

# Memorandum

MIAMI-DADE  
COUNTY

**Date:** June 3, 2008

**To:** Honorable Chairman Bruno A. Barreiro  
and Members, Board of County Commissioners

Agenda Item No. 8(A)(1)(C)

**From:** George M. Burgess  
County Manager

**Subject:** Change Order No. MDAD-3, Siemens Logistics & Assembly Systems, Inc., North Terminal Development Program MIA NTD Baggage Handling System Installation, Project No. B703A1, which increases the Contract Amount by \$43,465,296.

## RECOMMENDATION

The attached Change Order No. MDAD-3 with Siemens Logistics & Assembly Systems, Inc. ("Siemens") for the MIA NTD Baggage Handling System Installation is recommended for approval by the Board. The baggage handling system is on the critical path of the entire North Terminal construction master schedule and is essential for its efficient operation. This change order increases the contract by \$43,465,296 for the purposes described in this memorandum and changes the name of the contractor to Siemens Energy & Automation, Inc. since they are no longer operating under the name of Siemens Logistics & Assembly Systems, Inc. in the State of Florida.

This agreement was assigned to Miami-Dade County pursuant to the Fourth Amendment to the Lease, Construction and Financing Agreement between American Airlines, Inc. and Miami-Dade County approved by the Board on June 21, 2005 by Resolution No. R-735-05.

**CHANGE ORDER NO.:** MDAD-3

### Scope

**PROJECT NAME:** MIA NTD Baggage Handling System Installation

**PROJECT NO.:** B703A1

**CONTRACT NO.:** MIA-703A

**PROJECT DESCRIPTION:** Design, manufacture, fabrication, transportation, installation, testing and commissioning of a new, fully complete, fully operation project baggage system in coordination with the overall North Terminal Development ("NTD") program at Miami International Airport ("MIA").

The scope of work also includes the demolition, removal, and disposal of existing equipment and machinery currently in operation and transportation of same to a storage site at MIA.

- PROJECT LOCATION:** Miami International Airport
- PRIMARY COMMISSION DISTRICT:** Miami International Airport is located primarily within Commission District Six.
- APPROVAL PATH:** Board of County Commissioners
- USING DEPARTMENT:** Aviation Department
- MANAGING DEPARTMENT:** Aviation Department

**Fiscal Impact/Funding Source**

**CHANGE ORDER FUNDING SOURCE:** Capital Improvement Program Airport Revenue Bonds - \$30,000,000

American Airlines Claims Fund - \$4,000,000 (Of the \$105 million provided by AA through Amendment Four, approximately \$65 million remains after having paid all contractor and subcontractor claims to date.)

With respect to the remaining \$9,000,000.00, the County will allocate that amount between Capital Improvement Program Airport Revenue Bonds and other sources, including the American Airlines Claims Fund, as further facts are developed by an audit being conducted by the Bond Engineer. The County does not expect any more than 48% of this \$9,000,000.00 to be allocated to the American Airlines Claims Fund.

Additionally, the County intends to seek reimbursement from the Transportation Security Administration (TSA) for work needed because of TSA requirements; the County believes that at minimum \$12,500,000 of the monies allocated in this Change Order may ultimately be eligible for TSA reimbursement. However, the total amount of TSA reimbursement for the baggage handling installation will be higher. The TSA-eligible costs for the Explosive Detection System (EDS) in-line installation is approximately \$82 million. TSA has advised that an Other Transaction Agreement funding agreement will be offered to MDAD to reimburse part of the cost, but the actual amount of the grant is not known at this time. MDAD hopes to receive between 75%-90% of the eligible costs.



**MDAD CIP BUDGET:** The Miami-Dade Aviation Department has allocated for this project \$127,521,149 within the Board-approved \$6.2 billion CIP budget. The current contract value is \$112,194,704. With the changes contemplated in this Change Order, the adjusted contract value is \$155,660,000. In order to fund the project allocation deficit of \$28,130,000, MDAD will allocate \$8,138,851 from the NTD contingency and \$20,000,000 from the CIP Program-wide contingency.

**PTP FUNDING:** No

**GOB FUNDING:** No

**CHANGE ORDER DESCRIPTION:** Increase the contract amount by \$43,465,296.

**Monetary Justification:**

On June 21, 2005, by Resolution No. R-735-05, the Board approved the Fourth Amendment to the Lease, Construction and Financing Agreement between American Airlines, Inc. and Miami-Dade County that transferred the responsibility of completing the NTD Program to the County. American Airlines' agreement with Siemens was assigned to Miami-Dade County pursuant to the Fourth Amendment to the Lease, Construction and Financing Agreement. Concurrently, the Board approved a Claims Administration Agreement with American giving the County authority to defend, settle and/or adjudicate claims against American on the NTD Program.

The original agreement with Siemens called for a substantial completion date of April 25, 2006 and a final completion date of May 25, 2006. No time or money-related adjustments were made to the contract prior to its assignment to the County dealing with past delays, inefficiencies or other claims even though, as of the date of assignment, the projected Contract completion date based on prior Program delays was October 2009. On June 6, 2006, the Board, by its adoption of Resolution No. R-637-06, approved Change Order No. MDAD-1 that created a General Allowance Account in the amount of \$6,500,000 and added Miami-Dade Aviation Department ("MDAD" or "County") standard contract language. These monies were to be used to expeditiously authorize changes in the work to mitigate contractor delays when unforeseen conditions were encountered in the field or other changes were required.

Since the County's assumption of the Siemens' agreement from American, MDAD staff has been working to resolve the costs to complete this project. The contract milestone and completion dates need to be adjusted consistent with the current NTD schedule which requires a substantial completion date of February 28, 2011 and a final completion date of March 31, 2011 for the baggage handling system. In order to start to address these issues while waiting for a completion proposal to be prepared and submitted by Siemens, MDAD staff issued a series of work orders from the existing general allowance account extending the contract time through June 18, 2008 and providing a mechanism to compensate Siemens for the period between June 1, 2006 through June 18, 2008 for documented escalation of labor and materials; increased services including project and contract management work; unforeseen conditions; and, any increased bond cost.

Under the current contract MDAD can continue to pay Siemens on a time and material basis for the actual, necessary and demonstrated additional costs through June 18, 2008. However, it is not MDAD's preference to pay these costs on a time and material basis through project completion.

MDAD would prefer to negotiate a lump sum to reduce its risk and requested Siemens to submit a lump sum completion proposal for consideration by MDAD. MDAD staff, with the help of its dispute resolution and avoidance consultant, Alpha Construction and Engineering Consultant ("Alpha"), has been working to reach a mutually agreeable lump sum agreement for the cost to complete the Project. Such cost would be inclusive of labor and material escalation, increased project and contract management services, extension of warranties through final completion, compliance with updated requirements from Underwriters Laboratories (UL-409) and updated baggage system site acceptance, commission and testing requirements, and new TSA requirements. Siemens' original, lump sum proposal to complete the project totaled \$46,918,722.00. Alpha, based on their analysis of estimated completion costs in consultation with the baggage handling consultant, has been able to verify and find merit to \$24,000,000 of the lump sum settlement agreement offered by Siemens. Siemens' has reduced its completion proposal down to \$35,549,296 and suggested that it does not intend to go any lower. MDAD has counter-offered to initially approve the undisputed amount of \$24,000,000.00 as a lump sum, with a reservation for Siemens to pursue the difference between \$35,548,296.00 and \$24,000,000.00 through the claim provisions of the contract.

While negotiations with Siemens for a lump sum settlement continue, Siemens will be paid on a time and materials basis. We remain hopeful that the parties can come to an agreement, but could not wait any longer to bring this change order to the Board as contract time and money are running out.

The purpose of this change order, therefore, is to increase the existing general allowance (originally \$6,500,000) by the additional amount of \$43,465,296 to provide sufficient funding to pay Siemens on a time and materials, unit price and/or lump sum basis to be established by work order for:

1. Labor & Material Escalation and Extended Site Overhead due to program delays for which Siemens is not responsible - \$17.6 million (Number included in Siemens' proposal which MDAD considers the worst-case scenario number.)
  - a. Cost of labor escalated substantially higher than anticipated
  - b. Cost of materials (principally steel, copper and concrete) escalated substantially more than anticipated. For example, copper and steel have increased by more than 350% since 2006
2. TSA Changes - \$12.5 million
  - a. Approximately \$2.5 million in identified additional TSA testing requirements
  - b. Approximately \$10 million is included for other expected TSA required items of which MDAD has recently been notified.
3. Newly Identified and Necessary Scope Increases - \$2.7 million
  - a. Extension of project warranties consistent with new program completion dates
  - b. Compliance with updated requirements of UL Laboratories (UL-409)
  - c. Updated baggage system site acceptance, commission and testing requirements
  - d. New Style Manual Encode Station
4. Additional Reserves for Future Changes and Unknowns - \$10.66 million

It is important to note that \$43,465,296 is the maximum amount that may be paid for the above items. However, actual expenditures on a time and materials, unit price or lump sum basis may be substantially less. Any remaining funds in this allowance account will be credited in the final, close-out change order.

Understandably any change order request to increase an allowance account for such a large amount would be met with hesitation. Recognizing this, MDAD plans to report expenditures to the Airport and Tourism Committee as part of its monthly CIP report.

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Finally, as indicated in the section "Change Order Funding Source," MDAD has identified \$12,500,000 of work in this change order that can be attributable to TSA changes that could be eligible for reimbursement by the TSA. However, the total amount of TSA reimbursement for the baggage handling installation is expected to be much higher. The TSA-eligible costs for the Explosive Detection System (EDS) in-line installation is approximately \$82 million. TSA has advised that an Other Transaction Agreement funding agreement will be offered to MDAD to reimburse part of the cost, but the actual amount of the grant is not known at this time. MDAD hopes to receive between 75%-90% of the eligible costs. A conservative estimate of the expected grant offer is \$50 million, including the \$12.5 million in this change order. In order to qualify for reimbursement, though, the contract must include federal contract requirements. MDAD will be forthcoming with a fourth change order that will change the contract terms to bring it into compliance with those requirements.

Finally, I would like to refer the Board to my November 7, 2007 memorandum (attached) which provided a status report on the North Terminal Development Program. In that memorandum I advised the Board that the magnitude of the Siemens claim was unanticipated and greatly exceeds MDAD's CIP budget allocation. The allocation as of the date the Board approved the \$6.2 billion CIP budget is \$127.52 million. With the changes contemplated in this Change Order, the adjusted contract value is \$155,660,000, leaving a potential shortfall of \$28.13 million. To cover this shortfall, MDAD intends to shift \$8,138,851 from the NTD contingency and \$20 million from the CIP Program-wide contingency. Although this is a large shortfall, it is better than the shortfall which we predicted in November.

While the CIP contingency has capacity to cover these unanticipated expenses, we are concerned about future expenses. At the June meeting of the Aviation and Tourism Committee the status of the CIP contingency will be discussed in great detail.

**ORIGINAL AGREEMENT**

**AMOUNT:**

Original AA Contract Amount: \$97,648,670  
As Assigned to the County: \$104,694,804

**PREVIOUS COUNTY MODIFICATIONS:**

MDAD Change Order No. 1 for a General Allowance Account for \$6,500,000 and MDAD Change Order No. 2 for \$999,900 to settle claims through May 31, 2006 as described in this memorandum.

**AMOUNT OF RECOMMENDED  
MODIFICATION:**

\$43,465,296

**ADJUSTED AGREEMENT  
AMOUNT:**

\$155,660,000

**PERCENT CHANGE THIS  
MODIFICATION FROM ASSIGNED  
AMOUNT:**

41.52%

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	<b>Original Contract Values at <u>Assignment</u></b>	<b>Previous Adjustments to Values</b>	<b>This Change Order Values</b>	<b>Current Totals</b>	<b>Total Paid</b>	<b>Balance After Change Order</b>
BASE:	\$104,694,804.00	\$999,900.00	\$0.00	\$105,694,704.00	\$38,906,589.50	\$66,788,114.50
CONTINGENCY:	\$0.00	\$6,500,000.00	\$43,465,296.00	\$49,965,296.00	\$0	49,965,296.00
DEDICATED:	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
TOTALS	\$104,694,804.00	\$7,499,900.00	\$43,465,296.00	\$155,660,000.00	\$38,906,589.50	\$116,753,410.50

	<b>Original Substantial Completion Date at <u>Assignment</u></b>	<b>Previous Adjustments to <u>Duration</u></b>	<b>This Change Order <u>Duration</u></b>	<b><u>Current Completion Date (Substantial Completion)</u></b>
BASE DURATION:	4/25/06	0	0	6/18/08
CONTINGENCY:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL DURATION:	4/25/06	0	0	6/18/08

**INITIATING FACTOR(S) FOR CHANGE ORDER**

<b><u>Reason</u></b>	<b><u>Cost</u></b>	<b><u>Duration</u></b>
Regulatory Change	\$10,000,000.00	0
Other Agency Requested Change	\$0.00	0
Design Errors Change	\$0.00	0
Design Omissions Change	\$0.00	0
County Requested Change	\$33,465,296.00	0
Unforeseen/Unforeseeable Change	\$0.00	0
<u>Other</u>	<u>\$0.00</u>	<u>0</u>
Total	\$43,465,296.00	0

**Track Record/Monitor**

**PRIME CONTRACTOR:** Siemens Logistics & Assembly Systems, Inc. now operating in the State of Florida as Siemens Energy & Automation, Inc.

**COMPANY PRINCIPAL(S):** Sadlowski Dennis Heribert Stumpf, Harry Volande, Michael S. Williamson, Beverly Pacansky, Michael A. Troy

**COMPANY QUALIFIER(S):** Julie Angeline Coffey for D.C. Electric, Inc. (Electrical Subcontractor) and Ronald A. Robinson for Jordim International, Inc. (Mechanical Subcontractor)

**COMPANY EMAIL ADDRESS:** SaschaBecker@siemens.com

**COMPANY STREET ADDRESS:** P.O. Box 613209  
2700 Esters Blvd., Suite 200B, DFW Airport

**COMPANY CITY-STATE-ZIP:** Dallas, Texas 75261

**YEARS IN BUSINESS:** Authority to conduct business in the State of Florida  
9/12/1977

**PREVIOUS EXPERIENCE WITH  
COUNTY IN THE LAST FIVE YEARS:** None

**SUBCONTRACTORS AND  
SUPPLIERS (SECTION 10-34  
MIAMI-DADE COUNTY CODE):** First Tier Subs are D.C. Electric, Inc., Jordim International,  
Inc. and hardware suppliers: CNI, Bullock, Allen-Bradley

**CONSULTANT PERFORMANCE:** The Capital Improvement Information System ("CIIS")  
procedures require that all Contractors and Consultants  
shall be evaluated for their performance at least once on  
each capital improvements contract or agreement and if a  
Department anticipates an evaluation containing an  
"Unresponsive" category, the Department will create an  
interim evaluation, if possible.

Performance on this existing contract is satisfactory  
therefore an interim evaluation was not completed.

**CONTRACT MEASURES:** The CSBE contract measures for this contract is 2%  
(\$2,243,894 prior to this change order and \$3,113,200)  
with the new adjusted contract amount. To date CSBE  
contractors have been paid \$2,159,077, which is 5.55% of  
what Siemens has been paid to date. (Note: One original  
CSBE contractor has graduated from the program and is  
not counted in the data above.)

**COMPLIANCE DATA:** Small Business Development has reviewed their records  
and finds that there have been no violations listed against  
this firm on this project or any other County projects.

**DELEGATIONS OF AUTHORITY:** The Aviation Director or designee has the authority to  
expend the contingency accounts, extend the contract  
completion time to complete any unfinished work, or  
reduce the scope of the project.

**CONTRACT MANAGER  
NAME/PHONE/EMAIL:** Juan Carlos Arteaga 305-869-5694  
jcarteaga@miami-airport.com

**PROJECT MANAGER  
NAME/PHONE/EMAIL:** John Reynolds 305-869-1218  
jreynolds@miami-airport.com

Honorable Chairman Bruno A. Barreiro,  
And Members, Board of County Commissioners  
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**SBD REVIEW:** Yes

**LEGAL SUFFICIENCY:** Yes

  
\_\_\_\_\_  
Assistant County Manager Date



# MEMORANDUM

(Revised)

**TO:** Honorable Chairman Bruno A. Barreiro  
and Members, Board of County Commissioners

**DATE:** June 3, 2008

**FROM:**   
R. A. Cuevas, Jr.  
County Attorney

**SUBJECT:** Agenda Item No. 8(A)(1)(C)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Manager's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved \_\_\_\_\_ Mayor

Agenda Item No. 8(A)(1)(C)

Veto \_\_\_\_\_

6-3-08

Override \_\_\_\_\_

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING CHANGE ORDER MDAD-3 WITH SIEMENS LOGISTICS & ASSEMBLY SYSTEMS, INC. FOR NORTH TERMINAL DEVELOPMENT BAGGAGE HANDLING SYSTEM INSTALLATION, PROJECT NO. B703A, IN THE MAXIMUM AMOUNT OF \$43,465,296, AND AUTHORIZING COUNTY MAYOR OR HIS DESIGNEE TO EXECUTE SAME

**WHEREAS**, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that this Board hereby approves Change Order MDAD-3 with Siemens Logistics & Assembly Systems, Inc., relating to North Terminal Development Baggage Handling System Installation, Project No. B703A at Miami International Airport, in substantially the form attached hereto and made a part hereof, which change order increases the contract amount by a maximum additional amount of \$43,465,296; authorizes the County Mayor or his designee to execute same on behalf of the County; provided, however, this resolution shall not become effective unless, within 30 days hereof, Siemens obtains an appropriate contractor's license to perform the scope of the work of the contract.

The foregoing resolution was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_ and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman  
Barbara J. Jordan, Vice-Chairwoman

Jose "Pepe" Diaz  
Carlos A. Gimenez  
Joe A. Martinez  
Dorrin D. Rolle  
Katy Sorenson  
Sen. Javier D. Souto

Audrey M. Edmonson  
Sally A. Heyman  
Dennis C. Moss  
Natacha Seijas  
Rebeca Sosa

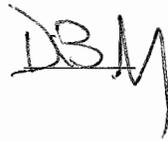
The Chairperson thereupon declared the resolution duly passed and adopted this 3<sup>rd</sup> day of June, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.



Deborah Bovarnick Mastin

**MIAMI - DADE COUNTY**

**Bond No. 81883414**

**CHANGE ORDER TO ORIGINAL CONTRACT**

CHANGE ORDER NO. MDAD-3

PROJECT NO. B703A1

DATE: **April 22, 2008**

PROJECT NAME: MIA NTD Baggage Handling System Installation

TO CONTRACTOR: Siemens Logistics & Assembly Systems, Inc.

YOU ARE HEREBY REQUESTED TO MAKE THE FOLLOWING CHANGES TO THE CURRENT CONTRACT, AND TO PERFORM THE WORK SUBJECT TO ALL CONTRACT STIPULATIONS AND COVENANTS.

<u>ITEM NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
1	Increase the General Allowance Account See page 2. JUSTIFICATION: County Requested Change	\$43,465,296.00
2	Change the Name of the Contractor See page 2. JUSTIFICATION: Contractor Requested Change	\$0

**SUMMARY OF CONTRACT AMOUNT**

	ORIGINAL CONTRACT AMOUNT AT ASSIGNMENT .....	\$104,694,804.00
<b>REASON FOR CHANGE:</b>	COST OF CONSTRUCTION CHANGES PREVIOUSLY ORDERED BY COUNTY ..	\$7,499,900.00
Regulatory Change	ADJUSTED CONTRACT AMOUNT PRIOR TO THIS CHANGE ORDER .....	\$112,194,704.00
Other Agency Requested Change	COST OF CONSTRUCTION CHANGES THIS ORDER .....	\$43,465,296.00
Design Errors Change	ADJUSTED CONTRACT AMOUNT INCLUDING THIS CHANGE ORDER .....	\$155,660,000.00
Design Omission Change	PER CENT INCREASE, THIS CHANGE ORDER .....	41.52%
County Requested Change	TOTAL PER CENT INCREASE TO DATE .....	48.68%
Unforeseen or Unforeseeable Change	EXTENSION OF TIME FOR ALLOWED BY THIS CHANGE <u>0</u> CALENDAR DAYS	

CERTIFYING STATEMENT: *I hereby certify that the supporting cost data included is, in my considered opinion, accurate; that the prices quoted are fair and reasonable and in proper ratio to the cost of the original work contracted for under benefit competitive bidding.*

SIGNATURE CONSULTING ARCHITECT OR ENGINEER

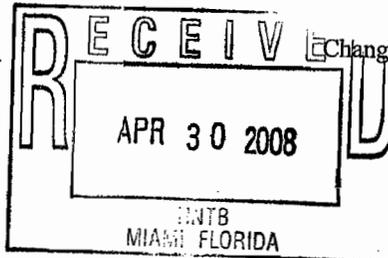
TO BE FILLED OUT BY DEPARTMENT INITIATING CHANGE ORDER

DEPARTMENT \_\_\_\_\_ FUNDS BUDGETED CODE \_\_\_\_\_ CERTIFIED BY \_\_\_\_\_

ACCEPTED BY: [Signature] VP of BL 4-17-08. APPROVED: \_\_\_\_\_  
 CONTRACTOR **Attorney-In-Fact** BUDGET DIRECTOR  
**Federal Insurance Company** SURETY **Rosalie A. Moresco**  
 By its BOARD OF COUNTY COMMISSIONERS  
 RECOMMENDED: [Signature] 4/29/08 By: \_\_\_\_\_ County Manager DATE  
 PROJECT MANAGER CHIEF ARCHITECT/CHIEF ENGINEER  
 APPROVED: [Signature] 5/8/08 ATTEST:  
 HNTB CONSULTING ENGINEER SMALL BUSINESS DEVELOPMENT  
 APPROVED: [Signature] 05/07/08 By: \_\_\_\_\_ Deputy Clerk  
 DEPARTMENTAL DIRECTOR

cc: A/E Consultant, General Contractor, Surety, Project Manager, HNTB, DAC, Contracts Administration

[Signature]  
 Anett Cardinale FL Licensed Resident Agent



Change Order No. MDAD-3  
 Project No. B703A1  
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Draft dated: 4/11/2008

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A.

**MIAMI - DADE COUNTY  
CHANGE ORDER TO ORIGINAL CONTRACT**

CHANGE ORDER NO. MDAD-3

PROJECT NO. B703A1

DATE: **April 22, 2008**

PROJECT NAME: MIA NTD Baggage Handling System Installation

TO CONTRACTOR: Siemens Logistics & Assembly Systems, Inc.

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**ITEM 1 – INCREASE GENERAL ALLOWANCE ACCOUNT**

**\$43,465,296.00**

1.1 Item 1 of this Change Order increases the General Allowance Account and is intended to provide adequate funding to complete the Project, including, but not limited to:

- A. Provides a mechanism for MDAD to pay the Contractor its actual necessary and demonstrated costs, plus a reasonable markup consistent with the contract, for recovery of costs to be incurred subsequent to May 31, 2006 for escalation of labor and materials, additional project management and construction management, and other contract obligations and impacts through the date of Final Completion due to project delays not caused by the Contractor.
- B. The payment of increased bond costs, without markup, based on the Adjusted Contract Amount and upon evidence of payment of said costs by the Contractor, provided however that all previously paid bond costs under work orders previously issued shall be credited from the Contractor's documented bond costs. In addition, no further work order bonds need be issued after the bond is amended to include this Change Order.
- C. Future changes by the Transportation Security Administration.
- D. Unforeseen conditions that may further be encountered during the course of construction.

1.2 This Item No. 1 contemplates the following payment methods: lump sum, unit price, and/or time and materials.

**2 ITEM 2 – CHANGE THE NAME OF THE CONTRACTOR**

**\$0.00**

At the request of the Contractor, this Item No. 2 changes the name of the Contractor from Siemens Logistics & Assembly Systems, Inc. to Siemens Energy & Automation, Inc.

**RELEASE OF CLAIM**

Item No. 1 of this Change Order. Item Number 1 of this Change Order provides funding for

Change Order No. MDAD-3  
Project No. B703A1  
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**MIAMI - DADE COUNTY  
CHANGE ORDER TO ORIGINAL CONTRACT**

CHANGE ORDER NO. MDAD-3

PROJECT NO. B703A1

DATE: **April 22, 2008**

PROJECT NAME: MIA NTD Baggage Handling System Installation

TO CONTRACTOR: Siemens Logistics & Assembly Systems, Inc.

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the Owner's General Allowance Account and does not authorize the Contractor to either perform the work described herein or entitle the Contractor to claim or receive payment of any of the funds referenced herein unless and until a Work Order, duly executed pursuant to Contract provisions, so authorizes and entitles the Contractor. Such Work Orders, when executed, contain appropriate waiver and release clauses pertinent to the work description and cost provisions included therein. This Change Order does not obligate Contractor to finish all current and future work for a fixed price or for the additional amount added by this Change Order.

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Change Order No. MDAD-3  
Project No. B703A1  
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SIEMENS ENERGY & AUTOMATION, INC.

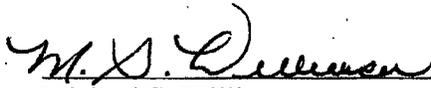
CERTIFICATE

The undersigned, Michael S. Williamson, DOES HEREBY CERTIFY that he is the duly elected and qualified Secretary of Siemens Energy & Automation, Inc., a corporation organized and existing under the laws of the State of Delaware (the "Company").

The undersigned DOES HEREBY CERTIFY that Siemens Energy & Automation, Inc. is the valid and existing successor to Siemens Logistics & Assembly Systems Inc.

The undersigned further DOES HEREBY CERTIFY that Lee Seward of the Company's Infrastructure Logistics Division is authorized to sign on behalf of the Company the CHANGE ORDER NO. MDAD-3 entitled "MIAMI - DADE COUNTY CHANGE ORDER TO ORIGINAL CONTRACT", regarding an increase in the general allowance account and a change in the name of the contractor.

IN WITNESS WHEREOF, the undersigned has affixed his signature as Assistant Secretary on the date shown.

  
\_\_\_\_\_  
Michael S. Williamson  
Secretary

4/16/08  
\_\_\_\_\_  
Date



CORPORATE SEAL



Chubb  
Surety

POWER  
OF  
ATTORNEY

Federal Insurance Company  
Vigilant Insurance Company  
Pacific Indemnity Company

Attn: Surety Department  
15 Mountain View Road  
Warren, NJ 07059

Know All by These Presents, That FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, and PACIFIC INDEMNITY COMPANY, a Wisconsin corporation, do each hereby constitute and appoint Rosalie A. Moresco, Patricia O'Connell, Susan Ravid and Pamela K. Rife of New York, New York

each as their true and lawful Attorney- in- Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than ball bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY have each executed and attested these presents and affixed their corporate seals on this 13<sup>th</sup> day of September, 2006

Kenneth C. Wendel, Assistant Secretary

John P. Smith, Vice President

STATE OF NEW JERSEY

County of Somerset

On this 13<sup>th</sup> day of September, 2006

before me, a Notary Public of New Jersey, personally came Kenneth C. Wendel, to me known to be Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY, the companies which executed the foregoing Power of Attorney, and the said Kenneth C. Wendel, being by me duly sworn, did depose and say that he is Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By- Laws of said Companies; and that he signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that he is acquainted with John P. Smith, and knows him to be Vice President of said Companies; and that the signature of John P. Smith, subscribed to said Power of Attorney is in the genuine handwriting of John P. Smith, and was thereto subscribed by authority of said By- Laws and in deponent's presence.

Notarial Seal



KAREN A. EDER  
Notary Public, State of New Jersey  
No. 2231647  
Commission Expires Oct. 28, 2009

Notary Public

CERTIFICATION

Extract from the By- Laws of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY:

"All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys- in- Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached."

I, Kenneth C. Wendel, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY

(the "Companies") do hereby certify that

- (i) the foregoing extract of the By- Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U.S. Treasury Department; further, Federal and Vigilant are licensed in Puerto Rico and the U.S. Virgin Islands, and Federal is licensed in American Samoa, Guam, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

*This 22<sup>nd</sup> day of April, 2008*

Given under my hand and seals of said Companies at Warren, NJ this



Kenneth C. Wendel, Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY Telephone (908) 903- 3493 Fax (908) 903- 3656 e-mail: surety@chubb.com

# FEDERAL INSURANCE COMPANY

## STATEMENT OF ASSETS, LIABILITIES AND SURPLUS TO POLICYHOLDERS

Statutory Basis

DECEMBER 31, 2006

(in thousands of dollars)

<b>ASSETS</b>		<b>LIABILITIES AND SURPLUS TO POLICYHOLDERS</b>	
Cash and Short Term Investments.....	\$ 580,553	Outstanding Losses and Loss Expenses...	\$ 11,595,150
United States Government, State and Municipal Bonds .....	12,508,719	Unearned Premiums .....	3,616,396
Other Bonds .....	2,869,870	Reinsurance Premiums Payable .....	449,499
Stocks .....	1,067,735	Provision for Reinsurance .....	201,207
Other Invested Assets .....	1,358,500	Other Liabilities .....	1,224,072
<b>TOTAL INVESTMENTS .....</b>	<b>18,385,377</b>	<b>TOTAL LIABILITIES .....</b>	<b>17,086,324</b>
<b>Investments in Affiliates:</b>			
Chubb Investment Holdings, Inc. ....	2,235,569	Capital Stock .....	20,980
Pacific Indemnity Company .....	1,608,062	Paid - In Surplus .....	3,106,790
Chubb Insurance Company of Europe ..	873,008	Unassigned Funds .....	8,148,977
Executive Risk Indemnity Inc. ....	810,146		
CC Canada Holdings Ltd. ....	461,798	<b>SURPLUS TO POLICYHOLDERS .....</b>	<b>11,278,747</b>
Great Northern Insurance Company ..	351,273		
Chubb Insurance Company of Australia ..	159,837		
Vigilant Insurance Company .....	138,358		
Other Affiliates .....	220,451		
Premiums Receivable .....	1,626,163		
Other Assets .....	1,493,029		
<b>TOTAL ADMITTED ASSETS .....</b>	<b>\$ 28,363,071</b>	<b>TOTAL LIABILITIES AND SURPLUS TO POLICYHOLDERS .....</b>	<b>\$ 28,363,071</b>

Investments are valued in accordance with requirements of the National Association of Insurance Commissioners.  
Investments valued at \$454,144,605 are deposited with government authorities as required by law.

State, County & City of New York, - ss:

Yvonne Baker, Assistant Secretary of the Federal Insurance Company being duly sworn, deposes and says that the foregoing Statement of Assets, Liabilities and Surplus to Policyholders of said Federal Insurance Company on December 31, 2006 is true and correct and is a true abstract of the Annual Statement of said Company as filed with the Secretary of the Treasury of the United States for the 12 months ending December 31, 2006.

Subscribed and sworn to before me  
this

Dorothy Baker  
Notary Public

**DOROTHY M. BAKER**  
Notary Public, State of New York  
No. 31-4904994  
Qualified in New York County  
Commission Expires Sept. 14, 2009

Yvonne Baker

Assistant Secretary

**FLORIDA DEPARTMENT OF INSURANCE**  
**ANETT ELISABETH CARDINALE**

License Number E012335

IS LICENSED TO TRANSACT THE FOLLOWING CLASSES OF INSURANCE

General Lines Auto & Home



RESIDENT  
LICENSE

This Licensee must have an active appointment with the insurer for whom this license is issued or services liability market. See reverse for additional requirements.

**IMPORTANT PLEASE READ CAREFULLY**

1. Licensee may only transact insurance with an active appointment by an eligible insurer or employer. If this person is acting as a surplus lines agent, public adjuster, reinsurance intermediary manager/broker or a health care risk manager, he/she should have an appointment recorded in their own name on file with the Department. If you are unsure of this licensee's status, you should contact the Florida Department of Insurance immediately.
2. This license will expire if more than 48 months elapse without an appointment for each class of insurance listed on the front. If such expiration occurs, the individual or firm will be required to re-qualify as a first-time applicant.
3. If this license was obtained by passing a licensure examination offered by the Florida Department of Insurance, the licensee is required to comply with continuing education requirements contained in 626.2815, 626.859, or 648.385 Florida Statutes.
4. THIS LICENSE IS THE PROPERTY OF THE FLORIDA DEPARTMENT OF INSURANCE. PLEASE NOTIFY THE DEPARTMENT IMMEDIATELY IF LOST OR STOLEN.