Memorandum

MIAMI-DADE COUNTY

Date: December 17, 2013

Agenda Item No. 14(A)(3)

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

Subject: Change Order No. 2 to the South Terminal Baggage Handling System Operation and Maintenance Contract with John Bean Technologies Corporation, MDAD Project No. ITN-MDAD-01-06, increasing the contract by $3,696,399.50

RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) waive the competitive bid requirements of Section 5.03(d) of the Home Rule Charter and approve Change Order No. 2 to the contract with John Bean Technologies Corporation (JBT) for the Operation and Maintenance (O&M) of the South Terminal and Concourse F Baggage Handling System (BHS) at Miami International Airport (MIA). This Change Order increases the total contract amount by $3,696,399.50 and extends the contract on a month-to-month basis not to exceed six (6) months to allow sufficient time to complete the award of a new contract.

CHANGE ORDER NO. Change Order No. 2 (MDAD No. ITN-MDAD-01-06)

SCOPE

PROJECT NAME: Baggage Handling System Operation and Maintenance

PROJECT NO.: ITN-MDAD-01-06

PROJECT DESCRIPTION: This project ensures the safe operation and maintenance of the BHS for the MIA South Terminal and Concourse F. The contractor supports the O&M of all systems on a 24-hour, seven-days-a-week basis. Required services include preventive and corrective maintenance, maintaining spare parts and inventories.

PROJECT LOCATION: Miami International Airport

PRIMARY DISTRICT: Miami International Airport is located primarily within Chairwoman Rebeca Sosa's District Six; however, the impact of this item is countywide as MIA is a regional asset.

APPROVAL PATH: Board of County Commissioners

USING DEPARTMENT: Miami-Dade Aviation Department (MDAD)

MANAGING DEPARTMENT: Miami-Dade Aviation Department

FISCAL IMPACT/FUNDING SOURCE

CHANGE ORDER FUNDING SOURCE: The contract is funded from MDAD Revenue and Reserve Maintenance Funds. The current contract value is $55,997,510.39. This Change Order increases the contract value by $3,696,399.50 to an adjusted contract value of $59,693,909.89

	(includes Inspector General fee). JBT will maintain the same rate as currently charged.
PTP FUNDING:	No
GOB FUNDING:	No
ARRA FUNDING:	No
CHANGE ORDER DESCRIPTION:	Increases the contract amount by $3,696,399.50 and extends the term of the contract on a month-to-month basis not to exceed six (6) months.

TRACK RECORD/MONITOR

JBT's services to Miami-Dade County have been above satisfactory according to MDAD Facilities Superintendent Neil Wyatt, who will monitor this contract. The company has no performance data in the Capital Improvements Information System (CIIS).

BACKGROUND

This project, competitively solicited under an Invitation to Bid (ITB), elicited submissions from FMC Technologies Inc. and Aircraft Service International Group (ASIG), which were opened September 15, 2006. Pursuant to Resolution R-1445-06, the Board on December 19, 2006, rejected all bids, waived formal bid requirements of Section 4.03(D), and authorized the issuance of an Invitation to Negotiate (ITN) with the two vendors that submitted bids, under the same terms, including but not limited to scope of work, terms, conditions, licensing, status, bid items and pricing.

Based upon negotiations with both vendors February 8, 2007, the ITN documents were modified and reissued to the vendors. MDAD's estimate was revised to compensate for additional funds necessary to restock parts. Each of the vendors Best and Final Offers (BAFO), submitted on February 16, 2007, were publicly opened the same day. The BAFO from ASIG was $39,899,629.00, and FMC's was $37,338,979.39.

On February 20, 2007, the Negotiation Committee met at a public meeting and unanimously voted to recommended award of the South Terminal BHS O&M contract to FMC Technologies Inc. The contract was awarded by the Board pursuant to R-545-07 to FMC on May 8, 2007, and a Notice to Proceed (NTP) was issued on June 27, 2007.

Pursuant to R-906-09, the Board approved on July 2, 2009, the Consent to Assignment Agreement from FMC Technologies Inc. to John Bean Technologies Corporation. The Board approved Change Order No. 1 to the contract, pursuant to Resolution R-25-12, on January 24, 2012. This change order increased the total contract amount by $13,258,531.00 and extended the contract on a month-to-month basis not to exceed 12 months to install life-safety equipment required and funded by the Transportation Security Administration (TSA). The change order also included contract language mandated by federal law, regulation or contract to enable the County to obtain federal reimbursement.

Under Implementing Order 3-38, a contract modification was processed on May 17, 2013, to extend the contract commencing on June 27, 2013, on a month-to-month basis not exceeding one hundred eighty (180) days, and is now scheduled to expire on December 27, 2013. This extension increased the total contract amount by $5,400,000.00 and provided MDAD with a contingency period to finalize the re-procurement of the new solicitation and avoid interruptions to this essential service at MIA.

JUSTIFICATION

A new Request for Proposals was advertised on June 21, 2012, to solicit proposals to operate, maintain and repair all specified inbound and outbound automated and manual sortation Baggage Handling Systems, and related equipment at MIA. Although a final award has been negotiated by the selection committee, concerns regarding that award recommendation have been raised by the Airport Management Council (AMC). The AMC is an oversight body consisting of senior management of the air carriers serving MIA.

This contract is critical for operations at MIA. Without O&M support, the baggage systems in the South and Central Terminals lose effectiveness, directly impacting airlines and airline passengers. Given the importance of this contract, MDAD is conducting additional due diligence on the proposers to ensure that result of this solicitation is consistent with the need to maintain uninterrupted services of these systems. Although staff expected a replacement contract to be in place well in advance of the current contract expiration on December 27, 2013, unexpected delays in the solicitation, negotiation and legal review process have resulted. This extension allows sufficient time for MDAD to complete this review and mitigates against any delays which may occur post-recommendation.

COMPANY NAME:	John Bean Technologies Corporation
COMPANY PRINCIPAL(S):	Charles H. Cannon Jr., Chairman, President, CEO Ronald D. Mambu, Vice President, CFO/Controller
COMPANY QUALIFIER(S):	Brian Douglas De Roche (Florida License CBC No. 1254819)
COMPANY EMAIL ADDRESS:	Gilbert Lopez, Regional Manager gilbert.lopez@jbtc.com
COMPANY STREET ADDRESS:	1805 West 2550 South, Ogden, Utah 84401
GENDER, ETHNICITY & OWNERSHIP BREAKDOWN:	Publicly Traded (NYSE: JBT)
YEARS IN BUSINESS:	Eighty-one years (81) as FMC Technologies, Inc.
PREVIOUS CONTRACTS WITH THE COUNTY WITHIN THE PAST FIVE (5) YEARS:	Existing MDAD Baggage Handling System O&M June 2007
CONTRACT MEASURES:	CSBE Goal 19% ($7,094,406.00) DBE Goal 19% ($570,000.00 – based on estimated $3,000,000.00 TSA Grant)
CONTRACT MEASURE ACHIEVED:	22% ($7,927,500.25) Note: The total dollar amount of the contract as regards to valuation of the CSBE goal has been reduced to $37,204,765.26 to reflect the subtraction of parts purchased from the dedicated allowance account.
COMMUNITY WORKFORCE PROGRAM (CWP):	29% Goal (9 employees)
CWP ACHIEVED:	To be determined at end of contract.

ORIGINAL TERM OF CONTRACT:	One Thousand Ninety-Five (1,095) calendar days (three years) from effective date established in the Notice to Proceed (NTP) with two one-year renewal options.
ORIGINAL CONTRACT AMOUNT:	$37,338,979.39 inclusive of Inspector General Audit Account for $84,668.89
ADJUSTED CONTRACT AMOUNT PRIOR TO THIS CHANGE ORDER:	$18,658,531.00
AMOUNT OF RECOMMENDED MODIFICATIONS:	$3,696,399.50
CLASSIFICATION OF CHANGE ORDER:	County-requested change
ADJUSTED CONTRACT AMOUNT:	$59,693,909.89
PERCENT CHANGE THIS MODIFICATION:	6.60%
IPSIG/INSPECTOR GENERAL:	Provisions included
CONTRACT AWARD DATE :	May 8, 2007
RESPONSIBLE WAGES:	Yes

Jack Osterholt, Deputy Mayor

MEMORANDUM

(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: December 17, 2013

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

SUBJECT: Agenda Item No. 14(A)(3)

Please note any items checked.

_____ **"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**

_____ **Ordinance creating a new board requires detailed County Mayor's report for public hearing**

_____ **No committee review**

✓ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____) to approve** ✓

✓ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 14(A)(3)
12-17-13

RESOLUTION NO. _____

RESOLUTION APPROVING CHANGE ORDER NO. 2 TO SOUTH TERMINAL BAGGAGE HANDLING SYSTEM OPERATION AND MAINTENANCE CONTRACT BETWEEN MIAMI-DADE COUNTY AND JOHN BEAN TECHNOLOGIES CORPORATION, PROJECT NO. ITN-MDAD-01-06, INCREASING THE CONTRACT BY AN AMOUNT NOT TO EXCEED $3,696,399.50, WAIVING SECTION 5.03(D) OF THE HOME RULE CHARTER BY TWO THIRDS VOTE OF MEMBERS PRESENT, AND AUTHORIZING COUNTY MAYOR OR MAYOR'S DESIGNEE TO EXECUTE THE CHANGE ORDER AND TO PERFORM ALL NECESSARY ACTIONS TO ENFORCE ITS TERMS

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum and documents, copies of which are incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby: (1) for the reasons set forth in the accompanying memorandum by two-thirds vote of members present finds that it is in the best interests of Miami-Dade County to waive the competitive bidding requirements of Section 5.03(d) of the Home Rule Charter; (2) approves Change Order No. 2 to the contract for Baggage Handling System Operation and Maintenance ("BHS O&M") at Miami International Airport ("MIA"), Project No: ITN-MDAD-01-06, between the County and John Bean Technologies Corporation, increasing the contract by an amount not to exceed $3,696,399.50; and (3) authorizes the Mayor or Mayor's designee to extend the Agreement on a month to month basis for six (6) months commencing on December 28, 2013, to allow sufficient

time for the County to complete the award of a new agreement; all as more particularly set forth in the accompanying memorandum from the County Mayor. This Board authorizes the County Mayor or Mayor's designee to execute the same for and on behalf of the County, and to exercise the provisions contained therein.

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:

Rebeca Sosa, Chairwoman
Lynda Bell, Vice Chair

Bruno A. Barreiro	Esteban L. Bovo, Jr.
Jose "Pepe" Diaz	Audrey M. Edmonson
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Sen. Javier D. Souto	Xavier L. Suarez
Juan C. Zapata	

The Chairperson thereupon declared the resolution duly passed and adopted this 17th day of December, 2013. 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.

MIAMI - DADE COUNTY
CHANGE ORDER TO ORIGINAL CONTRACT

CHANGE ORDER NO. **2** PROJECT NO. **ITN MDAD-01-06** DATE: _____

PROJECT NAME: **Baggage Handling System Operation & Maintenance**

TO CONTRACTOR: **John Bean Technologies Corporation**

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.

ITEM	DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	AMOUNT
1	Six (6) months for Services – South Terminal & CC F	MO	$524,530.25	6	$3,147,181.50
2	Dedicated Allowance Account for Parts	LS	$540,000.00	1	$540,000.00
	Item A (Sum of Items 1 through 2): **$3,687,181.50**				
	Item B (1/4% of Total Item A) – Inspector General Audit Account: **$9,218.00**				
	Total Change Order Amount: **$3,696,399.50**				

JUSTIFICATION:

This Change Order allows MDAD to extend the Contract for six (6) months, on a month to month basis commencing on December 28, 2013, in order to allow sufficient time to complete the award of a new contract. In the event that the County declines to utilize all time allocated under this Change Order, the County shall provide Contractor a notice of cancellation 10 days in advance of the first day of the subsequent month, and the Contract shall terminate upon the completion of the month in which notice was given.

RELEASE OF CLAIM

This Change Order modifies the Contract by increasing the contract amount to $59,768,357.89 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 the Contractor to finish all current and future work for a fixed price or for the additional amount added by this Change Order, and in executing this Change Order; the Contractor waives all rights to make a claim as a result of this Change Order.

SUMMARY OF CONTRACT AMOUNT

	ORIGINAL CONTRACT AMOUNT	$37,338,979.39
REASON FOR CHANGE:	COST OF CONSTRUCTION CHANGES PREVIOUSLY ORDERED	$18,658,531.00
☐ Regulatory Change	ADJUSTED CONTRACT AMOUNT PRIOR TO THIS CHANGE ORDER	$55,997,510.39
☐ Other Agency Requested Change	COST OF CHANGES THIS ORDER	$3,696,399.50
☐ Design Errors Change	ADJUSTED CONTRACT AMOUNT INCLUDING THIS CHANGE ORDER	$59,693,909.89
☐ Design Omission Change	PER CENT INCREASE, THIS CHANGE ORDER	6.60%
☒ County Requested Change	TOTAL PER CENT INCREASE TO DATE	56.56%
☒ Unforeseen or Unforeseeable Change	EXTENSION OF TIME ALLOWED BY THIS CHANGE 180 CALENDAR DAYS TO JUNE 27, 2014.	

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.*

Gary Barlow, JAS Controller

CONTRACTOR SIGNATURE

on behalf of Brent Ahlstrom
General Manager

TO BE FILLED OUT BY DEPARTMENT INITIATING CHANGE ORDER

MIAMI-DADE AVIATION DEPARTMENT	Operation Funds (BA301) and Reserve Maintenance (BA301)	
DEPARTMENT	FUNDS BUDGETED CODE	CERTIFIED BY

ACCEPTED BY: Jerry Barlow JAS Controller on behalf of Brent Ahlstrom GM.
Contractor

APPROVED: _____
Budget Director

Western Surety Company
Beatriz Polito
Surety
Beatriz Polito, Attorney-in-Fact

MIAMI-DADE COUNTY, Florida
By its BOARD OF COUNTY COMMISSIONERS

RECOMMENDED: _____
Project Manager

By: _____
County Mayor Date

APPROVED: _____
HNTB (CONSULTING ENGINEER).

ATTEST:

_____
MDAD Minority Affairs

APPROVED: _____
Department Director

By: _____
Deputy Clerk

C: John Bean Corporation, Surety, Project Manager, Finance, County Attorney's Office, Clerk of the Board, Contracts Administration

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Adrienne C Stevenson, John K Johnson, Beatriz Polito, C. R. Hernandez, Katherine J Foreit, Amy B Wickett, Douglas M Schmude, Individually

of Chicago, IL, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 20th day of June, 2013.

WESTERN SURETY COMPANY

Paul T. Bruflat, Vice President

State of South Dakota
County of Minnehaha } ss

On this 20th day of June, 2013, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires
June 23, 2015

J. MOHR
NOTARY PUBLIC
SOUTH DAKOTA

J. Mohr, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 22 day of November, 2013.

WESTERN SURETY COMPANY

L. Nelson, Assistant Secretary

Form F4280-7-2012

Authorizing By-Law

ADOPTED BY THE SHAREHOLDERS OF WESTERN SURETY COMPANY

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the shareholders of the Company.

Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, and Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.