

Memorandum



Date: July 8, 2021

To: Honorable Chairman Jose “Pepe” Diaz
and Members, Board of County Commissioners

From: Daniella Levine Cava
Mayor

Subject: Resolution Authorizing Amendment No. 2 to the 2012 Container Handling Crane
Maintenance Management Agreement between Miami-Dade County and Port of
Miami Crane Management, Inc.

Agenda Item No. 8(J)(3)

Resolution No. R-652-21

Recommendation

It is recommended that the Board of County Commissioners (Board) approve the accompanying resolution authorizing execution of Amendment No. 2 to the 2012 Container Handling Crane Maintenance Management Agreement (Agreement) between Miami-Dade County (County) and Port of Miami Crane Management, Inc., (PMCM) and waiving competitive bidding requirements in connection therewith. Amendment No. 2 would add an additional five one-year automatic annual renewals, unless the County Mayor or County Mayor’s designee provides written notice to PMCM at least 60 days prior to such renewal date that the County does not seek to renew this Agreement, or unless this Agreement is otherwise terminated by the County. PMCM shall fully perform and sustain its duties under the 2012 Agreement approved by the Board pursuant to Resolution No. R-638-12, extended by the Board pursuant to Resolution R-761-17, and as further defined by the Board to include County directed support for acquisition and maintenance of Rubber-Tired Gantry Cranes (RTGs) and Passenger Boarding Bridges pursuant to Resolution No. R-485-19.

Scope

PortMiami (Port) is located within District 5, which is represented by Commissioner Eileen Higgins. The impact of this agenda item is countywide as the Port is a regional asset and generates employment for residents throughout Miami-Dade County.

Delegation of Authority

Should this item be approved, the County Mayor or County Mayor’s designee will have the authority to allow the automatic one-year renewals to occur or notify PMCM that the County does not seek to renew the Agreement in writing at least 60 days prior to any renewal date.

Fiscal Impact/Funding Source

There is no new fiscal impact. PMCM is 100% funded by the County since its inception in 1999. All funding for PMCM is derived from Port revenues including crane rental fees which themselves exceed PMCM’s annual budget. The annual operating expense budget for Fiscal Year (FY) 2021/2022 for PMCM is approximately \$10.9 million. Approximately 50% of the budget is utilized for International Longshoremen’s Association (ILA) labor. PMCM’s budget is included within the Port’s budget approved by the Board of County Commissioners every September.

Track Record/Monitor

The Seaport Department staff member responsible for monitoring this Agreement is Andrew C. Hecker, Managing Port Director, CFO.

Background

PMCM is a Florida not-for-profit corporation created by the County on June 6, 1999, through Resolution No. R-671-99. PMCM is a separate legal entity for the purpose of managing the maintenance of the County’s seaport gantry cranes and other cargo handling equipment. PMCM is overseen by a board of directors consisting of five voting members, two appointed by this Board, one by the County Mayor, one by PortMiami’s Gantry Crane Committee, and the Port Director or designee.

On July 17, 2012, the Board adopted Resolution No. R-638-12, which approved an Agreement for Management of the Maintenance of the Container Handling Cranes and Cargo Handling Equipment with PMCM. The Management Agreement provided for PMCM’s obligation to manage, maintain and repair the County’s container handling cranes and cargo handling equipment including, but not limited to, container handling ship-to-shore gantry cranes, spreaders, vehicles and rubber-tire gantry cranes on behalf of the County and keep such cranes and equipment in good working order.

Throughout the years, PMCM has performed well and kept a reliable, high standard of operations for the cranes and equipment it has been entrusted to manage and maintain. The following projects are among PMCM’s accomplishments throughout the past few years, in addition to the day-to-day management of the maintenance of the assets: the commissioning of 2 Super-Post Panamax cranes in 2005 and an additional 4 Super-Post Panamax Cranes in 2013; major refurbishments, including painting of the cranes, engine overhauls, and electrification of the diesel cranes; as well as maintaining low levels of downtime and since 2019 assisting the Port with maintaining Passenger Boarding Bridges.

On July 18, 2017, the Board adopted Resolution No. R-761-17, which added four additional one-year automatic annual renewals to the Management Agreement

On May 7, 2019, the Board adopted Resolution No. R-485-19, which expanded PMCM’s sphere to include acquiring RTGs and providing support to Passenger Boarding Bridges (PBB) which, while they serve a different function at the Port, face similar maintenance challenges to the Port’s gantry cranes.

In Fiscal Year 2020, the Port handled over one million twenty-equivalent units (TEUs) and total cargo revenues exceeded \$66 million, including \$15 million in crane revenue.

Finally, as discussed above, Amendment No. 2 to the Agreement is between the County and PMCM, which is a non-profit created by the County. The County’s cost for services and material under the Agreement are at cost, with no mark-up for profit. Consequently, this

Amendment No. 2 to the Agreement provides the most cost-effective means to the County to obtain the services required. Additionally, PMCM’s acquisition process (as approved by the Board by Ordinance No. 01-42) affords greater flexibility, allowing PortMiami to meet its cargo and cruise clients’ needs and the Port’s contractual obligations in a timely manner.

Accordingly, the County Mayor finds it to be in the best interests of the County to waive the competitive bidding requirements in section 5.03(D) of the Charter and seeks approval of such waiver by a two-thirds vote of the Board members present pursuant to Section 5.03(D) of the Home Rule Charter and Section 2-8.1 of the Code of Miami-Dade County.

Applicable Ordinances and Contract Measures

- The two percent User Access Program provision does not apply
- The Small Business Enterprise Bid Preference and Local Preference do not apply
- The Living Wage Ordinance does not apply



Jimmy Morales
Chief Operations Officer



MEMORANDUM

(Revised)

TO: Honorable Chairman Jose "Pepe" Diaz
and Members, Board of County Commissioners

DATE: July 8, 2021

FROM: 
Gen Bonzon-Keenan
County Attorney

SUBJECT: Agenda Item No. 8(J)(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
- ☐ Statement of social equity 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 present ☒, 2/3 membership ____, 3/5's ____, unanimous ____, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) ____, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) ____, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) ____ 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(J)(3)
7-8-21

RESOLUTION NO. _____ R-652-21

RESOLUTION APPROVING AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE AMENDMENT NO. 2 TO 2012 CONTAINER HANDLING CRANE MAINTENANCE MANAGEMENT AGREEMENT BETWEEN THE COUNTY AND PORT OF MIAMI CRANE MANAGEMENT INC.; PROVIDING THE COUNTY WITH FIVE ADDITIONAL ONE-YEAR RENEWALS THEREOF AT AN ESTIMATED ANNUAL COST OF \$10,900,000.00, AND \$54,500,000.00 IF ALL RENEWAL OPTIONS ARE EXERCISED; AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXERCISE ALL TERMINATION, RENEWAL, AND OTHER COUNTY RIGHTS CONTAINED THEREIN; AND WAIVING COMPETITIVE BIDDING IN CONNECTION WITH THE APPROVAL AND EXECUTION OF THE AFOREMENTIONED MANAGEMENT AGREEMENT BY A TWO-THIRDS VOTE OF THE BOARD MEMBERS PRESENT PURSUANT TO SECTION 5.03(D) OF THE HOME RULE CHARTER

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:

Section 1. Incorporates the foregoing recital as if fully set forth herein and approves Amendment No. 2 ("Amendment No. 2") to the 2012 Container Handling Crane Maintenance Management Agreement between Miami-Dade County and Port of Miami Crane Management, Inc. ("Agreement"), in substantially the form attached hereto and made a part hereof, providing the County with five additional one-year renewals thereof at an estimated annual cost of \$10,900,000.00, and \$54,500,000.00 if all renewal options are exercised.

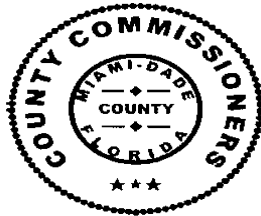
Section 2. Authorizes the County Mayor or County Mayor’s designee to execute Amendment No. 2 to the Agreement after review and approval by the County Attorney’s Office and to exercise any termination, renewal, and other County rights contained therein.

Section 3. Finds it is in the best interests of the County and hereby waives competitive bidding in connection with the approval and execution of Amendment No. 2 to the Agreement by a two-thirds vote of the Board members present pursuant to Section 5.03(D) of the Home Rule Charter and Section 2-8.1 of the Code of Miami-Dade County.

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

	Jose “Pepe” Diaz, Chairman	aye
	Oliver G. Gilbert, III, Vice-Chairman	aye
Sen. René García	aye	Keon Hardemon aye
Sally A. Heyman	absent	Danielle Cohen Higgins aye
Eileen Higgins	aye	Joe A. Martinez aye
Kionne L. McGhee	absent	Jean Monestime aye
Raquel A. Regalado	aye	Rebeca Sosa aye
Sen. Javier D. Souto	aye	

The Chairperson thereupon declared this resolution duly passed and adopted this 8th day of July, 2021. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this resolution and the filing of this approval with the Clerk of the Board.



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

HARVEY RUVIN, CLERK

By: **Melissa Adames**
Deputy Clerk

Approved by County Attorney
as to form and legal sufficiency.

MAG

Miguel A. Gonzalez

**AMENDMENT NUMBER 2 TO AGREEMENT FOR MANAGEMENT OF THE MAINTENANCE OF THE
CONTAINER HANDLING CRANES AND CARGO HANDLING EQUIPMENT BETWEEN MIAMI-DADE
COUNTY AND PORT OF MIAMI CRANE MANAGEMENT, INC.**

This Amendment No. 2 to the July 30, 2012, Agreement for Management of the Maintenance of the Container Handling Cranes and Cargo Handling Equipment is entered into on this _____ day of _____, 2021, by and between Miami-Dade County, a political subdivision of the state of Florida, having its principal office at 111 N.W. 1st Street, Miami, Florida 33128 (the "County"), and Port of Miami Crane Management, Inc., a Florida not-for-profit corporation, having its principal place of business at 2886 Port Boulevard, Miami, Florida 33132 (the "Company") (collectively, the "Parties").

RECITALS

WHEREAS, the County owns certain container handling cranes, cargo handling equipment, passenger boarding bridges ("PBBs") and other Seaport equipment, and related infrastructures located at the Dante B. Fascell Port of Miami-Dade ("Port"); and

WHEREAS, the County formed the Company under the laws of the state of Florida as a not-for-profit corporation, the primary purpose of which is to maintain certain Port facilities (as defined in Chapter 315 of the Florida Statutes) on behalf of the County; and

WHEREAS, on or about July 30, 2012, the County and the Company entered into an Agreement for Management of the Maintenance of the Container Handling Cranes and Cargo Handling Equipment (the "Agreement"), which was approved by the Board of County Commissioners of Miami-Dade County on July 17, 2012 via Resolution No. R-638-12; and

WHEREAS, the Agreement provided for the Company to manage and maintain the Port's container handling cranes and cargo handling equipment including rubber-tired gantry cranes ("RTGs") subject to certain requirements and conditions set forth in the Agreement; and

WHEREAS, on July 18, 2017, the Agreement was amended by the Parties to add four (4) additional one-year automatic renewals of the Agreement ("Amendment No. 1"); and

WHEREAS, on May 7, 2019, the Board of County Commissioners of Miami-Dade County via Resolution No. R-485-19 authorized amending the Agreement to provide for the procurement and maintenance of Passenger Boarding Bridges ("PBBs") and for the PMCM to further provide services related to the RTGs, including design, fabrication, installation, construction, assembly, transportation and/or relocation, set-up, inspection, certification, testing, diagnostics, operations, maintenance, repair, refurbishment, and modification to the RTGs, as needed, when determined by the County to be in the best interest of the County; and

WHEREAS, the Agreement is currently in the last of the four (4) one-year renewal options and expires on or about 11:59pm EST on August 3, 2021; and

WHEREAS, the County and the Company now wish to enter into this second amendment to the Agreement to formalize the amendments approved by Resolution No. R-485-19 and to extend its duration as provided herein below:

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the Parties agree to amend the Agreement (as previously amended by Amendment No. 1) as follows:



1. Article 2- **DEFINITIONS:** Article 2 is amended as follows:

(k) “**Container Handling Equipment Maintenance & Repair Actual Costs**” means the actual, reasonable, and necessary costs incurred by the Company to maintain and repair the County’s Cranes and cargo handling equipment and PBBs in accordance with the requirements of this Agreement.

...

(p) “**Passenger Boarding Bridges**” or “**PBBs**” means the mobile bridge structures used to connect Port cruise terminals to berthed passenger vessels to allow passengers and crew to board and disembark the vessels from and to the Port cruise terminals, including the systems, structure, equipment, parts, controllers, software, and materials associated therewith.

2. Article 3 – **TERM AND SCOPE OF SERVICES**, as previously amended by Amendment No. 1, is further amended by interlineation as follows:

(a) Initial Term and County Renewal Term Options. This Agreement shall commence on the date when executed by all parties hereto or August 4, 2021, whichever is later (the “Effective Date”) and shall continue for an initial term of one (1) year with four one (1) year automatic annual County renewals unless the County Mayor or the County Mayor’s designee provides written notice to the Company at least sixty (60) days prior to such renewal date that the County does not seek to renew this Agreement, or unless this Agreement is otherwise terminated by the County. The Company shall fully perform and sustain its duties under this agreement with full responsibility for management of the maintenance of the Container Handling Cranes and Cargo Handling Equipment. To the extent requested by the County via written work order or otherwise, the Company shall also provide in connection with the RTGs and PBBs procurement, the design, fabrication, construction, installation, assembly, transportation and/or relocation, set up, inspection, certification, testing, diagnostics, operations, maintenance, repair, refurbishment and modification to the RTGs and PBBs.

(b) At least six (6) months prior to the commencement of each fiscal year, which shall commence on October 1 of every year, the Company shall submit its proposed annual budget to the Seaport Contract Administrator for the County’s review and approval as set forth in Exhibit A.

(c) The Company shall provide the management of the maintenance and other services to the County set forth in Exhibit A.

(d) The Company may provide its services and/or contract with other companies for the benefit of the County’s Port as agreed or requested by the County.

3. Article 10 – **CONDITION OF CRANES AND COUNTY ASSETS** is amended via interlineation as follows:

The Company shall complete inspections and inventory of RTGs and PBBs and Crane-related parts, components, supplies, tools, and materials, as required by the County.



4. Exhibit A – “**ADMINISTRATIVE SPECIFICATIONS**” **1. GENERAL DESCRIPTION** is amended via interlineation as follows:

The Company shall provide competent, experienced management, engineers, supervisors, technicians, mechanics, and support personnel at all times to perform its duties and fulfill its responsibilities hereunder in a competent, workman like and professional manner satisfactory to the County and in compliance with the terms and conditions of this Agreement.

(a) The Company shall properly manage and maintain, in good working order, the County's Container and Cargo Handling Equipment and PBBs (to the extent requested by the County in writing) (the “Equipment”), including but not limited to, container handling ship-to-shore gantry cranes, spreaders, vehicles, and RTGs, in the manner set forth in the written specifications from the original manufacturers, as may be updated or revised from time to time, as the Company is able to obtain upon the exercise of due diligence or as is made available to the Company by the County. The Company acknowledges that prior to the execution hereof the County has made available to it certain Equipment information, instructions, specifications, reports, surveys, and recommendations. With respect to RTGs and PBBs, the Company shall also procure, design, fabricate, construct, install, assemble, transport and/or relocate, set up, inspect, certify, test, diagnose, operate, maintain, repair, refurbish and modify such RTGs and PBBs as may be requested by the County via written work order or otherwise. In the event a written work order is issued by the County, such work shall be performed by the Company in accordance with applicable government and industry standards and requirements. The Port shall coordinate and schedule equipment surveys with the Company and with the survey and inspection firm(s). The Company shall exercise all appropriate diligence and take all appropriate action to maximize Crane availability for service and ship operations. The Port shall make available the Crane and Cargo Handling Equipment for the Company to repair, upgrade and properly maintain and service. The Company shall be responsible for performance and safety of its employees and shall additionally provide appropriate preventative maintenance programs to (i) maximize the long-term reliable performance of the Crane in accordance with the specifications, industry standards, instructions, and recommendations referenced above and (ii) maximize overall Crane availability for service and ship operations.

The remainder of Exhibit A – “**ADMINISTRATIVE SPECIFICATIONS**” **1. GENERAL DESCRIPTION**” shall remain as shown in the Agreement.

5. Exhibit A – “**ADMINISTRATIVE SPECIFICATIONS**” **2. COMPENSATION** is amended via interlineation as follows:

The County agrees to pay the Company its actual cost in fulfilling its Crane, PBBs, and other Cargo Handling Equipment, including RTGs, management of the maintenance, duties, materials, and responsibilities hereunder, on a monthly basis and pursuant to the payment procedures set forth in this Exhibit A, Section 7 hereof, including those costs incurred directly or through permitted contractor(s) . . .

The remainder of Exhibit A - “**ADMINISTRATIVE SPECIFICATIONS**” **2. COMPENSATION** shall remain as shown in the Agreement.

6. Exhibit A- “**ADMINISTRATIVE SPECIFICATIONS**” **7. PROCUREMENT** is amended via interlineation as follows:



(a) The procurement and rental of any spare parts, materials, equipment, and/or services necessary either for the proper management, operation, upgrade, maintenance and/or repair of the Cranes and Cargo Handling Equipment, or for the proper design, procurement, fabrication, construction, installation, assembly, transportation or relocation, set up, inspection, certification, testing, diagnostics, operations, maintenance, repair, refurbishment, and/or modification of the RTGs or PBBs (to the extent requested by the County via written work order or otherwise), shall be carried out by the Company in accordance with industry standards, which shall, whenever possible, procure such items only after seeking the best available service, quality and price from at least three (3) vendors. Notwithstanding the foregoing, the County acknowledges that in certain limited circumstances, services, equipment, materials, or parts necessary for proper crane management, maintenance, or repairs or for proper design, fabrication, installation, construction, assembly, transportation and/or relocation, set up, inspection, certification, testing, diagnostics, operations, maintenance, repair, refurbishment and modification to the RTGs and PBBs may either not be commercially available and therefore require special fabrication or may be available only from a single source or under emergency situations; provided, however, whenever items are not necessary on an expedited/emergency basis that would preclude competitive bidding or whenever needed items are available from multiple sources or vendors, the Company shall procure such items after seeking the best available service, quality and price from at least three (3) vendors; it being the mutual intent of the parties to procure needed material, parts, supplies, and services whenever practicable at the best available service, quality and price to minimize the Company's actual costs.

...

(d) Notwithstanding, the foregoing, the parties acknowledge that circumstances may arise when Cranes including RTGs or PBB spare-parts or other Crane-related or PBB-related materials are needed on an emergency basis and that such needed materials or parts may cost in excess of \$50,000. In such circumstances, the Company shall provide the Port with a written Emergency Request indicating the item needed, the reason for the Emergency Request and the need for the item requested, the identity of the proposed vendor, the cost of the item and whether it is available from more than one vendor and, if so, whether other price quotes have been obtained, and any other pertinent information requested by the County (hereafter, the "Emergency Request").

The remainder of Exhibit A- "**ADMINISTRATIVE SPECIFICATIONS**" **7. PROCUREMENT** shall remain as shown in the Agreement.

7. Except as set forth in this Amendment No. 2, all other terms and conditions contained in the Agreement (as amended by Amendment No. 1) shall remain in full force and effect.

Words in ~~struck through~~ type are deletions from existing text

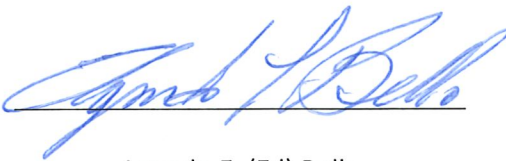
Words in underscoring type are additions



IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be executed below by their respective duly-authorized officers.

Port of Miami Crane Management, Inc.

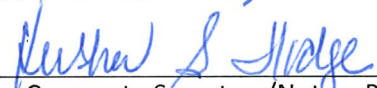
Miami-Dade County

By: 

Name: Aguedo E. (Ed) Bello

Title: Chief Executive Officer

Date: MAY 6, 2021

Attest: 
Corporate Secretary/Notary Public

By: _____

Name: Daniella Levine Cava

Title: Mayor

Date: _____

Attest: _____
Clerk of the Board

Corporate Seal/Notary Seal

Approved as to form
and legal sufficiency



Assistant County Attorney