

# Memorandum



**Date:** August 22, 2014

**To:** Gary Hartfield, Division Director  
Internal Services Department, Small Business Development

**From:** Milton L. Collins, Associate Director *MLC*  
Miami-Dade Aviation Dept., Minority Affairs Division

**Subject:** Revised Recommendation of Contract Measures for Baggage Handling Systems  
Operation and Maintenance (BHS O&M), RFP No. MDAD-11-14

---

## REVISED RECOMMENDATION:

This is a request for the Small Business Development Division to approve the subject project in order for the Aviation Department to proceed with the **Baggage Handling Systems Operation and Maintenance (BHS O&M), RFP No. MDAD-11-14** project.

The contract estimate amount is **\$146,297,756.00**, see attached Table 1. The term of this contract is five (5), plus five (5) separate one (1) year extensions. However, due to the nature of this contract that amount needs to be looked at in detail and the line items, as follows:

1. \$64.6 million for On-Site BHS Operations and Maintenance Labor
2. \$16.6 million for "General Conditions" for the Operations & Maintenance Portion
3. \$65.1 million in Allowance Accounts.

The Base Contract is for the Operations and Maintenance of all the Baggage Handling Systems at Miami International Airport except the American Airlines outbound. The Allowance accounts cover TSA Funded work (Federal Funds), training, parts, General Construction and Additional Services which for the most part are going to be used by the Original Manufacturers of the systems and or parts as well as the Original Designers of the systems and are not eligible for Goals.

The Minority Affairs Division staff has evaluated the subject project and recommends a **1% SBE Goal** and a **15.42% CSBE Goal** as the Contract Measures. The attached MDAD Contract Measures Analysis Worksheets findings and other supporting documents are attached. **The SBE breakdown is under Table 1 – (2.0) Under General Conditions (Expense Categories). What is eligible for SBE Goals is a part of the \$16.6 million in "General Conditions". The CWP Breakdown is also attached.**

This project is for the Operation, Maintenance and Repair of all inbound BHS and specified outbound automated and manual-sortation BHS and their related equipment. Concourse J and concourse F have an automated sortation BHS, whereas concourses G and section of F, operate with a manual sortation BHS.

Further intent of this contract is to perform other services on these BHS including system modification, as determined by the Owner to maintain their efficient operations.

## MINIMUM QUALIFICATIONS:

Proposers should demonstrate a minimum of five (5) years in operating and maintaining complex automated baggage sortation systems including Checked Baggage Inspection Systems at a major airport, handling 15,000 bags per day within the United States.

If the Proposer is a Joint Venture, then at least one (1) of the Joint Venture Partners should satisfy this minimum qualification. Evaluation criteria will be weighted toward Operations and Maintenance experience at airports with significant international baggage operations.

Proposer must possess the State of Florida Certified General Contractor License and the Transporting Assembly Install License and be authorized to do business in the State of Florida by the time of award.

Proposers, who are less qualified than is suggested above, may be considered for award. However, such Proposers may receive fewer points or no points from the Selection Committee, or may be found non-responsible.

### **SUMMARY OF WORK:**

Pursuant to Florida Statutes § 281.301, § 331.22, and § 119.071(3)(b), and the contract documents, the Miami Dade Aviation Department (MDAD) has determined that the Miami International Airport (MIA) terminal drawings as built, layout plans for the various BHSs, and O&M Manuals for the BHSs are exempt from public disclosure. As such, the Operator may obtain copies of the exempt documents prior to negotiations and for use during the term of the Contract. A representative of the Operator must present a current, government issued, picture identification (e.g., Driver's License, United States Passport), and be authorized to sign a Confidentiality Affidavit. The signed and notarized Confidentiality Affidavit certifies that the authorized individual agrees that they will comply with the standards for access, dissemination, handling, and safeguarding of these records. The Operator is required to handle and return all of the exempt records and other Contractual documents upon completion of the term of the O&M Agreement. Operator shall refer to the respective MDAD Project Manager for any records deemed Sensitive Security Information (SSI) by the Transportation Security Administration (TSA).

Written Technical Specifications, in conjunction with the MIA BHS drawings, and BHS Operations and Maintenance manuals, which are available as defined above, are part of the Contract Documents for the Operation and Maintenance and Repair of BHSs at Miami International Airport. This Technical Specification is broken into two parts: the first part explains the O&M of the systems, subsystems, and related components; the second part; Special Provision 1, deals with work that pertains to construction, major improvements, enhancements, and modifications to the systems.

The general intent of this Contract is for operation, maintenance, and repair of: all specified inbound and outbound automated sortation and manual-sortation BHSs, and their related equipment. Concourse J and a section of Concourse F have automated sortation BHSs, whereas Concourses E, G, and a section of F, operate with a manual-sortation BHS.

Basically, this contract covers all MIA inbound BHSs at Concourses D, E, F, G, H and J; as well as, all outbound BHSs with the exception of American Airlines' system, located in Concourse D. Further intent of this contract is to perform other services, including construction on these BHSs, to include system modifications, as determined by MDAD to maintain their efficient operations. Part of the requirements of this contract is for the Operator to obtain an Annual Facility Permit for Unincorporated Areas of Dade County Only and Building or Structures as Defined in the Florida Building Code that shall be maintained for the term of the contract.

Recommendation of Contract Measures for  
Baggage Handling Systems Operation and Maintenance  
(BHS O&M), RFP No. MDAD-11-14  
Page 3 of 4

The Operator shall be responsible to provide services for the overall performance of the following BHSs located throughout MIA as described in Exhibit A, and listed below:

1. Inbound domestic BHSs.
2. Inbound international BHSs.
3. Outbound manual-sortation BHSs.
4. Outbound automated sortation BHS

These services shall ensure and provide for the sustained performance and safe operation of the subject BHS equipment during the term of the Contract. The Operator shall operate the BHSs and provide preventive maintenance, corrective maintenance, repair, and system modification, when required; and shall maintain spare parts inventories as well. The Operator shall support all automated sortation and manual-sortation baggage handling systems 24-hour a day, seven days a week. Preventive maintenance and repairs shall be done in a manner and at a time as to not interfere with the standard operation of the BHSs. Services for late departures or charters operating during other than standard operating hours are required, and are included in the Price Proposal Form (Item No. 1).

The Operator shall provide operation and maintenance services inclusive of all replacement parts, electronics and electrical, welding and metal fabrication for all aspects of the BHS's inclusive of in accordance with a) Operations and Maintenance Manuals; b) manufacturer's recommendations; and c) industry standards of the specific systems, along with their associated subsystems and components.

These Contract Documents are confidential, and are not to be distributed or copied, in part or in whole, without the written consent of an authorized representative of the MDAD Safety and Security Division, and in coordination with the Contract Administrator.

The Operator shall be responsible for all staffing costs associated with the BHS. The County does not warrant or guarantee that the system can be operated or maintained with the staffing proposed by the Operator, and the Operator shall be solely responsible for maintaining sufficient staffing as to ensure compliance with Section 1.11.2 of this Specification (see below). Operator acknowledges that it has inspected the facilities and pertinent documents prior to entering into this agreement.

**Section 1.11.2 (Performance Requirements):** The automated sortation BHSs shall have the following performance requirements: The BHS shall be continually operated and maintained to achieve at a minimum 95% of historical average performance levels per each system and/or subsystem denoted in

**Section 1.4.0** (see below) provided the system failure is caused by system or operational related issues and not by bag hygiene and response time per call shall not exceed 2 minutes to arrive at the issue.

**Section 1.4.0 (System(s) Descriptions – Automated and Manual-Sortation BHSs):** The system descriptions of the automated sortation and manual-sortation baggage handling system under this Contract at Miami International Airport, are described in the Technical Specifications. Airline staff is responsible to place bags that are irregular, soft sided or undersized into tubs prior to induction in accordance with MDAD bag hygiene policies, except for South Terminal where airline staff must place every bag into tubs prior to induction. In addition, airline staff must manually transport all oversized baggage to their designated oversize induction belts. The Operator shall be responsible to monitor airlines baggage handling process, and shall enforce MDAD's bag hygiene policies.

**ADDITIONAL OR EXTRA WORK:**

Changes in the Work: MDAD reserves the right to add work to this Agreement, and no change work to be accomplished under this Agreement without invalidating the Agreement. In the event the MDAD exercises its right to change or add work under the Agreement, such work will be ordered and paid for as provided for in the Agreement.

Changes in the work may be initiated by written directive of MDAD. The Operator shall submit a price quote to MDAD for their review, within twenty-one (21) calendar days of receipt of such directive. The Operator shall maintain this price, for acceptance by MDAD, for a minimum of 90 calendar days after submittal. The cost or credit to MDAD for any change in the work shall be determined in accordance with the provisions of the Agreement. The Operator shall not be compensated for effort expended in preparing and submitting price quotes.

Changes in the work covered by Unit Prices, as stated in the Agreement Documents shall be all inclusive. These prices will include all Direct and Indirect Costs including Overhead and Profit, remobilization and demobilization associated with the change, means and methods of execution, engineering and any associated work necessary. To be compensable, units must be measured daily by the Operator and approved in writing.

Without limiting the Scope of the proceeding, additional facilities may be added as additional work. Although this solicitation identified specific facilities to be serviced, it is hereby agreed and understood that any County Department or agency facility or additional MDAD facility may be added to this Contract at the option of the County. Additional Services also include Subcontractor supplies and electrical service. The Operator shall be invited to submit price quotes for these new facilities. If these quotes are acceptable to MDAD the additional work may be added to this Contract either by work order or change order. Notwithstanding, the Operator does not have an exclusive right to these additional sites. The County may determine to obtain price quotes for additional facilities from others in the event the County does not find the price quotes.

Please advise our office if additional information is needed in order to obtain the project Worksheet for this Agreement.

cc: D. Shore, MDAD  
M. Clark-Vincent, MDAD  
P. Betancourt, MDAD  
C. Corrales, MDAD  
Project File

**REVISED MDAD's CONTRACT MEASURES AND ANALYSIS WORKSHEET**

**To:** Gary Hartfield, Division Director  
Department of Regulatory and Economic Resources  
Small Business Development, Business Affairs Division

**From:** Milton L. Collins, Associate Director *MLC*  
Miami-Dade Aviation Department  
Minority Affairs Division

**PROJECT/CONTRACT TITLE:** Baggage Handling Systems Operation and Maintenance (BHS O&M)  
**PROJECT/CONTRACT NUMBER:** RFP No. MDAD-11-14  
**DEPARTMENT:** Miami Dade Aviation Department  
**ESTIMATED PROJECT COST:** \$146,297,756.00  
**FUNDING SOURCE:** MDAD Operations Funds

**DESCRIPTION OF PROJECT/BID:**

The general intent of this Contract is for operation, maintenance, and repair of: all specified inbound and outbound automated sortation and manual-sortation BHSs, and their related equipment. Concourse J and a section of Concourse F have automated sortation BHSs, whereas Concourses E, G, and a section of F, operate with a manual-sortation BHS. Basically, this contract covers all MIA inbound BHSs at Concourses D, E, F, G, H and J; as well as, all outbound BHSs with the exception of American Airlines' system, located in Concourse D.

**CONTRACT MEASURES RECOMMENDATION:**

**Measures 1% SBE Goal**

**REASONS FOR RECOMMENDATION:**

Analysis of the factors contained in Implementing Order #3-41 indicates that an SBE Goal is appropriate for this contract.

**Note:**

Trade Categories that were identified for this project were verified through the certified firms list for SBE firms dated (8/6/14): Possible Trade Categories:

20502-Cables, Computer Premade; Printer Terminal  
20072-Uniforms, Cotton Blends and Synthetic;

After SBD review of Scope of Services and Minimum Qualifications, please advise if there are additional trade categories that may be utilized for this project.

## REVISED MDAD's CONTRACT MEASURES AND ANALYSIS WORKSHEET

**To:** Gary Hartfield, Division Director  
Department of Regulatory and Economic Resources  
Small Business Development, Business Affairs Division

**From:** Milton L. Collins, Associate Director   
Miami-Dade Aviation Department  
Minority Affairs Division

**PROJECT/CONTRACT TITLE:** Baggage Handling Systems Operation and Maintenance (BHS O&M)

**PROJECT/CONTRACT NUMBER:** RFP No. MDAD-11-14

**DEPARTMENT:** Miami Dade Aviation Department

**ESTIMATED PROJECT COST:** \$146,297,756.00

**FUNDING SOURCE:** MDAD Operations Funds

### DESCRIPTION OF PROJECT/BID:

The general intent of this Contract is for operation, maintenance, and repair of: all specified inbound and outbound automated sortation and manual-sortation BHSs, and their related equipment. Concourse J and a section of Concourse F have automated sortation BHSs, whereas Concourses E, G, and a section of F, operate with a manual-sortation BHS. Basically, this contract covers all MIA inbound BHSs at Concourses D, E, F, G, H and J; as well as, all outbound BHSs with the exception of American Airlines' system, located in Concourse D.

### CONTRACT MEASURES RECOMMENDATION:

Measures 15.42% CSBE Goal

### REASONS FOR RECOMMENDATION:

Analysis of the factors contained in implementing Order #3-22 indicates that an CSBE Goal is appropriate for this contract.

### Note:

Trade Categories that were identified for this project were verified through the certified firms list for SBE firms dated (8/04/14): Possible Trade Categories:

238210 – Electrical Contractors and Other Wiring Installation Contractors  
238220 – Plumbing, Heating, and Air Conditioning Contractors

After SBD review of Scope of Services and Minimum Qualifications, please advise if there are additional trade categories that may be utilized for this project.

# CSBE BREAKDOWN

SERVICE DESCRIPTION	TOTAL	PRIME	SUB	% of TOTAL VALUE	% of VALUE SUB
Management and Operations	\$45,082,784	\$45,082,784		30.82%	
Electrical Preventative Maintenance	\$5,678,082		\$5,678,082	3.88%	3.88%
Corrective Maintenance	\$30,405,429	\$13,520,470	\$16,884,959	20.78%	11.54%
Allowances					
System Parts	\$10,000,000	\$10,000,000		6.84%	
Additional Services Allowance Account	\$5,000,000	\$5,000,000		3.42%	
Training Allowance Account	\$2,000,000	\$2,000,000		1.37%	
Reimbursement of Rent Allowance Account	\$4,500,000	\$4,500,000		3.08%	
TSA Allowance Account	\$30,000,000	\$30,000,000		20.51%	
General Allowance Account	\$13,266,629	\$13,266,630		9.07%	
Inspector General Audit Account	\$364,832	\$364,832		0.25%	
<b>TOTALS</b>	\$146,297,756	\$123,734,716	\$22,563,041	100.00%	15.42%

**Request for Proposals - RFP BHS Operations & Maintenance Contract  
Miami International Airport**

**COMMUNITY WORK FORCE PROGRAM**

<b>On-Site BHS O&amp;M Staff</b>	<b>Positions</b>
MRT-1 Mechanical	32
MRT-2 Electrical	6
MRT-2 PLC	4
General Laborer	35
BHS O&M Contract Labor	77

Table 1  
BHS Best Price Offer  
Line Items

Line Item	GPI For Miami-Ft. Lauderdale, Adjusted Annually, presently 2.5%										Total Cost for 10 Year Service Contract	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
1.0 On-Site BHS O&M Staff												
General Manager	\$180,530	\$164,293	\$158,150	\$162,104	\$168,137	\$170,311	\$174,568	\$178,933	\$183,408	\$187,991	\$183,408	
Administrative	\$68,626	\$68,576	\$70,289	\$73,947	\$77,594	\$81,241	\$84,888	\$88,535	\$92,182	\$95,829	\$92,182	
Shift Supervisors	\$55,759	\$57,148	\$58,537	\$60,923	\$63,309	\$65,695	\$68,081	\$70,467	\$72,853	\$75,239	\$72,853	
Shift Supervisors	\$105,245	\$104,307	\$103,369	\$105,245	\$107,121	\$109,000	\$110,876	\$112,752	\$114,628	\$116,504	\$114,628	
Work Order Coordinators	\$22,300	\$22,300	\$22,300	\$22,300	\$22,300	\$22,300	\$22,300	\$22,300	\$22,300	\$22,300	\$22,300	
MRT-1 Mechanical*	\$277,735	\$271,759	\$265,783	\$270,807	\$275,831	\$280,855	\$285,879	\$290,903	\$295,927	\$300,951	\$295,927	
MRT-2 Electrical*	\$355,319	\$349,343	\$343,367	\$348,391	\$353,415	\$358,439	\$363,463	\$368,487	\$373,511	\$378,535	\$373,511	
MRT-3 PLC*	\$327,873	\$321,897	\$315,921	\$320,945	\$325,969	\$330,993	\$336,017	\$341,041	\$346,065	\$351,089	\$346,065	
General Laborer*	\$1,283,979	\$1,267,003	\$1,250,027	\$1,267,051	\$1,284,075	\$1,301,100	\$1,318,124	\$1,335,148	\$1,352,172	\$1,369,196	\$1,352,172	
*Responsible Wage Rate												
2.0 GENERAL CONDITIONS (EXPENSE CATEGORIES)												
Employee Training, Recruiting, & Training	\$37,445	\$38,981	\$40,517	\$42,053	\$43,589	\$45,125	\$46,661	\$48,197	\$49,733	\$51,269	\$46,764	
Communication	\$7,365	\$7,558	\$7,751	\$7,944	\$8,137	\$8,330	\$8,523	\$8,716	\$8,909	\$9,102	\$8,523	
Supplies	\$4,305	\$4,413	\$4,521	\$4,629	\$4,737	\$4,845	\$4,953	\$5,061	\$5,169	\$5,277	\$5,061	
Travel	\$12,300	\$12,500	\$12,700	\$12,900	\$13,100	\$13,300	\$13,500	\$13,700	\$13,900	\$14,100	\$13,500	
Computer Supplies	\$6,765	\$6,934	\$7,103	\$7,272	\$7,441	\$7,610	\$7,779	\$7,948	\$8,117	\$8,286	\$7,948	
Fuel	\$2,460	\$2,522	\$2,584	\$2,646	\$2,708	\$2,770	\$2,832	\$2,894	\$2,956	\$3,018	\$2,894	
Utilities	\$35,000	\$37,353	\$39,706	\$42,059	\$44,412	\$46,765	\$49,118	\$51,471	\$53,824	\$56,177	\$51,471	
Maintenance Supplies	\$1,248	\$1,261	\$1,274	\$1,287	\$1,300	\$1,313	\$1,326	\$1,339	\$1,352	\$1,365	\$1,352	
Shipping & Freight	\$12,868	\$13,221	\$13,574	\$13,927	\$14,280	\$14,633	\$14,986	\$15,339	\$15,692	\$16,045	\$15,339	
Sub Contractor's Mark Up (CSBE Participation)	\$143,459	\$147,084	\$150,709	\$154,334	\$157,959	\$161,584	\$165,209	\$168,834	\$172,459	\$176,084	\$172,459	
Auto Repairs	\$15,375	\$15,738	\$16,101	\$16,464	\$16,827	\$17,190	\$17,553	\$17,916	\$18,279	\$18,642	\$18,279	
Medical Expenses (Drug Tests & Physicals)	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	
Outsides Professional Services:												
1 - Web Support Contract	\$41,000	\$42,000	\$43,000	\$44,000	\$45,000	\$46,000	\$47,000	\$48,000	\$49,000	\$50,000	\$46,000	
2 - Key Concepts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
3 - BHS USB back up units in Control Room	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4 - HAZOP Permit and Permit Log Use	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Travel & Other Expenses	\$20,570	\$20,870	\$21,170	\$21,470	\$21,770	\$22,070	\$22,370	\$22,670	\$22,970	\$23,270	\$22,670	
Meals & Other Expenses	\$14,145	\$14,498	\$14,851	\$15,204	\$15,557	\$15,910	\$16,263	\$16,616	\$16,969	\$17,322	\$16,969	
Corporate Dues	\$620,955	\$645,732	\$670,509	\$695,286	\$720,063	\$744,840	\$769,617	\$794,394	\$819,171	\$843,948	\$794,394	
Gross Profits	\$14,189	\$14,891	\$15,593	\$16,295	\$16,997	\$17,699	\$18,401	\$19,103	\$19,805	\$20,507	\$19,805	
3.0 Dedicated Allowance Account for Additional Services (\$5,000,000 for 10 Years)	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	
4.0 Dedicated Allowance Account for Parts (\$10,000,000 for 10 Years)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	
5.0 Dedicated Allowance Account for Training (\$2,000,000 for 10 Years)	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	
6.0 Dedicated Allowance Account for Reimbursement of Rent (\$4,500,000 for 10 Years)	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	
7.0 Dedicated Allowance Account for TSA Funded Work (\$30,000,000 for 10 Years)	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	
8.0 Sub-Total	\$12,394,833	\$12,575,921	\$12,757,009	\$12,938,097	\$13,119,185	\$13,300,273	\$13,481,361	\$13,662,449	\$13,843,537	\$14,024,625	\$13,843,537	
10.0 General Allowance Account (Ten Percent (10%) of Sub-total)	\$1,239,483	\$1,257,592	\$1,275,701	\$1,293,810	\$1,311,919	\$1,330,028	\$1,348,137	\$1,366,246	\$1,384,355	\$1,402,464	\$1,384,355	
11.0 Inspector General Audit Account (202% of Sub-total including GA Allowance Account)	\$34,098	\$34,584	\$35,070	\$35,556	\$36,042	\$36,528	\$37,014	\$37,500	\$37,986	\$38,472	\$37,986	
12.0 Yearly Totals	\$13,668,369	\$13,860,098	\$14,051,827	\$14,243,556	\$14,435,285	\$14,627,014	\$14,818,743	\$15,010,472	\$15,202,201	\$15,393,930	\$15,202,201	