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OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

Memorandum

MIAMI-DADE COUNTY

Date: February 17, 2009

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

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

Resolution No. R-112-09

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

R#112-09

THIS ITEM WAS AMENDED AT THE FEBRUARY 17, 2009 BOARD OF COUNTY COMMISSIONERS MEETING TO DELETE "SUBJECT TO RATIFICATION BY THE BOARD OF COUNTY COMMISSIONERS" FROM THE RESOLUTION.

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.

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.

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 and Members, Board of County Commissioners

DATE: February 17, 2009

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

SUBJECT: Amended 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 _____

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

RESOLUTION NO. R-112-09

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; AUTHOROZING THE 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 execute the contract, which

shall contain the language specified in the Manager's supplemental report on this item; and authorizes County Mayor or his designee to exercise termination provisions thereof.

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

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

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: **Kay Sullivan**
Deputy Clerk

Approved by County Attorney as to form and legal sufficiency.

David M. Murray

Memorandum

MIAMI-DADE COUNTY

Date: Febuary 17, 2009

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

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

From: Carlos Alvarez
Mayor

George M. Burgess
County Manager

Subject: Supplement to Award Recommendation to Honeywell International, Inc. for Building Management System (BMS) at Miami International Airport and General Aviation Airports

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The following supplemental information is provided regarding the proposed award recommendation to Honeywell, Inc. for the Building Management System (BMS) at Miami International Airport and General Aviation Airports.

On January 22, 2009, the subject award recommendation was deferred to allow Aviation staff additional time to negotiate alternate indemnification provisions than those currently contained in the contract that would be mutually acceptable to the County and the contractor. I am pleased to report that staff and Honeywell have successfully agreed to language that provides adequate protections to the County without imposing undue liabilities on the contractor.

Under the negotiated alternate indemnification provisions, Honeywell's liability for "consequential damages" is capped at the value of the contract in a given three-year period, unlike standard County language where the contractor would be responsible for the full value. For example, Honeywell's liability for consequential damages in years one through three of the contract is limited to the contract value of the work performed by Honeywell in that period. Consequential damages are indirect damages; for example, were MIA to lose rent because of the failures of Honeywell's systems, the County's recovery is subject to the previously described cap. There is no cap on Honeywell's liability for direct damages, such as property damage or physical injury.

Notwithstanding this limitation, there is no cap on Honeywell's liability for consequential damages if those damages are caused by a failure of Honeywell's fire safety or security systems, or where such system contributes to liability.

It is therefore recommended that the Board adopt the accompanying item as amended by the changes set forth in this supplement for Volume 1, General Conditions of the final contract:

ARTICLE 12 INDEMNIFICATION AND HOLD HARMLESS

12.4 LIMITATIONS OF LIABILITY

12.4.1 IN NO EVENT SHALL CONTRACTOR BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, SPECULATIVE, REMOTE, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES, WHETHER ARISING OUT OF OR AS A RESULT OF BREACH OF CONTRACT,

WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, MOLD, MOISTURE, INDOOR AIR QUALITY, OR OTHERWISE, ARISING FROM, RELATING TO, OR CONNECTED WITH THE SERVICES, EQUIPMENT, MATERIALS, OR ANY GOODS PROVIDED HEREUNDER IN EXCESS OF THE FOLLOWING VALUES:

1) FOR YEARS ONE THROUGH THREE, THE CUMULATIVE CONTRACT VALUE OF THE SERVICE AGREEMENT FOR YEARS ONE THROUGH THREE PLUS ANY ADDITIONAL VALUE OF WORK PERFORMED THROUGH THE DEDICATED ALLOWANCE ACCOUNT DURING THE SAME TIME PERIOD

2) FOR YEARS FOUR THROUGH SIX, THE CUMULATIVE CONTRACT VALUE OF THE SERVICE AGREEMENT FOR YEARS FOUR THROUGH SIX PLUS ANY ADDITIONAL VALUE OF WORK PERFORMED THROUGH THE DEDICATED ALLOWANCE ACCOUNT DURING THE SAME TIME PERIOD

3) FOR YEARS SEVEN THROUGH TEN, THE CUMULATIVE CONTRACT VALUE OF THE SERVICE AGREEMENT FOR YEARS SEVEN THROUGH TEN PLUS ANY ADDITIONAL VALUE OF WORK PERFORMED THROUGH THE DECIDATED ALLOWANCE ACCOUNT DURING THE SAME TIME PERIOD.

12.4.2 NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, IF A PORTION OF THE SERVICES INVOLVES THE INSTALLATION AND/OR MAINTENANCE OF SYSTEMS ASSOCIATED WITH SECURITY AND/OR THE DETECTION OF AND/OR REDUCTION OF RISK OF LOSS ASSOCIATED WITH FIRE, CONTRACTOR'S TOTAL LIABILITY ARISING OUT OF OR AS A RESULT OF ITS PERFORMANCE UNDER THIS AGREEMENT SHALL NOT EXCEED THE CONTRACT VALUES DETAILED IN 12.4.1, ITEMS 1-3. THE LIMITATIONS SET FORTH IN 12.4.2 SHALL NOT APPLY IF THE AUTHORITY HAVING JURISDICTION (AHJ) DETERMINES THAT THE CONTRACTOR'S EQUIPMENT OR SERVICE IS A DIRECT CAUSE, IN WHOLE OR IN PART, OF THE LOSS OR DAMAGE, OR IF THE CONTRACTOR OR ITS EQUIPMENT DIRECTLY CONTRIBUTE, IN WHOLE OR IN PART, TO THE LOSS OR DAMAGE BEING GREATER THAN SAID LOSS OR DAMAGE WOULD HAVE BEEN ABSENT SUCH DIRECT CONTRIBUTION. NOTWITHSTANDING THE PRECEDING, THE CONTRACTOR SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE EXCEPT IN PROPORTION TO ITS COMPARATIVE FAULT.

Assistant County Manager