



Miami-Dade Commission on Ethics & Public Trust

Investigative Report

Investigator: Sylvia Batista

Case No.: K13-110	Case Name: Cason procurement issues	Date Open:	Date Closed:
Complainant(s): Anonymous through counsel Joseph Rosenbaum, Esq.	Subject(s): Mayor Jim Cason City of Coral Gables	3/22/13	9/5/13

Allegation(s):

The COE received a letter on 3/22/13 from Attorney Joseph Rosenbaum on behalf of an anonymous client. The letter contains multiple allegations against Coral Gables Mayor Jim Cason (Cason). The allegation investigated herein is that Cason bends City procurement rules to award contract(s) to relative Manny Diaz of Manuel Diaz Farms. Additionally, source alleged that Cason influenced “no bid” contracts with Waste Management.

Relevant Law:

Conflict of Interest and Code of Ethics Ordinance, Sec. 2-11.1(g) *prohibition on exploitation of official position.*

Investigation:

Interviews

8/22/13 – Patrick Salerno, Coral Gables City Manager –

City Manager Patrick Salerno (Salerno) was interviewed in connection with several allegations anonymously brought forth against Cason. Salerno was asked about the handling of City contracts with Manny Diaz of Manuel Diaz Farms (Diaz) and Waste Management.

Salerno advised that all contracts with Diaz are for the purchase and/or relocation of trees in the City. Any time a purchase was made from Diaz, it was on the agenda and fully approved by council. Diaz has, on occasion, made donations of trees to the City.

Salerno said that Diaz has a contract with Miami Dade Expressway Authority (MDX) to provide all necessary landscaping services, including the trees, within unincorporated Miami-Dade County. Salerno explained that, in order to save time and money, the City opted to piggyback on the MDX contract. This is a common practice followed by many municipalities. Salerno added that the price given to MDX by Diaz is higher than what the City pays because he was able to negotiate a discount from Diaz.

Salerno said that there was no manipulation of the procurement code in any of the contracts given to Diaz. Everyone signed off on every contract—the Chief Procurement Officer, Finance Director, City Attorney (for form and legal sufficiency), and the City Manager.

Salerno said that he has never heard any comment about Diaz being related to Cason.

Salerno said that the Waste Management contract with the City had been in effect for a long time. When the contract expired, they were left with two options—issue an RFP or re-negotiate a new contract. The City has had a long and beneficial relationship with Waste Management. Nonetheless, the Manager hired an attorney specializing in waste issues and two consultant experts on solid waste contracts. They developed a new contract and he got the terms he wanted.

Waste Management is a quality service provider for commercial waste. Salerno said that he knew they could get the services cheaper, but not better. Salerno explained that he negotiated with Waste Management saying “take it, or we go for an RFP.” Waste Management finally agreed to their terms. Salerno explained that the City does not pay for commercial waste management services, the commercial businesses do. The City has a franchise agreement with Waste Management where the City gets a percentage of their gross revenues. All of the terms of the contract were approved by the City Commission. It was a great deal for the City. Salerno said that Waste Management was charging too much when he came on board with the City, and they hired the consultants to see if they could do better. The City finally entered into a better solid waste contract.

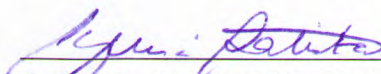
According to Salerno, Cason did not influence the procurement process followed in connection with the City’s contract with Diaz or with Waste Management.

Document/Audio/Video Review:

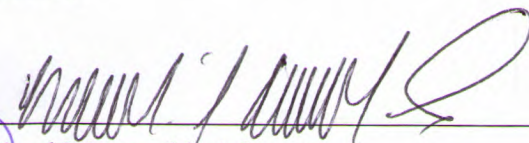
1. MDX Procurement/Contract No. ITB-10-04 - MDX Project/Service Title Systemwide Landscaping Services Contract dated 02/17/10 with Diaz for an amount not to exceed \$6,000,000 for a period of two (2) years, with one (1), optional two (2) year renewals. - The City piggy backed on this contract with Diaz;
2. Service Agreement dated 07/20/11 between the City and Diaz for an amount not to exceed \$413,124. Contract includes a donation of \$104,300 in trees and tree relocation;
3. Service Agreement dated 03/15/12 between the City and Diaz for an amount not to exceed \$105,950 for installation of palms, traffic control officers, and relocation of 16 live oaks from the Ponce de Leon median to other City property. No charge for the relocation of the live oaks; and
4. Service Agreement dated 08/09/13 between the City and Diaz in an amount not to exceed \$7,375.00. Under its "Terms and Conditions" this Agreement provides that any terms and conditions not included therein are set forth in the MDX contract with Diaz.

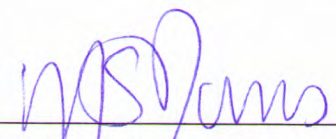
Conclusion(s):

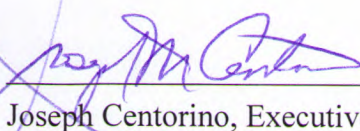
This investigation yielded no evidence that Cason exploited his position as Mayor of the City of Coral Gables in order to secure contracts for Diaz or "no bid" contracts for the Waste Management Department. Therefore, the instant case is closed without further action.



Sylvia Batista, COE Investigator

Approved by:


Michael Murawski, Advocate


Miriam S. Ramos, Deputy General Counsel


Joseph Centorino, Executive Director


Date