Agenda Item #3K-2

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:	**February 27, 2007**	**Consent [X]** **Public Hearing [ ]**	**Regular [ ]**

Submitted By: **Water Utilities Department**
Submitted For: **Water Utilities Department**

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: an Amendment to Irrevocable Standby Letter of Credit, No. SM220399W, decreasing the amount from $438,000 to $196,000 for The BG Group, LLC.

Summary: On June 6, 2006, the Board approved a contract with The BG Group, LLC for demolition of Water Treatment Plant Nos. 1 and 3, and Wastewater Treatment Plant 9N (R2006-1001) in the amount of $438,000. The contract was approved subject to receipt of an acceptable public construction bond or letter of credit. The Clean Irrevocable Standby Letter of Credit, No. SM220399W was issued by Wachovia Bank, National Association and received and filed by the Board on September 12, 2006 (R2006-1930). The Contractor has completed more than half of the work covered under this contract and has requested his Letter of Credit be reduced accordingly. This agenda item recommends the Board approve the Amendment to the Clean Irrevocable Standby Letter of Credit, No. SM220399W issued by Wachovia Bank, National Association.

Districts 2 and 5 (JM)

Background and Justification: The Department recently decommissioned three (3) treatment facilities. On June 6, 2006, the Board approved a contract for demolition work at the Water Treatment Plant (WTP) Nos. 1 and 3, and Wastewater Treatment Plant No. 9N facilities, with The BG Group, LLC being the low bidder in the amount of $438,000. This Contract provides for demolition of non-essential and undesirable infrastructure including the lime softening plant structures at WTP No. 3; all above ground and underground facilities at the former Wastewater Treatment Plant No. 9N site; and a water storage tank and pumping facilities at the former WTP No. 1. The Contractor provided a Letter of Credit for the full contract amount In lieu of a public construction bond. Since more than half of the demolition work has been completed to-date, the Contractor is requesting the amount of this Letter of Credit be reduced accordingly.

Attachments:

1. One (1) Original Amendment to the Letter of Credit

Recommended By: Leisha L. Pica 02/09/07
Department Director **Date**

Approved By: 2/15/07
Assistant County Administrator **Date**

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	**2007**	**2008**	**2009**	**2010**	**2011**
Capital Expenditures	0	0	0	0	0
External Revenues	0	0	0	0	0
Operating Expenses	0	0	0	0	0
In-Kind Match County	0	0	0	0	0
NET FISCAL IMPACT	0				
# ADDITIONAL FTE POSITIONS (Cumulative)	0	0	0	0	0

Budget Account No.: Fund Dept Unit Object

Is Item Included in Current Budget? Yes __ No Reporting Category N/A

B. Recommended Sources of Funds/Summary of Fiscal Impact:

This item has no fiscal impact.

C. Department Fiscal Review: Debra M West

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

2-8-07
OFMB

2/9/07
Contract Development and Control
E. Jones 2/7/07

2-7-07

2/7/07 pm
2-7-07

B. Legal sufficiency:

2/14/07
Assistant County Attorney

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

WACHOVIA

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT

12/08/06

BENEFICIARY:
PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY WATER UTILITIES DEPARTMENT
8100 FOREST HILL BOULEVARD
WEST PALM BEACH, FL 33413

LETTER OF CREDIT NO. SM220399W

GENTLEMEN:

WE AMEND OUR ABOVE REFERENCED LETTER OF CREDIT ISSUED IN YOUR FAVOR FOR THE ACCOUNT OF THE BG GROUP, LLC AS FOLLOWS:

-THE LETTER OF CREDIT AMOUNT IS DECREASED BY USD 242,000.00 TO A NEW AGGREGATE TOTAL OF USD 196,000.00.

PLEASE NOTE, WE HAVE RECEIVED CONSENT FROM THE BENEFICIARY FOR THIS AMENDMENT. THE TERMS OF THE AMENDMENT ABOVE ARE NOW IN EFFECT.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS AMENDMENT IS TO BE ATTACHED TO THE ORIGINAL LETTER OF CREDIT AND BECOMES AN INTEGRAL PART THEREOF.

SINCERELY,

AUTHORIZED SIGNATURE
WACHOVIA BANK, NATIONAL ASSOCIATION
EV02
JR

OUR CUSTOMER CARE PHONE NUMBER FOR ANY QUERIES IS 800-776-3862
OUR FAX NUMBER IS 336-735-0950