

MARTIN COUNTY, FLORIDA INTER-OFFICE MEMORANDUM

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2401 South East Monterey Road, Stuart, Florida, 34996

DATE: May 14, 2026

TO: Board of County Commissioners

FROM: Sean C. Donahue, P.E., B.C.A. – General Services Director 

SUBJECT: Public Private Partnership (P3) Process – Operations Facility

As directed by the Board of County Commissioners at the April 21, 2026, Board meeting, staff has prepared the attached informational graphic regarding the Public-Private Partnership (P3) procurement process utilized for the Martin County Operations Facility project.

The infographic provides a high-level overview of the statutory P3 process, public meeting requirements, consultant and staff evaluations, and the factors that supported selection of the P3 delivery method for the project.

As illustrated in the attachment, the P3 approach was selected based on several advantages identified during the evaluation process, including accelerated project delivery, cost certainty through a Guaranteed Maximum Price (GMP), reduced risk to the County, minimized change orders, and significant time value of money savings associated with earlier project completion and occupancy. The infographic further outlines the transparency measures, public benefit considerations, and legal framework associated with the procurement process.

Attachment: Operations Facility P3 Process Informational Graphic



THE BENEFITS OF USING THE P3 PROCESS FOR THE COUNTY OPERATIONS FACILITY

Compared to the typical Design-Bid-Build (DBB) Process



EXECUTIVE SUMMARY

The Public-Private Partnership (P3) approach using a Design-Build delivery provides significant advantages over the County's traditional Design-Bid-Build (DBB) process for the Operations Facility-delivering the project faster, saving taxpayer dollars through time value of money and cost avoidance, and transferring risks to the developer.

P3 PROCESS OVERVIEW



UNSOLICITED PROPOSAL (UP) PROCESS

- Received 2 UPs; Board discussed at public meeting; rejected 2nd proposal
- Authorized by Section 255.065(3)(c), Florida Statutes
- Required a 3 part public meeting process:
 - 1 Present UP and receive public comment
 - 2 Present staff/consultant review of UP, receive public comment, present best public interest determination, and give staff permission to enter negotiations
 - 3 Present negotiated comprehensive agreement and receive public comment



CONSULTANT & STAFF REVIEW

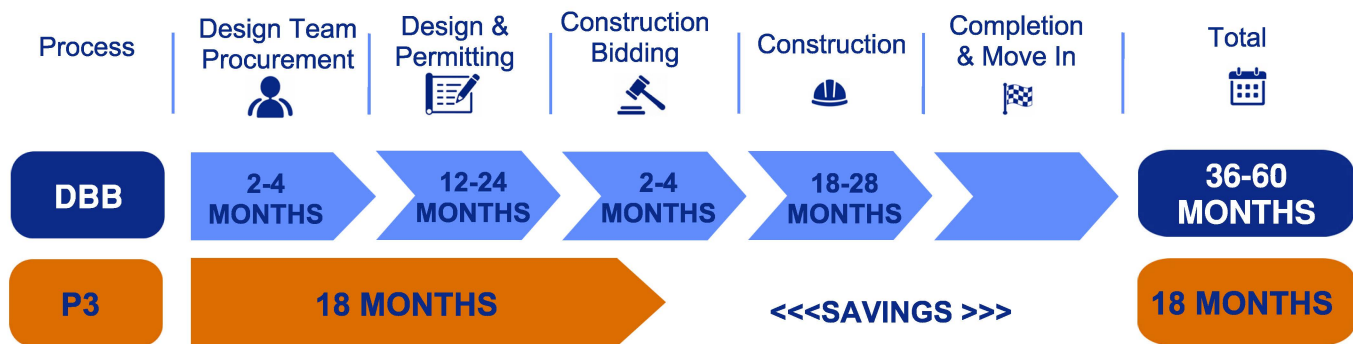
- Architectural review by CPZ Architects, Inc.
 - Determination that the UP meets the intent of the design and needs of the County
- Cost review by Construction Management Services (CMS)
- Review of financing options by PFM, the County's Financial Advisor
- 100s of hours of staff evaluation time
- Consultants' fees were funded by Developer's UP application fees



P3 DESIGN-BUILD ADVANTAGES

- ✓ Developer hires design and construction teams
- ✓ County is actively involved in the design and construction process
- ✓ Comprehensive agreement term is 18 months for design, construction, and delivery of the building
- ✓ Guaranteed Maximum Price (GMP)
 - no developer initiated change orders

PROCESS & TIME COMPARISON



TIME SAVINGS

The P3 Design-Build approach delivers the Operations Facility years faster than the traditional DBB process

- Faster delivery
- Earlier occupancy
- Faster benefit to the County



P3 DELIVERS THE OPERATIONS FACILITY YEARS FASTER

SAVING TAXPAYER DOLLARS AND DELIVERING VALUE SOONER



TIME VALUE OF MONEY (TVM) - COST AVOIDANCE

The compressed P3 schedule saves years in the delivery of the building. Delivering the facility sooner avoids inflationary escalation, saving over \$5M in inflationary cost increases and eliminates annual lease fees for the airport property.



AVOID INFLATIONARY ESCALATION

Construction costs continue to increase over time



EARLIER OCCUPANCY

Avoid years of interim facility costs and operational inefficiencies



SEE BENEFITS SOONER

Realize operational efficiencies and service improvements years earlier



RESULT:
MILLIONS IN TIME VALUE OF MONEY SAVINGS

RISK TRANSFER & COST CERTAINTY

P3 PROCESS

- Risk transferred to developer by including design and construction in one agreement
- Guaranteed Maximum Price (GMP)
- Compressed schedule with Liquidated Damages (LDs)
- Developer responsible for design, permitting, construction and schedule performance
- No developer-initiated change orders

DESIGN-BID-BUILD

- County assumes risk in managing design without contractor input
- Designer not subject to performance schedule or GMP
- Higher risk of change orders during construction
- Potential delays and cost increases
- County bears more risk and cost uncertainty



CONCLUSION

The P3 Design Build delivery method provides the County with a faster delivery schedule, substantial time value of money savings, cost certainty, and risk transfer-resulting in the best value and outcome for taxpayers.



YEARS FASTER



MILLIONS IN SAVINGS



LESS RISK TO COUNTY



BETTER VALUE FOR TAXPAYERS

COST PER SQUARE FOOT OF CONSTRUCTION*

PROJECT	COST	SF	\$/SF
Sea Turtle Beach Café**	\$4,210,208	4,614	\$912
District 19 ME's Office	\$21,652,286	25,784	\$839
Landfill Admin. Building	\$2,195,207	3,145	\$698
Building Dept. Expansion	\$3,561,342	6,150	\$579
Marine Operations Building	\$986,468	1,699	\$579
Operations Facility	\$63,000,000	118,000	\$533

*Does not include FF&E or Design Costs

**Consultant estimate



FINANCIAL SAVINGS

County's ability to self-finance with a 20 year term saves

\$22M

P3 Bid vs. consultants' estimates for DBB process saves

\$15M



PUBLIC BENEFIT • TRANSPARENT PROCESS • LEGAL FRAMEWORK