

Memorandum



Date: February 17, 2009

To: Honorable Chairman Dennis C. Moss
and Members Board of County Commissioners

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

From: 
Carlos Alvarez
Mayor

George M. Burgess
County Manager



Subject: Award Recommendation to Honeywell International, Inc., for Building Management System (BMS) in the amount of \$65,041,042.22

RECOMMENDATION

It is recommended that the Board award the Building Management System (BMS) Contract to Honeywell International, Inc., in the amount of \$65,041,042.22, and approve a waiver of competitive bidding procedures pursuant to Section 2-8.1 of the Miami-Dade County Code and Section 5.03(D) of the Home Rule Charter and as provided for in Section 255.20 of the Florida Statutes. It is also recommended that the Board authorize the Mayor or designee to negotiate an alternate indemnification clause than that currently contained in the contract, such that it is mutually acceptable to the County and Honeywell, subject to ratification by the Board. Accordingly, a waiver of Resolution No. R-130-06 is requested in order to conclude the alternate indemnification negotiations. It is further recommended that the Board authorize the Mayor or the Mayor's designee to execute said contract substantially in the form attached hereto.

The bid waiver is necessary because Honeywell's software and hardware is proprietary and requires Underwriters Laboratory (UL) and Factory Mutual (FM) listing as one system per the National Fire Protection Association (NFPA) Code. This integration requirement is applicable to all systems extended or modified within the architecture of the Honeywell systems. Therefore, the work scope being requested will be in full compliance with NFPA, UL and the Florida Building Code.

SCOPE

The impact of this agenda item is countywide in nature as it relates to the Miami International Airport (MIA) and General Aviation Airports (GAA).

FISCAL IMPACT/FUNDING SOURCE

The source of funding is Airport Revenue Bonds, Federal Aviation Administration (FAA) Airport Improvement Program (AIP) Grant, and the Miami-Dade Aviation Department (MDAD) Operations and Maintenance Budget. The total maximum contract amount is \$65,041,042.22

TRACK RECORD MONITOR

According to MDAD Business Management Systems Support Manager Ray Davalos, who monitors the current contract with Honeywell and will monitor the new contract, Honeywell has performed satisfactory services for MDAD.

DELEGATED AUTHORITY

In accordance with Miami-Dade County Code Section 2-8.3 related to identifying delegation of Board authority contained within the subject contract, the Aviation Director or designee has the authority to exercise the termination provisions.

COMPLIANCE DATA

Honeywell International, Inc. does not have any violations on file with Miami-Dade County.

BACKGROUND

In June, 2003, MDAD advertised an Invitation to Bid for Building Management System, and awarded on December 4, 2003, a contract to Honeywell International, Inc. The BMS system includes the Heating, Ventilation and Air Conditioning (HVAC) system as well as other controlled mechanical and security systems and the Fire Alarm System (FAS). The current contract is for a total of \$33,622,291.14. Notice to Proceed was given on March 1, 2004, for a period of five (5) years and is set to expire on February 28, 2009.

The MIA Terminal and GAA Facilities BMS is comprised of approximately 1,000 air conditioning units with an average of 16 controls and monitoring Honeywell points each, for a total of 16,000 points reporting to the data control panels and the main BMS. The MIA Terminal and GAA Facilities Fire Alarm systems encompass approximately 120 fire alarm panels with an average of 500 controls and monitoring Honeywell points per panel, for a total of 60,000 reporting points to the fire alarm panels and the main fire control system. It is estimated that the total BMS point counts will surpass 100,000 points upon completion of the Capital Improvement Program (CIP). The BMS is comprised of Automation, Fire Alarm, and Security systems, as a whole, and it is one of the largest Honeywell installations in the world.

MIA will utilize this new contract to support future procurements for the BMS and additional work, system upgrade, or expansion needed by MDAD. The contract includes the provision of materials, tools, labor, new equipment, hardware, firmware, software (including any and all required software licenses), and the design, development, delivery, configuration completion, installation, testing, commissioning, training, warranty, operation and maintenance, and tenant support of a fully operational Building Management System for the term of the contract. Work will be performed under this contract to assist CIP projects with any BMS system gaps. Work will be coordinated with the CIP project managers to ensure that there are no delays to either contract while performing the work requested. Considerable savings of owner construction funds are obtained by contracting "gap" work for CIP projects directly with the Original Equipment Manufacturer (OEM) vendor and not through the CIP project's general contractor who contracts the OEM vendor as a third-tier subcontractor.

Honeywell shall maintain all system layouts, documentation and graphics for the BMS. Honeywell shall obtain all permits required to install conduit and cable, furnish and install any BMS component that requires it. Honeywell will maintain all HVAC, Security, and FAS head-end workstations, servers and the BMS application software and perform required planned maintenance. Honeywell shall furnish and install all cabling needed to perform the work required under this contract. Honeywell shall test and commission all work under this contract. Honeywell shall maintain the UL listing for current products of the BMS system that require having a UL listing. Honeywell will also advise the Owner when a non-UL product is acceptable for use.

In order to expedite this critical work and in the best interest of the County to protect the health, safety and welfare of the community pursuant to Section 255.20 (c) (10) (a) and (b) of the Florida Statutes, when the governing board of a local government determines that it is in the public's best interest to award the project to an appropriately licensed private-sector contractor according to procedures established by and expressly set forth in a charter, ordinance, or resolution of the local government, the requirements of a competitive bidding process may be waived by a two-thirds vote of the governing board if there is one appropriately licensed contractor who is uniquely qualified to undertake the project.

As indicated, Honeywell's software and hardware is proprietary in nature. Honeywell is an appropriately licensed contractor that is best suited to continue this work in that Honeywell is the BMS manufacturer and provides certified personnel to test, inspect, and repair the system as required by

code to maintain the required certifications. Honeywell, as the System Manufacturer, is the vendor with the qualifications to best certify the BMS, as per Ordinance 08-27. Additionally, to competitively bid the project at this time would materially increase the cost as it would require the replacement of the entire BMS or additional cost to create another proprietary interface that would now require contracts with the OEM vendor and the new system vendor.

Finally, the indemnification provisions in the current Honeywell contract vary from those contained in the new proposed contract which reflects the current County contractual language. The modified provisions are currently being reviewed by counsel for Honeywell. Approval of this item authorizes the Mayor or designee to continue negotiations on the indemnification clause such that it is mutually acceptable to the County and Honeywell and subject to ratification by the Board.

PROJECT LOCATION:	Miami International and General Aviation Airports
COMPANY NAME:	Honeywell International, Inc.
TERM OF AGREEMENT:	Ten (10) years
OPTION(S) TO RENEW:	N/A
CONTRACT AMOUNT:	\$65,041,042.22, which includes an Allowance Account, and IG fee as follows: Maximum price for ten (10) year term (Testing and Inspection) \$41,878,845.11 Dedicated Allowance Account (Construction and Installation) \$23,000,000.00 Inspector General Audit Account \$ 162,197.11
ALLOWANCES/CONTINGENCY ORDINANCE NO. 00-65:	See above
COMPANY PRINCIPAL(S):	David Cote, President; Larry Kittleberger, Vice President; Thomas Larkins, Secretary, James Gelly, Treasurer
COMPANY QUALIFIER(S):	David C. Lay, Harry James Joyce
LOCATION OF COMPANY:	3261 Executive Way Miramar, FL 33025
CONTRACT MEASURES:	12.6% DBE Subcontractor Goal (\$8,195,171.00) (Competitive process utilizing a pool of federally certified DBE firms)
REVIEW COMMITTEE DATE:	October 29, 2008 (CWP Goal)
YEARS IN BUSINESS:	124 Years

**PREVIOUS AGREEMENTS
WITH THE COUNTY WITHIN
THE PAST FIVE (5) YEARS:**

One expired contract in 2004 in the amount of \$750,000
and current contract in the amount of \$33,622,291.14 for a
total of \$35,631,669.64

ADVERTISEMENT DATE:

Not Applicable

LIVING WAGE:

Not Applicable

**MANDATORY CLEARING
HOUSE:**

Provision Included

**COMMUNITY WORKFORCE
PROGRAM:**

10% CWP goal
Provision Included

USING AGENCY:

Miami-Dade Aviation Department



Assistant County Manager



MEMORANDUM
(Revised)

TO: Honorable Chairman Dennis C. Moss **DATE:** February 17, 2009
and Members, Board of County Commissioners

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

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

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 Mayor'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
Veto _____
Override _____

Agenda Item No. 8(A)(1)(A)
2-17-09

RESOLUTION NO. _____

RESOLUTION WAIVING FORMAL BID PROCEDURES AND PROVISIONS OF SECTION 2-8.1 MIAMI-DADE COUNTY CODE AND SECTION 5.03 (D) OF THE MIAMI-DADE HOME RULE CHARTER, AND SECTION 255.20 FLORIDA STATUTES, AND APPROVING AGREEMENT WITH HONEYWELL INTERNATIONAL, INC. FOR BUILDING MANAGEMENT SYSTEM IN AN AMOUNT NOT TO EXCEED \$65,041,042.22 AND FOR A TERM OF TEN YEARS; WAIVES THE PROVISIONS OF R-130-06 AS IN THE BEST INTERESTS OF MIAMI-DADE COUNTY; AUTHORIZING THE COUNTY MAYOR OR HIS DESIGNEE TO NEGOTIATE A MUTUALLY ACCEPTABLE INDEMNIFICATION PROVISION, SUBJECT TO RATIFICATION BY THE BOARD OF COUNTY COMMISSIONERS; AUTHORIZING COUNTY MAYOR OR HIS DESIGNEE TO EXECUTE SAME, AND TO EXERCISE TERMINATION PROVISIONS THEREOF

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 award of the contract for Building Management System at Miami International Airport, between Honeywell International, Inc. and Miami-Dade County, in an amount not to exceed \$65,041,042.22 and for a term of ten years, in substantially the form on file with the Clerk of the Board, an excerpt of which is attached hereto and made a part hereof; and finds it to be in the best interest of the County to waive formal bid procedures pursuant to Section 2-8.1, Miami-Dade County Code and Section 5.03(D) of the Home Rule Charter, and Section 255. 20 Florida Statutes, by a two-thirds (2/3) vote of the Board members present; waives the provisions of Resolution R-130-06 as in the best interests of Miami-Dade County and authorizes the County Mayor or his designee to negotiate an alternate

indemnification clause than that currently contained in the contract, to be mutually acceptable to the County and to Honeywell, and to execute the contract with the negotiated language subject to ratification by the Board of County Commissioners; and authorizes County Mayor or his designee to exercise termination provisions thereof.

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:

Dennis C. Moss, Chairman	
Jose "Pepe" Diaz, Vice-Chairman	
Bruno A. Barreiro	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Barbara J. Jordan	Joe A. Martinez
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 17th day of February, 2009. 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. DM

David M. Murray

CONTRACT SUMMARY

THIS CONTRACT made and entered into as of the _____ day of _____ 20____, by and between Miami-Dade County, Florida, by its Board of County Commissioners, hereinafter called the Owner and

hereinafter called the Contractor:

WITNESSETH, that the said Contractor, for and in consideration of the payments hereinafter specified and agreed to be made by the County, hereby covenants and agrees to furnish and deliver all the materials required, to do and perform all the Work and labor, in a satisfactory and workmanlike manner, required to complete this Contract within the time specified, in strict and entire conformity with the General Conditions, Condition of Award Requirements, Plans, Technical Specifications and other Contract Documents, which are hereby incorporated by reference, for;

PROJECT TITLE: BUILDING MANAGEMENT SYSTEM

PROJECT NO.: O115A

I. Payment for Maintenance Activities

A. Compensation, inclusive of labor, for the first year of this Contract for Testing and Inspection as more fully described in Section 13801 of the Technical Specifications shall be based on the following lump sum prices:

1. MDAD CONTROLS	(Refer to Technical Specifications No. 13801)	\$350,000
2. MDAD HI PSI	(Refer to Technical Specifications No. 13801)	\$ 35,000
3. MDAD FA	(Refer to Technical Specifications No. 13801)	\$946,000
4. MDAD SMOKE EVAC	(Refer to Technical Specifications No. 13801)	\$804,000
5. MDAD FRONT END	(Refer to Technical Specifications No. 13801)	\$565,000
6. MIA LOW PSI	(Refer to Technical Specifications No. 13801)	\$500,000
<u>TOTAL</u>		\$3,200,000

Payment for the above services shall be paid on a prorated basis monthly after the work has been performed. The above does not include additional testing and inspection services as may be needed in addition to those required in Section 13801 of the Technical Specification, and any such additional testing shall be authorized and paid for pursuant to section B herein.

B. For all other work, but excluding that work described in Section A above, compensation for work performed and materials used shall be based on either (1) quantities of priced tasks (unit prices) identified in the schedule of values, as stated on a proposal, (2) on a time and material basis, based on Sections C and D below, or (3) on agreed on lump sums, as specified in the applicable work or task order. Exclusive of the work described in Section A above, no

work shall be performed except as authorized by work order. All work authorized pursuant to this Section shall be paid for out of the Dedicated Allowance Account.

C. Original Equipment Manufacture (OEM) parts shall either be list price minus 50% discount or Honeywell will provide MDAD with “best pricing”, or equal to Honeywell offered GSA pricing, any sales or promotional offers, whichever has the best discount. Honeywell will provide a comparison quote at the Owner’s request. Non-OEM parts shall be at a 15% mark-up, or the lowest of three (3) bids, at the discretion of the County.

D. Honeywell negotiated first year hourly labor rates for all applicable personnel to be performing work under this Contract on a Time and Material basis are as follows:

- Technician \$106
- Engineer \$120
- Programmer \$145
- Administrative \$69
- Fitter \$90
- Project Manager \$155
- Overtime at X 1.5
- Premium time (Sunday/Holidays) at x 2

Honeywell labor rates will be comparable with any published Honeywell labor rates, to include negotiated GSA labor rates. Notwithstanding the above, Honeywell shall offer the County labor rates equal to Honeywell’s best-offered discounted labor rates. The Contract will use the Employment Cost Index (ECI), published by the Department of Labor, to negotiate yearly adjustments. However, in no case shall such yearly adjustment exceed 4%. Yearly ECI index adjustments for labor rates will be negotiated with the Owner two (2) weeks before each Contract anniversary date. Any agreed adjustment shall take effect on October 1 of each subsequent contract year. Where subcontractors are used to perform work, Honeywell may charge a 15% mark-up on the hourly cost of such subcontracted labor, and such mark-up shall be full compensation for all costs incurred by Honeywell to supply, supervise, oversee, or manage such labor, and shall be full compensation of all of Honeywell’s overhead and indirect costs related to same.

E. Honeywell shall compensate MDAD in view of the rental of the Owner provided office space by providing the following:

1. No charges for travel expenses, lodging, or per diem for those Honeywell employees assigned to work at MIA on either a permanent or temporary basis.
2. The limitations on overhead for third party parts and/or labor specified in Sections C and D..
3. Discount as stated in C. above.

4. No processing/administrative fees.

II. Dedicated Allowance Account Bonding Requirements The Contractor will be required to furnish a separate Performance Bond and Payment Bond for any Dedicated Allowance Account Work Order (refer to Technical Specifications 13801) valued more than \$100,000.

CONTRACT TIME: Completion of the Work within the Contract Time is of the essence. The Contract Time for this Work is ten (10) years from the effective date established in the Notice to Proceed.

LIQUIDATED INDIRECT COSTS: Liquidated Indirect Costs recoverable by the Contractor, shall be **\$250.00** per day for each day the project is delayed up to 1095 days due to a Compensable Excusable Delay.

DISADVANTAGED BUSINESS ENTERPRISE PROGRAMS: The Contractor shall comply with the following Contract Measure: DBE Subcontractor Goal: **12.6%**. Contract Measures are based on the Contract Amount, exclusive of the amount for the Inspector General Audit account.

COMMUNITY WORKFORCE PROGRAM (CWP)

The Community Workforce Goal is a requirement that a percentage of the workforce performing construction trades work and labor under a Capital Construction Contract/Work Orders be residents of a Designated Target Area.

The Contractor shall comply with a **10%** Community Workforce Goal for this Contract as required by the Community Workforce Program Participation Provisions, Special Provisions 3.

CWP LIQUIDATED DAMAGES: In the event that at Contract completion the Contractor has not achieved the established local Workforce Goal, Liquidated Damages of a minimum of **\$1,500.00** per position by which the Contractor fails to comply with such goal or the wages that would have been payable for such position had the person(s) been hired for the position as listed on the approved Workforce Plan including all approved revisions to the Workforce Plan, whichever is greater, shall be assessed in accordance with Special Provisions 3, Community Workforce Program Participation Provisions.

FEDERAL PARTICIPATION: The minimum wage rates for laborers, mechanics and apprentices shall be not less than those established by the United States Department of Labor, Employment Standards Administration, the determination for which are included in Special Provisions 2. These rates shall take precedence over those specified in Section 1.D for such job classes.

INSURANCE: Within fifteen (15) calendar days from the date of Notice to Award presented to the Contractor, the Contractor shall deliver to the County, satisfactory evidence of all required insurance coverage. Failure to furnish satisfactory evidence of all insurance coverage within fifteen (15) calendar days from the date of the Notice of Award presented to the Contractor may be considered by the County as an event of default.

COMPENSATION: The Contractor accepts as full compensation for all work required to complete the Contract, the prices provided herein.

In consideration of these premises, the County hereby agrees to pay to the Contractor for the said Work, when fully completed, up to the maximum sum of **Sixty Five Million Forty One Thousand Forty Two Dollars Twenty Two Cents (\$65,041,042.22)** consisting of the following:

Maximum price for 10-year term <u>(Testing and Inspection)</u>	\$41,878,845.11
Dedicated Allowance Account <u>(Construction and Installation)</u>	\$23,000,000.00
<u>Inspector General Audit Account</u>	<u>\$162,197.11</u>
TOTAL MAXIMUM CONTRACT AMOUNT	\$65,041,042.22

Notwithstanding the preceding, the Contractor is not guaranteed any minimum level of payment under this contract, and the County in its sole discretion shall determine usage of Dedicated allowance accounts.

The maximum contract amount is subject to such additions and deductions as may be provided for in the Contract Documents.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the above parties have caused this Contract to be executed by their appropriate officials as of the date first above written.

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

ATTEST: Harvey Ruvin Clerk

By: _____
Mayor or designee

By: _____
Deputy Clerk

(MIAMI-DADE COUNTY SEAL)

CONTRACTOR (If Corporation)

Approved for Form and Legal Sufficiency

(Corporate Name)

By: _____
President

(Assistant County Attorney)

Attest: _____
Secretary

CORPORATE SEAL