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

Memorandum

MIAMI-DADE COUNTY

Date: December 4, 2012

Agenda Item No. 8(A)(3)

To: Honorable Vice Chairwoman Audrey M. Edmonson and Members, Board of County Commissioners

From: Carlos A. Gimenez
County Mayor

Subject: Recommendation to Reject Bids for the Satellite E APM Replacement and O&M Services project, ITB No. MDAD-05-10

Resolution No. R-1002-12

RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) reject the bids for the furnishing, installation, operation and maintenance (O&M) of an Automated People Mover (APM) system between the Terminal E and the E-Satellite Terminal at Miami International Airport (MIA), and authorize the advertisement of a new solicitation which is expected to bring in lower bids.

SCOPE

Miami International Airport is located primarily within Commissioner Rebeca Sosa's District Six. However, the impact of this item is countywide as MIA is a regional asset.

FISCAL IMPACT/FUNDING SOURCE

This section is not applicable because this is a rejection.

TRACK RECORD/MONITOR

This section is not applicable because this is a rejection.

DUE DILIGENCE/COMPLIANCE DATA

This section is not applicable because this is a rejection.

BACKGROUND

The MIA Terminal is connected at Concourse E to a remote building, known as Satellite E, via an APM system. In operation since 1980, the system has exceeded its design service life and, since the November 28, 2008, accident on the APM South Lane, only the APM North Lane has been in service – raising further concerns about the future availability of the system. In response, the Miami-Dade Aviation Department (MDAD) has been researching APM replacement alternatives for a reliable and cost-effective passenger connection between Satellite E and the Terminal, including:

- An "in-kind" APM complete replacement;
- A "value engineered" in-kind APM complete replacement;
- An APM refurbishment contract utilizing six Metromover vehicles that could be obtained from the Miami-Dade Transit Department (MDT); and
- A "no-APM" solution consisting of a connecting pedestrian bridge with automated moving walkways utilizing the existing APM guideway.

Selecting the first alternative, on November 17, 2010, MDAD issued an Invitation to Bid (ITB) (MDAD 05-10), seeking a contractor to furnish, install, operate and maintain an in-kind APM system to replace the existing one. The general scope of work was divided into phases: Phase I included the replacement of the existing dual-lane shuttle and Phase II included the operation and maintenance of the system for five years with options for MDAD to extend the contract for two additional five-year periods. The

contract time allowed for the performance of Phase I from Notice to Proceed to Substantial Completion was 1095 calendar days.

Two proposals were received: one from Mitsubishi Heavy Industries America, Inc. (Mitsubishi) for $61,993,159, and one from Bombardier Transportation USA (Bombardier) for $64,992,621. The Phase II O&M bids for 15 years were $40,618,833 from Mitsubishi and $53,610,669 from Bombardier.

Due to MDAD's budgetary constraints at that time, neither of the bids was deemed acceptable and could not be recommended for award. In an attempt to find a more cost effective alternative, MDAD in August 2011 issued an ITB via its Miscellaneous Construction Contract (MCC) for a contractor to modify and refurbish three Metromover vehicles from MDT scheduled to be removed from passenger service in September 2011. The vehicles were to be modified to match the existing configuration of the Satellite E APM System so that once refurbished they could be permanently coupled and utilized on the South Lane of the Satellite E APM System. Additionally, MDAD reserved its right to request within 12 months that the contractor refurbish three additional Metromover vehicles at the same bid price.

Three proposals were received from Otis Elevator ($3,533,526), Schwager-Davis ($4,235,387) and Bombardier ($8,815,237). However, after a thorough review by MDAD and its consultants, it was determined to be in MDAD's best interest to reject all three proposals and pursue another procurement approach. The different approach was recommended because MDAD would have had to hire a different contractor to replace the obsolete train control system and integrate the electronics of the refurbished cars into one operating system, resulting in unclear responsibility between the two contractors if the system suffered any delays or failures and increased MDAD liability.

In the meantime, on October 27, 2011, Mitsubishi, the apparent low bidder for MDAD-05-10, conducted a 30-day value engineering study of their low bid of $61,993,159 and proposed to MDAD to replace both lanes of the existing system for $40,520,000 or to replace the south lane only for $31,547,000. The proposal was reviewed thoroughly by MDAD and its consultants and could not be accepted due to its qualifications, deletions, unacceptable contract modifications, and equipment substitutions.

MDAD then hired a consultant team with expertise in architecture, structural engineering and APM technology to conduct a quick independent review and assessment of bids/proposals received by MDAD to date for different Satellite E replacement alternatives, to review and assess other potential APM refurbishment alternatives, and to review and assess the feasibility and cost effectiveness of providing a passenger connection via pedestrian bridges with automated moving walkways either north of or on top of the existing APM guideway.

A pedestrian corridor was deemed feasible at an estimated cost of approximately $36 million and would consist of a two-story bridge north of the existing guideway with an enclosure for 32,500 square-feet of air-conditioned space with three sets of automated moving walkways connecting the Satellite E building with the Terminal E.

MDAD used the following criteria to evaluate all alternatives in reaching the recommendation to reject all bids:

- Implementation capital cost of each alternative and MDAD's budgetary limitations;
- O&M cost of each alternative for up to 15 years for comparison purposes;
- Passenger level of service (walk distance/trip time) provided by each alternative;

- Impact of each alternative during construction on airport operations;
- How quickly each alternative could be implemented; and
- Required service life of the selected alternative.

Regarding the last criterion, MDAD is finalizing its Strategic Airport Master Plan Planning Study for the Miami-Dade County System of Airports which will address future plans for the Central Terminal Redevelopment and how and when the Satellite E building would be affected. As a result of those efforts, MDAD has determined that it needs an APM replacement with an anticipated service life of 25 years.

In summary, MDAD has concluded that passenger walking distance for connecting flights between the North Terminal and Satellite E would significantly exceed in some cases the 2,000-foot-threshold deemed acceptable passenger walking distance based on a survey of 14 major U.S. airports. Thus, it is MDAD's conclusion that passengers would be better served by a cost-effective APM system.

While conducting the review and assessment of all alternatives, MDAD's consultant team learned that a prominent and experienced airport APM system supplier, Doppelmayr Cable Car (DCC), experienced a cancellation of a train order which had already been manufactured. Based on this information, the consultant team opined that that supplier could be in a strong position to provide a highly attractive cost-competitive bid for a completely new APM system. On April 16, 2012, MDAD received an unsolicited proposal from DCC which contained prices for three different options for a new APM system. The prices ranged from $27.75 million to $32.5 million. Based on this unsolicited proposal, MDAD has determined that with proper restructuring of the bid documents, bids for a new APM system may be competitive compared to the cost of a pedestrian bridge, while also providing a far superior level of passenger service.

The Miami Airport Affairs Committee (MAAC) concluded that it could support the recommendation if new bids provided a cost-effective replacement for the APM system. Otherwise, the airlines prefer the pedestrian bridge.

Given the above, MDAD can modify and reduce the scope of work of the previous bid documents and accept or reject value-engineering proposals prior to bid opening. The modified scope will improve the chances of obtaining bids for the APM that will be cost competitive with the pedestrian bridge.

MDAD will inform all potential bidders that Phase 1 bids submitted which are non-competitive with the $36 million initial implementation cost of a pedestrian bridge may be found non-responsive.

It is in the County's best interest to quickly conclude this procurement as future growth at MIA requires use of the E-Satellite.

Jack Osterholt, Deputy Mayor

MEMORANDUM
(Revised)

TO: Honorable Vice Chairwoman Audrey M. Edmonson and Members, Board of County Commissioners

DATE: December 4, 2012

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

SUBJECT: Agenda Item No. 8(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 Manager'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. 8(A)(3)
12-4-12

RESOLUTION NO. R-1002-12

RESOLUTION REJECTING ALL BIDS REGARDING E-SATELLITE TRAIN SYSTEM PROJECT, ITB NO. MDAD-05-10 AT MIAMI INTERNATIONAL AIRPORT

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 the rejection of all bids for Satellite E APM Replacement and O+M Services, ITB No. MDAD-05-10, all as specifically set forth in the attached memorandum from the County Mayor.

The foregoing resolution was offered by Commissioner **José "Pepe" Diaz**, who moved its adoption. The motion was seconded by Commissioner **Rebeca Sosa** and upon being put to a vote, the vote was as follows:

Audrey M. Edmonson, Vice Chairwoman **aye**

Bruno A. Barreiro	**aye**	Lynda Bell	**absent**
Esteban L. Bovo, Jr.	**aye**	Jose "Pepe" Diaz	**aye**
Sally A. Heyman	**aye**	Barbara J. Jordan	**absent**
Jean Monestime	**aye**	Dennis C. Moss	**aye**
Rebeca Sosa	**aye**	Sen. Javier D. Souto	**absent**
Xavier L. Suarez	**absent**	Juan C. Zapata	**aye**

The Chairperson thereupon declared the resolution duly passed and adopted this 4th day of December, 2012. 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: Christopher Agrippa
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

David M. Murray, Esq.