

# Memorandum



**Date:** June 3, 2008

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

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

**Subject:** Supplement to 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.

Supplement to  
Agenda Item No. 8(A)\_1 (C).

The following supplemental information to the Change Order No. MDAD-3 with Siemens Logistics & Assembly Systems, Inc. (Siemens) for the Miami International Airport (MIA) North Terminal Development (NTD) Baggage Handling System Installation provides additional information in response to questions raised at the May 15, 2008 Airport & Tourism Committee meeting regarding the funding for this item, particularly with respect to funding through the American Airlines Claims Fund.

The uncommitted fund balance remaining in the AA claims account, assuming this item and the Sumitomo item are adopted by the Board, is \$45 million. The County has resolved the vast majority of the claims that existed on the North Terminal prior to County takeover of the project. At this time, and based on information currently available, the County believes that the aggregate of the funds in the Claims Reserve Fund and the remaining payment installments is sufficient to pay all "claims" on the North Terminal at that term is defined in Article 3.2 of the Claims Administration Agreement between the County and American Airlines, even after funding of this item, and therefore funds are being withdrawn from the Claims Fund pursuant to Article 3.6.

We are close to and confident that an agreement will be reached on converting this contract from time and material to a lump sum amount.

  
Assistant County Manager

