACTION IS NECESSARY**

The changes to the implementation of the Community Benefit Program is policy of the City Commission; therefore, Commission action is necessary to amend the policy implementing the Community Benefit Program.

#### **Proposed Action:**

Staff recommends the approval of the attached Resolution which sets forth changes to the implementation of the Community Benefit Program (CBP) which include, definition of local vendor to include tiered percentage dollar value calculation, contractual language requirement for contractor and all subcontractors, defines workforce, and provides a definition of how to calculate a CBP commitment.

#### **Attachment(s):**

Exhibit 1 – Resolution

Exhibit 2 – Community Benefit Program White Paper (January 25, 2016)

Exhibit 3 – A Guide to the Hallandale Beach Community Benefit Program