

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: May 20, 2008

Consent Regular
 Workshop Public Hearing

Department:

Submitted By: Department of Airports

Submitted For:

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: The Construction Manager (CM) at Risk Contract with The Morganti Group, Inc. for a term of two (2) years with three (3), one (1) year renewal options for Miscellaneous Repair, Replacement and Improvement Projects for Palm Beach County Department of Airports. Task No. M-1 in the amount of \$1,089,000 is for Construction Phase Services for Modifications to Buildings B, D and E of the Maintenance Compound at Palm Beach International Airport.

Summary: The Department of Airports requested proposals for CM at Risk Services for Miscellaneous Repair, Replacement and Improvement Projects to be completed at Palm Beach International Airport (PBI), Lantana Airport (LNA), North County General Aviation Airport (F45) and Pahokee Airport (PHK). Based on this request, eight (8) proposals were received on October 2, 2007. On January 9, 2008 the Countywide Selection Committee selected the firms of The Morganti Group, Inc. and David Brooks Enterprises, Inc. to provide these services. Task No. M-1 for The Morganti Group, Inc. includes Construction Phase Services for Modifications to Buildings B, D and E of the Maintenance Compound at PBI in the amount of \$1,089,000. The services provided in this agreement constitute the first task to be assigned to this contract under this Request for Proposals. The Small Business Enterprise (SBE) goal for this contract was established at 15%. The Morganti Group, Inc. obtained 10.9% SBE participation.
Countywide (JCM)

Background and Justification: The Department of Airports solicited proposals for Construction Management Services for various projects within the Palm Beach County Department of Airports. On January 9, 2008 the Countywide Selection Committee selected The Morganti Group, Inc. and David Brooks Enterprises, Inc. to provide the required CM at Risk Services for Miscellaneous Repair, Replacement and Improvement Projects. This selection and project setup arrangement was approved by the BCC approximately ten (10) business days after selection.

Attachments:

1. Three (3) Original Contracts w/Original Task No. M-1

Recommended By:



Department Director

4/28/08

Date

Approved By:



County Administrator

5/15/08

Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2008	2009	2010	2011	2012
Capital Expenditures	<u>\$1,089,000</u>	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues (Grants)	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>\$1,089,000</u>	=====	=====	=====	=====
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes X No

Budget Account No: Fund 4110 Department 121 Unit A035 Object 6211
Reporting Category _____

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

Funds are available in the above referenced account. Funding sources are from Airport Revenues.

C. Departmental Fiscal Review: (Muel Simms)

III. REVIEW COMMENTS

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

Ad Aprilhite 5-8-08
OFMB
5/8/08 *5/8/08* *5/11/08*

5/11/08
Don J. Lynch 5/12/08
Contract Dev. and Control

This Contract complies with our contract review requirements.

B. Legal Sufficiency:

5/14/08
James M. ...
Assistant County Attorney

This item complies with current County policies.

C. Other Department Review:

Department Director

**CONSTRUCTION MANAGER AT RISK SERVICES
CONTINUING SERVICES CONTRACT**

THIS CONTRACT, made and entered into _____, between **PALM BEACH COUNTY**, a political subdivision of the State of Florida, hereinafter referred to as "Owner" and **THE MORGANTI GROUP, INC.** hereinafter referred to as the "Construction Manager".

WITNESSETH:

That the said Construction Manager having been awarded the contract for the:

**MISCELLANEOUS REPAIR, REPLACEMENT AND IMPROVEMENT PROJECTS
FOR PALM BEACH COUNTY DEPARTMENT OF AIRPORTS**

PROJECT NO. PB 07-3

hereinafter referred to as "Project" and in accordance with the Construction Manager's Proposal therefore and for and in consideration of the promises and of the covenants and agreements, and of the payments herein specified, to be made and performed by the Construction Manager and the Owner, the Construction Manager hereby covenants and agrees to and with the Owner to undertake and execute all of the said named work, in a good, substantial and workmanlike manner, and to furnish and pay for all materials, labor, all work in accordance with all requirements of the Contract Documents and in accordance supervision, equipment, supplies, fees, expertise, and services necessary to fully complete with all applicable codes and governing regulations. The Contract Documents consist of the following documents which are incorporated herein by reference.

- A - Request for Proposals.
- B - General Conditions.
- C - Special Conditions.
- D - Construction Manager's Proposal as referenced in Task Authorizations.
- E - Insurance Certificates.

ARTICLE 1

The Construction Team and Extent of Agreement

1.1 The Construction Manager agrees to furnish its best skill and judgment and to cooperate with the Architect/Engineer in furthering the interests of the Owner. The Construction Manager agrees to furnish efficient business administration and superintendence and to use its best efforts to complete the Project in an expeditious and economical manner consistent with the interests of the Owner. The Construction Manager shall comply with all FAA & FDOT Rules and Regulations, including funding requirements.

1.2 The Construction Team: The Construction Manager, the Owner, and the Architect/Engineer (the "Construction Team") will cooperate together through construction

completion. The Construction Manager shall provide leadership to the Construction Team on all matters relating to construction. The Architect/Engineer will provide leadership to the Construction Team on all matters relating to design. Nothing herein is intended to make the Owner liable for the acts or deeds of the Construction Manager.

1.3 Extent of Agreement: This Agreement is complementary to the Conditions of the Contract, and together with them, represents the entire agreement between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements. Where this Agreement is expressly in conflict with the Conditions of the Contract, this Agreement will prevail. Where this Agreement is silent, the Conditions of the Contract, and the requirements of the Drawings and Specifications (to be furnished later) will prevail. This Agreement may be amended only by written instrument signed by the Owner and the Construction Manager.

1.4 Terms used in the Contract shall have the following meanings:

"Owner" means Palm Beach County, and the terms will be used interchangeably;
"Contractor" means Construction Manager, and the terms will be used interchangeably;

"Subcontractor" means Trade Contractor, and the terms will be used interchangeably; and,

"Contract Sum" means Guaranteed Maximum Price, and the terms will be used interchangeably.

"Construction Team" means Owner, Architect/Engineer and Construction Manager.

ARTICLE 2

Construction Manager's Basic Services

2.0 The Construction Manager's Basic Services under this Agreement include preconstruction phase services and construction phase services.

2.0.1 The services of this Contract include separate individual tasks or projects. Task assignments will be subject to scope definition and determination of level of effort on a task-by-task basis.

2.0.2 Assignment of tasks and projects to the Construction Manager will be at the sole discretion of the Owner. Task scope and fee negotiation will be performed on a task-by-task basis. No minimum amount of services or compensation is guaranteed. This is not an exclusive contract. The Owner may enter into similar contracts with other Construction Managers to provide the same or similar services during the term of this contract.

2.0.3. Each task performed under this Contract will be assigned to Construction Manager for accomplishment by a separate written authorization. For each task

Owner will require Construction Manager to provide proposed written scope of services including schedule and cost, for Owner review. Upon mutual agreement of the scope of services, schedule and cost, Owner will issue a notice to proceed for each assigned task.

2.0.4 The types of individual projects or tasks to be assigned to Construction Manager under this Contract may include, but not necessarily limited to the Palm Beach International Airport Terminal, ancillary buildings, or other PBCDOA facilities including new construction, renovations, or remodeling.

2.0.5 Not all projects will require construction services, but may only include pre-construction services including estimating. The Owner reserves the right to bid any project for which preconstruction services were provided by the Construction Manager.

2.1 The Preconstruction Phase: It is the intent of the Construction Manager at Risk project delivery system to engage the Construction Manager as an active participant in the design process working with the Owner and Architect/Engineer in maintaining the project budget and project scope. The Construction Manager shall:

2.1.1 Provide preconstruction deliverables consisting of 7 copies of reports at Schematic Design, 100% Design Development, 50% Construction Documents, and 100% Construction Documents, and a Guaranteed Maximum Price proposal at the time appropriate for the project. The reports shall include a complete discussion and summary of the services provided in accordance with Subparagraphs 2.1.2 through 2.1.8 herein below, including the schedule and a detailed cost estimate.

2.1.2 Review designs during their development. Proactively advise the Architect with regard to the most effective approach for designing the project regarding issues of on site use and improvements, selection of materials, building systems and equipment. Provide recommendations on relative feasibility of construction methods, compliance with applicable laws, codes, design standards, and ordinance, availability of materials and labor, time requirements for procurement, installation and construction and factors related to cost including, but not limited to, costs of alternative designs or materials, preliminary budgets and possible economies, while maintaining the Owner's design objectives.

2.1.3 Provide, for the Architect/Engineer's and the Owner's review and acceptance, a Project Schedule that coordinates and integrates the Construction Manager's services, the Architect/Engineer's services and the Owner's responsibilities with anticipated construction schedules. The Construction Manager shall update this schedule periodically, as required.

2.1.4 Prepare for the Owner's approval a detailed estimate of Construction Cost, as defined in Article 8 herein, developed by using estimating techniques which

anticipate the various elements of the Project, and based on design documents prepared by the Architect/Engineer. Update and refine this estimate periodically as the Architect/Engineer prepares Construction Documents. Advise the Owner and the Architect/Engineer if it appears that the Construction Cost may exceed the Project budget. Make recommendations for corrective action.

2.1.5 Coordinate Construction Documents by consulting with the Owner and the Architect/Engineer regarding Drawings and Specifications as they are being prepared, and recommending alternative solutions whenever design details affect construction feasibility, cost or schedules.

2.1.6 The Construction Manager agrees that time is of the essence in maintaining the project schedule. In an effort to achieve the project schedule, the Architect/Engineer will rely upon the input and recommendations of the Construction Manager in preparing the project documents, recognizing that cost is one of a number of issues which will influence the selection of building components and systems.

2.1.7 It is incumbent upon the Construction Manager to advise the Architect/Engineer of recommended building components and systems before the design professionals have comprehensively documented the materials, systems and equipment within the project.

2.1.8 Advise on the separation of the Project into contracts for various categories of Work. If separate contracts are to be awarded by the Owner, review the Drawings and Specifications and make recommendations as required to provide that (1) the Work of the separate contractors is coordinated with that of the Trade Contractors, (2) all requirements for the Project have been assigned to the appropriate separate contract, (3) the likelihood of jurisdictional disputes has been minimized, and (4) proper coordination has been provided for phased construction.

2.1.9 Develop a Project Construction Schedule providing for all major elements such as phasing of construction and times of commencement and completion required of each Trade Contractor. Provide the Project Construction Schedule for each set of bidding documents. Develop a plan for the phasing of construction.

2.1.9.1 Establish a schedule for the purchase of materials and equipment requiring long lead time procurement, and coordinate the schedule with the early preparation of portions of the Contract Documents by the Architect/Engineer. Expedite and coordinate delivery of these purchases.

2.1.10 Provide an analysis of the types and quantities of labor required for the Project and review the availability of appropriate categories of labor required for critical phases. Develop bidding packages designed to minimize adverse effects of labor shortages.

2.1.11 Make recommendations for pre-qualification criteria for bidders and develop bidders' interest in the Project. Establish bidding schedules.

2.1.12 Schedule and conduct monthly meetings of the Construction Team, and prepare and distribute minutes.

2.1.13 Based upon Drawings and Specifications produced by the Architect/Engineer, develop Guaranteed Maximum Price (GMP) Proposal(s), including, a Project Construction Schedule, itemized by Trade Contract, for phases of Work as required by the Owner. If the documents as prepared by the Architect/Engineer are not adequate for the development of a Guaranteed Maximum Price, the Construction Manager shall notify the Owner immediately, prior to developing the GMP. All assumptions made by the Construction Manager in the development of the GMP shall be specifically listed in the GMP proposals, and the GMP will not be adjusted due to assumptions made by the Construction Manager, but not included in the GMP Proposal.

2.1.13.1 If the GMP Proposal is accepted, in writing, by the Owner, it will become an Amendment to this Agreement which will establish the GMP, Contract Time, and liquidated damages for that phase of the Work. A Public Construction Bond and Form of Guarantee on the Owner's standard forms and Builder's Risk Insurance Policy shall be provided by the Construction Manager simultaneously with the GMP Amendment.

2.1.13.2 If the GMP proposal is not accepted by the Owner, the Owner shall so notify the Construction Manager in writing. The Construction Manager shall then recommend adjustments to the Work through value engineering. The Construction Team and Owner will discuss and negotiate these recommendations for no more than 14 calendar days, unless an extension is granted in writing by the Owner. If an acceptable GMP is not developed, negotiations may be terminated, and the Owner may initiate negotiations with another Construction Manager or separately bid the project.

2.1.14 The Construction Manager's personnel to be assigned during the Preconstruction phase and their duties to this project will be attached as an Exhibit to each task authorization.

2.2 Construction Phase. Unless otherwise authorized by the Owner, all Work shall be performed under Trade Contracts held by the Construction Manager. The Construction Manager shall not bid on any of the Trade Contractor Work or perform

such Work with its own forces without the prior written consent of the Owner. The Construction Manager shall:

2.2.1 Administer the construction phase as provided herein and in the Conditions of the Contract, which include the following: General Conditions, and Special Conditions.

2.2.2 Commence the Work within 10 days after receipt of the executed Guaranteed Maximum Price Amendment and Notice to Proceed from the Owner.

2.2.3 Develop procedures which are acceptable to the Owner for the prequalification of Trade Contractors. Develop Trade Contractor interest in the Project and publicly advertise and conduct pre-bid conferences with interested bidders to review the documents. Take competitive bids on the Work of the various Trade Contractors or, if authorized by the Owner in writing, negotiate for the performance of that Work. The Construction Manager may require bidders to submit bid bonds or other bid security acceptable to the Construction Manager as a prerequisite to bidding on the Work. Analyze and evaluate the results of the various bids and their relationship to budgeted and estimated amounts, and prepare for review with the Owner and Architect/Engineer a bid tabulation analysis and such other support data as necessary to properly compare the various bids and their responsiveness to the desired scope of Work. Specifically, review the scope of Work in detail with apparent low responsive bidders to determine that their bids are complete but do not include duplicate scope items. Maintain records of all pre-award interviews with apparent low bidders. Promptly award and execute Trade Contracts with approved Trade Contractors. Provide copies of fully executed Trade Contracts, insurance certificates and, if required, bonds to the Owner.

2.2.3.1 Construction Manager shall make its best effort to encourage Palm Beach County Trade Contractors to bid on the project and to award work to Palm Beach County firms.

2.2.4 Manage, schedule and coordinate the Work, including the Work of the Trade Contractors, and coordinate the Work with the activities and responsibilities of the Owner, Architect/Engineer and Construction Manager in order to complete the Project in accordance with the Owner's objectives of cost, time and quality. Develop and maintain a program, acceptable to the Owner and Architect/Engineer, to assure quality control of the construction. Supervise the Work of all Trade Contractors so that the work conforms to the requirements of the plans and specifications. Provide instructions to each Trade Contractor when its Work does not conform to the requirements of the plans and specifications so that the work conforms to the requirements of the plans and specifications, and continue to manage each subcontractor to ensure that corrections are made in a timely manner so as to not affect the progress of the Work. Should disagreement occur between the Construction Manager and the Architect/Engineer over acceptability of Work and

conformance with the requirements of the specifications and plans, the Owner shall be the final judge of performance and acceptability.

2.2.5 Maintain exclusively for this Project a competent full-time staff at the Project site to coordinate and direct the Work and progress of the Trade Contractors on the Project. The Construction Manager shall maintain sufficient off-site support staff, and competent full time staff at the Project site authorized to act on behalf of the Construction Manager to coordinate, inspect and provide general direction of the work and progress of the Sub-Contractors and he shall provide no less than those personnel during the respective phases of construction that are set forth in an Exhibit to the GMP Amendment. He shall not change any of those person unless mutually agreed to by the Owner and Construction Manager. In such case, the Owner shall have the right of approval of the qualifications of replacement personnel. All of the Construction Manager's on-site management and supervisory personnel shall be consistent with the interview presentation and shall not be removed or replaced without the Owner's consent. The Owner shall have the right to direct the Construction Manager to remove or replace any on-site personnel whose performance becomes unsatisfactory to the Owner. In such event, the Construction Manager shall promptly replace such personnel, without consideration of additional compensation for the replacement.

2.2.5.1 Establish on-site organization and lines of authority in order to carry out the overall plans of the Construction Team. Identify an on-site staff member to represent the Construction Manager, on a daily basis, with authority to negotiate change orders and contract modifications on behalf of the Construction Manager. Make available such executive personnel as necessary to execute change orders or other contract modifications on behalf of the Construction Manager so as not to delay the progress of the Work.

2.2.6 Establish procedures for coordination among the Owner, Architect/Engineer, Trade Contractors and Construction Manager with respect to all aspects of the Work. Implement such procedures, incorporate them into a project resource manual, and distribute manuals to the Construction Team.

2.2.6.1 Require of the various Trade Contractors such Coordination Drawings as may be necessary to properly coordinate the Work among the Trade Contractors.

2.2.6.2 In coordination with the Architect/Engineer, establish and implement procedures for tracking and expediting the processing of shop drawings and samples, as required by the Conditions of the Contract.

2.2.7 Schedule and conduct weekly progress meetings with Trade Contractors to review such matters as job procedures, job safety, construction progress, schedule,

shop drawing status and other information as necessary. Provide prior notice to Owner and Architect/Engineer of all such meetings, and prepare and distribute minutes. Schedule and attend Team meetings with the Architect/Engineer and Owner.

2.2.8 Review the schedule with the various Trade Contractors and review, or expand, the level of detail to incorporate specific Trade Contractor input consistent with the overall completion requirements. Regularly monitor and update the Project Schedule and various sub-networks as construction progresses. Identify potential variances between scheduled and probable completion dates. Review schedule for Work not started, or incomplete, and make adjustments in the schedule to meet the scheduled completion date. Provide summary reports of each monitoring and document all changes in schedule. Regular schedule updates and reporting shall be included as part of the monthly project report outlined in Subparagraph 2.2.16 herein.

2.2.9 Determine the adequacy of the Trade Contractors' personnel and equipment, and the availability of materials and supplies to meet the schedule. In consultation with the Owner and the Architect/Engineer, take necessary corrective actions when requirements of a Trade Contract or a Trade Contract Schedule are not being met.

2.2.10 Whenever Owner-Furnished Contractor-Installed (OFCI) materials or equipment are shipped to the Project site, the Construction Manager shall notify the Owner and shall be responsible for their acceptance, proper storage, and incorporation into the Work provided the scope of the Owner-Furnished Contractor-Installed (OFCI) work is included within the Guaranteed Maximum Price.

2.2.11 Develop and maintain an effective system of Project cost control which is satisfactory to the Owner. Revise and refine the initially approved Project Construction budget, incorporate approved changes as they occur, and develop cash flow reports and forecasts as needed. Identify variances between actual and budgeted or estimated costs and advise Owner and Architect/Engineer whenever projected costs exceed budgets or estimates. Cost Control reports shall be included as part of the monthly project report outlined in Subparagraph 2.2.16 herein.

2.2.12 Maintain a system of accounting consistent with generally accepted accounting principles. The Construction Manager shall preserve all accounting records for a period of four (4) years after final acceptance of the Work or as otherwise requested in writing by the Owner. The Owner shall have access to all such accounting records at any time during the performance of the Work and for a period of four (4) years after final acceptance of the Work.

2.2.13 Develop and implement a system for the preparation, review and processing of change orders. Without assuming any of the Architect/Engineer's responsibilities

for design, recommend necessary or desirable changes to the Owner and the Architect/Engineer, review requests for changes and submit recommendations to the Owner and Architect/Engineer.

2.2.13.1 When requested by the Owner or Architect/Engineer, promptly prepare and submit estimates of probable cost for changes proposed in the Work including similar estimates from the Trade Contractors. If directed by the Owner, promptly secure formal written Change Order Proposals from such Trade Contractors.

2.2.14 Be responsible for initiating, maintaining and supervising effective safety programs and require similar programs of the Trade Contractors and Sub-subcontractors. The OSHA guidelines shall serve as the basis for the construction safety program. If the Owner implements an Owner Provided Insurance Program as provided for in Article 11, the Construction Manager shall cooperate with the safety representatives of the Owner's Insurance Administrator and/or the Owner's insurance carrier(s) in the course of construction site inspections and in all other matters related to job safety and accident prevention.

2.2.14.1 Promptly notify the Owner and, where applicable, the Owner's Insurance Administrator, in writing, upon receiving notice of filing of any charge of non-compliance from OSHA, or upon receiving notification that a federal or state inspector shall visit or is visiting the Project site.

2.2.14.2 At progress meetings with Trade Contractors, conduct a review of job safety and accident prevention, and prepare minutes of such meetings that will be available to the Owner's Representative on request. The minutes of job safety and accident prevention portion of such progress meetings shall be made available to the Owner's Insurance Administrator, where applicable, upon request.

2.2.14.3 Designate a full-time staff member as the project safety director who shall oversee job safety and accident prevention for the Construction Manager, Trade Contractors and Sub-subcontractors involved in the Work, in addition to any other responsibilities assigned to such staff member.

2.2.15 Make provisions for Project security acceptable to the Owner, to protect the Project site and materials stored off-site, or on-site, against theft, vandalism, fire and accidents, damage, or injury to person(s) or property, etc., as required by job and location conditions.

2.2.16 Record the progress of the Project. Submit written monthly progress reports to the Owner and the Architect/Engineer including information on the Trade Contractors' Work, the percentage of completion, current estimating, computerized updated monthly Critical Path Method scheduling and project accounting reports,

including Estimated Time to Completion and Estimated Cost to Complete. Keep a daily log available to the Owner and the Architect/Engineer. Report and record such additional information related to construction as may be requested by the Owner.

2.2.17 When not completed by the County, the Construction Manager shall be responsible for the removal, encapsulation, transportation and disposal of any hazardous material, including, without limitation, any asbestos or asbestos-related products as may be required in connection with the Work. Hazardous material, described by federal guidelines brought by the Construction Manager or the Trade Contractors shall remain their responsibility for proper disposal. Any hazardous material not specifically shown on the documents shall be considered a concealed condition and may be the responsibility of the Construction Manager in a Change Order increasing the Guaranteed Maximum Price for any additional costs incurred. Such Change Order shall be submitted in as timely a manner as is reasonably possible after discovery of the concealed condition.

2.2.18 The Construction Manager shall obtain all construction permits necessary.

ARTICLE 3 Additional Services

3.1 Upon the mutual agreement of the Owner and the Construction Manager, and upon written authorization from the Owner, the Construction Manager shall provide additional services which are beyond the scope of the Basic Services described in Article 2 herein. The Construction Manager shall be compensated for such additional services by a fee to be negotiated by the Owner and the Construction Manager at the time of the additional service request.

ARTICLE 4 Owner's Responsibilities

4.1 The Owner will designate a representative to act in its behalf. This representative, or his/her designee will receive progress reports of the Work, serve as liaison with the Construction Manager and the Architect/Engineer, receive and process communications and paperwork, and represent the Owner in the day-to-day conduct of the Project. The Construction Manager will be notified in writing of the representative and of his/her designee or any changes thereto.

4.2 The Owner may retain a threshold inspector, if required by Chapter 553, Florida Statutes.

4.3 The Owner will review and approve or take other appropriate action on the Construction Manager's preconstruction deliverables in a timely manner.

ARTICLE 5
Schedule

5.1 Preconstruction Phase: The Construction Manager shall submit the required Reports and Guaranteed Maximum Price Proposal within 30 days after the Construction Documents have been made available to the Construction Manager.

5.2 At the time a Guaranteed Maximum Price (GMP) is established, as provided for in Article 6, the number of days for performance of the Work under the construction phase of this Agreement, a Project Substantial Completion date, a Project final completion date and an Owner occupancy date in accordance with the master project schedule, shall also be established by the Construction Team. The Construction Manager agrees to complete the construction in accordance with the agreed upon Substantial Completion date, final completion date and Owner occupancy date. The Construction Manager acknowledges that failure to complete the Project within the construction time set forth in the approved schedule will result in substantial damages to the Owner. Liquidated Damages shall be assessed at rate to be determined by the Owner for each Project assignment.

5.3 In the event the Owner desires to accelerate the schedule for any portion of the Work, the Owner shall notify the Construction Manager in writing. Within 7 days, the Construction Manager shall give the Owner a revised Guaranteed Maximum Price for the acceleration which shall become a Change Order upon acceptance. The Owner may then direct the Construction Manager to increase its staff and require its Trade Contractors to increase their manpower, or to work such overtime hours as may be necessary to accomplish the required acceleration in accordance with the approved Change Order. In such event the Owner shall reimburse the Construction Manager for the costs of such acceleration subject to the Guaranteed Maximum Price. In no event shall the Construction Manager be entitled to compensation in excess of the adjusted Guaranteed Maximum Price. The Construction Manager shall require accurate daily records of all costs of the required acceleration and shall secure the Owner's approval of such records.

5.4 The Owner shall have the right to occupy, or use, any portion of the Work ahead of schedule. If use or occupancy ahead of schedule affects the Cost of the Project or the schedule for the Work, the Construction Manager shall so notify the Owner in writing and the use or occupancy will be treated as a Change to the Work in accordance with Article 9, herein.

ARTICLE 6
Guaranteed Maximum Price

6.1 The "Guaranteed Maximum Price" (GMP) includes Cost of the Work required by the Contract Documents as defined in Article 8 herein, and the Construction Manager's fee as

defined in Paragraph 7.2 herein. The GMP will be established based on Construction Documents prepared by the Architect/Engineer. The GMP is subject to modification for changes in the Work as provided in Article 9, herein.

6.2 The GMP will only include those taxes in the Cost of the Work which are legally enacted at the time the GMP is established.

6.3 All cost savings for the not-to-exceed value of the GMP shall be returned to the Owner as part of the net aggregate savings established when final accounting is submitted upon Final Completion of the Work, or at such earlier time as agreed to by the Owner and the Construction Manager. "Cost savings" are the net difference obtained by deducting from the Adjusted GMP, the documented Construction Manager's Fee and the actual expenditures representing the Cost of the Work as defined in Article 8, herein. Liquidated damages, if any, are different from, and are not a part of, this calculation.

6.4 By execution of this Agreement, the Construction Manager certifies that all factual unit costs supporting the fees specified in this Agreement are accurate, complete and current at the time of negotiations; and that any other factual unit costs that may be furnished the Owner in the future to support any additional fees that may be authorized will also be accurate and complete. The fees specified in this Agreement and any additional fees that may be authorized in the future shall be adjusted to exclude any significant sums by which the Owner determines the fee was increased due to inaccurate, incomplete, or non-current factual unit costs.

6.5 Adjustments to the GMP will be made as described in the Conditions of the Contract.

ARTICLE 7

Payments to Construction Manager

7.1 In consideration of the performance of the Agreement, the Owner agrees to pay the Construction Manager, as compensation for its services an amount as set forth in each contract Amendment:

7.1.1 For preconstruction services, the total sum amount to be paid in the amounts specified at the satisfactory completion of the following phases :

- 100% Schematic Design
- 100% Design Development
- 50% Const. Docs.
- 100% Const.Docs.

7.1.1.1 Upon receipt of the Notice to Proceed, the Construction Manager shall begin providing the indemnification described in the

Conditions of the Contract, as part of the fee established for the first phase of preconstruction services.

7.1.2 Upon acceptance of the GMP, the amount established in the GMP Amendment to this Agreement, which includes the Construction Manager's fee as described in Paragraph 7.2 and the Cost of the Work as described in Article 8, to be paid monthly as described in the General Conditions of the Contract.

7.1.2.1 As required by Section 287.0585, F.S., within seven working days from receipt of payment from the Owner, the Construction Manager shall pay each Trade Contractor out of the amount paid to the Construction Manager on account of such Trade Contractor's Work, the amount to which said Trade Contractor is entitled reflecting the percentage actually retained, if any, from payments to the Construction Manager on account of said Trade Contractor's Work. The Construction Manager shall, by appropriate agreement with each Trade Contractor, require each Trade Contractor to make payments to its subcontractors in a similar manner.

7.1.3 Pay requests for preconstruction services and for construction shall be documented in accordance with the General Conditions.

7.2 Construction Manager's Fee during the Construction Phase includes the following:

7.2.1 The cost of its home or branch office employees or consultants not at the Project site, including the cost of all benefits, insurance, and taxes attributable to wages and salaries and other company overhead expenses for said home office employees.

7.2.2 The cost of its field employees identified in Subparagraph 2.2.5 herein, or their approved replacements, including the cost of all benefits, insurance, and taxes attributable to wages and salaries for said field employees.

7.2.3 General operating expenses of the Construction Manager's principal and branch offices other than the field office.

7.2.4 Any part of the Construction Manager's capital expenses, including interest on the Construction Manager's capital employed for the Work.

7.2.5 Overhead and profit, or general expenses of any kind, except as may be expressly included in Article 8, herein, as Cost of the Work.

7.2.6 All travel and per diem costs of Construction Manager's employees and consultants.

7.2.7 Those services set forth in Article 2.2

7.2.8 Expenses such as long distance telephone calls, telephone service at the site, postage, office supplies, expressage, and similar items in connection with the Work.

7.2.9 Cost of equipment such as typewriters, cameras, radios, computers, pagers, copiers, facsimile equipment, telephones, dictating units, trailers, vehicles and furniture purchased or rented by the Construction Manager.

7.2.10 Administration of direct tax savings purchase program.

7.2.11 All costs incurred during the guarantee period after construction.

7.3 Adjustments in the fee will be made as follows:

7.3.1 Adjustments due to Changes in the Work shall be made as described in the General Conditions of the Contract.

7.3.2 For delays in the Work caused by the Owner, the Construction Manager shall be entitled to additional fee to compensate the Construction Manager for its increased expenses. The amount of this increased fee shall be calculated at a daily rate derived by dividing the basic fee (excluding overhead and profit) established in the accepted GMP proposal by the Contract Time established in the GMP Amendment to the Agreement.

7.4 Invoices for fees or other compensation for services or expenses shall be submitted in detail sufficient for a proper pre audit and post audit thereof.

ARTICLE 8 Cost of the Work

8.1 The term "Cost of the Work" shall mean costs including General Conditions costs, incurred in the Work as described and defined in Paragraph 8.2, below, and paid or incurred by the Construction Manager, which are not included in Paragraph 7.2, less any reimbursement for scrap value and cash or trade discounts, subject to Article 10, herein. The term "wages" used herein shall include the straight time and overtime pay and the cost of associated employee benefits. Employee benefits include, but are not limited to, unemployment compensation, social security, compensated absences, and other mandatory and customary contributions and fringe benefits insofar as such costs are based on wages, salaries, or other remuneration paid to employees of the Construction Manager. Employee benefits do not include Workers' Compensation insurance when such insurance is provided by the Owner in accordance with Article 11.

AK

8.1.1 The Owner agrees to pay the Construction Manager for the Cost of the Work as defined in Article 8, herein, through completion of the Work. Such payment shall be in addition to the Construction Manager's Fee as stipulated in Paragraph 7.2, herein.

8.2 Cost of the Work includes and is limited to actual expenditure for the following cost items:

8.2.1 Subject to prior approval by the Owner, wages paid for labor in the direct employ of the Construction Manager other than those provided under Paragraph 7.2, herein, as a part of the Construction Manager's Fee in the performance of the Work under applicable collective bargaining agreements, or under a salary or wage schedule agreed upon by the Owner and Construction Manager, and including benefits, if any, as may be payable with respect thereto.

8.2.2 The cost of all materials, supplies and equipment incorporated in the Work or stored on site, including cost of transportation and storage thereof. At the Owner's sole discretion, the Owner may make payment for materials, supplies and/or equipment stored off-site and bonded.

8.2.3 Payments made by the Construction Manager to Trade Contractors for their Work performed pursuant to Trade Contracts with the Construction Manager.

8.2.4 Cost of the premiums for all insurance or bonds including Trade Contractor bonds which the Construction Manager is required to procure by this Agreement, or other insurance or bonds subsequently deemed necessary by the Construction Manager, and agreed upon by the Owner. The cost of insurance for the Construction Manager, trade contractors, and sub-subcontractors at any tier in the Work shall be excluded for any insurance to be provided by the Owner in accordance with Article 11 herein.

8.2.5 Sales, use, gross receipt, or similar taxes related to the Work imposed by any governmental authority and for which the Construction Manager is liable.

8.2.6 Building and operating permit fees, inspection and filing fees, sewer and water fees, and deposits lost for causes other than the Construction Manager's own negligence.

8.2.7 Cost of removal and disposal of all debris including clean-up and trash removal.

8.2.8 Cost incurred due to an emergency affecting the safety of persons and/or property.

8.2.9 Subject to prior written approval by Owner, legal costs reasonably, and properly, resulting from prosecution of the Work for the Owner provided, however, that they are not the result of the Construction Manager's own negligence or malfeasance. Legal costs incurred in connection with disputes solely between the Construction Manager and the Owner or incurred in connection with disputes solely between the Construction Manager and Trade Contractors are the responsibility of the Construction Manager and shall not be included in the Cost of the Work.

8.2.10 Cost to the Construction Manager of temporary electric power, lighting, water, sanitary facilities, and heat required for the performance of the Work, or required to protect the Work from weather damage.

8.2.11 Cost to the Construction Manager of temporary safety-related protection including barricades and safety equipment, temporary roads and parking, dust control, pest control, installation and operation of temporary hoists, scaffolds, ladders and runways, and temporary project signs and costs of permits and fees pursuant to the General Conditions of the Contract.

8.2.12 Cost of watchmen or similar security services.

8.2.13 Cost of surveys, measurements and layout work reasonably required for the execution of the Work or the requirements of the Agreement.

8.2.14 Cost of preparation of shop drawings, coordination plans, photographs, or as-built documents not included in Trade Contracts.

8.2.15 All costs for reproduction of documents to directly benefit the work.

8.2.16 Costs directly incurred in the performance of the Work and not included in the Construction Manager's Fee as set forth in Paragraph 7.2, herein.

8.2.17 Cost, including transportation and maintenance, of all materials, supplies, equipment, temporary facilities and hand tools not owned by the workmen which are employed or consumed in the performance of the Work.

8.2.18 Rental charges of all necessary machinery and equipment, including hand tools used in the performance of the Work, whether rented from the Construction Manager or others, including installation, repairs and replacements, dismantling, removal, costs of lubrication, transportation and delivery costs thereof.

8.2.19 Costs associated with setting up and demobilizing tool sheds, temporary fences, temporary roads, and temporary fire protection.

8.2.20 The Construction Manager (CM) shall arrange for all job-site facilities necessary to enable the Construction Manager, the Owner's Representative and the

Architect-Engineer to perform their respective duties in the management, inspection, and supervision of construction. All cost to be born by the Construction Manager.

8.2.21 Costs due to fines from Government agencies, including those listed in GC 5.5, shall not be considered "Cost of the Work," and shall be borne by the Contractor at its own expense.

ARTICLE 9 Changes in the Work

9.1 The Owner, without invalidating this Agreement, may order changes in the Work within the general scope of this Agreement consisting of additions, deletions, or other revisions. All changes in the Work shall be authorized as described in the General Condition of the Contract. Except in cases of emergency endangering life or property, the Construction Manager shall allow no Changes in the Work without the prior written approval of the Owner.

ARTICLE 10 Discounts

10.1 All quantity discounts shall accrue to the Owner. All trade discounts, rebates and refunds, and all returns from the sale of surplus materials and equipment shall be credited to the Owner.

ARTICLE 11 Insurance

11.1 The Construction Manager shall provide insurance as required by the General Conditions of the Contract.

11.2 The Owner may elect to purchase insurance under an Owner Provided Insurance Program, in which case the Construction Manager will not be required to provide insurance, but will provide coordination with the Owner and the Owner's insurance broker, as required. The Owner will inform the Construction Manager of its intention regarding insurance in sufficient time before the execution of the Guaranteed Maximum Price amendment to allow the Construction Manager to arrange for insurance and include the costs in the GMP, if necessary.

11.3 For insurance coverage, if provided by the Owner in accordance with Paragraph 11.2 above, the Owner shall provide insurance in effect from the issuance of the Notice to Proceed with the Work until Final Completion of the Work, and the Construction Manager shall ensure that each Trade Contractor and Sub-subcontractor are insured under the Owner's insurance programs, in accordance with this Article.

ARTICLE 12
Terms of Contract

The CM shall commence services upon execution of this Contract and written Notice To Proceed from COUNTY. The term of this contract shall be for a period of two (2) years, with three (3), one (1) year renewal options, the exercise of which are within COUNTY'S sole control and discretion.

Continued performance of on-going services related to tasks authorized prior to the expiration of the Contract shall extend the term presented above to allow completion of the task. If required, an Amendment to the Contract may be issued to expand the scope of services to include any additional services needed to complete a task authorized prior to expiration of this Contract

AK

IN WITNESS WHEREOF, the Board of County Commissioners of Palm Beach County, Florida, has made and executed this Contract on behalf of the said County and caused the seal of the said County to be affixed hereto, and the Construction Manager has hereunto set his hand and seal the day and year written. The Construction Manager represents that it is authorized to execute this contract on behalf of itself and its Surety.

ATTEST:
SHARON R. BOCK
CLERK AND COMPTROLLER

Political Subdivision of the State of
Florida
BOARD OF COUNTY COMMISSIONERS

By: _____
Deputy Clerk

By: _____
Addie L. Greene, Chairperson

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY

APPROVED AS TO TERMS AND
CONDITIONS

Assistant County Attorney

Don Pelly
Director, Department of Airports

Matthew Mark
(witness signature)

CONSTRUCTION MANAGER

Matthew Mark
(witness name printed)

By: THE MORGANTI GROUP, INC.
(Corporate Name)

Toni Cavazos
(witness signature)

a CONNECTICUT corporation
(insert state of corporation)

TONI CAVAZOS
(witness name printed)

By: *Gerry Kelly*
(signatory)

GERRY KELLY
(print signatory's name)

Its VICE PRESIDENT
(print title)

APRIL 24, 2008
(date of execution)

(Corporate Seal)

PALM BEACH COUNTY, FLORIDA, a

JK

PUBLIC CONSTRUCTION BOND

BOND NUMBER: 287386

BOND AMOUNT: One Million Eighty-Nine Thousand and 00/100 (\$1,089,000.00)

CONTRACT AMOUNT: One Million Eighty-Nine Thousand and 00/100 (\$1,089,000.00)

CONTRACTOR'S NAME: The Morganti Group, Inc.

CONTRACTOR'S ADDRESS: 1450 Centrepark Blvd.
Suite 260
West Palm Beach, FL 33401

CONTRACTOR'S PHONE: 561-202-2019

SURETY COMPANY: The Insurance Company of the State of Pennsylvania

SURETY'S ADDRESS: 175 Water Street
New York, NY 10038

OWNER'S NAME: PALM BEACH COUNTY

OWNER'S ADDRESS: 301 N. Olive Avenue
West Palm Beach, FL 33401

OWNER'S PHONE: _____

DESCRIPTION OF WORK: Construction Manager at Risk Services.

PROJECT LOCATION: Palm Beach County Department of Airports, Palm Beach County, Florida

LEGAL DESCRIPTION: PBIA Maintenance Compound
Project Number: 28SE01
Owner Project Number: PB07-3 Task M-1

This Bond is issued in favor of the County conditioned on the full and faithful performance of the Contract
KNOW ALL MEN BY THESE PRESENTS: that Contractor and Surety, are held and firmly
bound unto

Palm Beach County Board of County Commissioners
301 N. Olive Avenue
West Palm Beach, Florida 33401

as Oblige, herein called County, for the use and benefit of claimant as herein below defined, in the amount of One Million Eighty-Nine Thousand and 00/100

Dollars (\$1,089,000)
(Here insert a sum equal to the Contract Price)

for the payment whereof Principal and Surety bind themselves, their heirs, personal representatives, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS,

Principal has by written agreement dated _____, 200_, entered into a contract with the County for

Project Name:	Construction Manager at Risk Services
Project No.:	PB 07-3
Project Description:	Miscellaneous Repair, Replacement and Improvement Projects
Project Location:	Palm Beach County Department of Airports

in accordance with Design Criteria Drawings and Specifications prepared by

Various projects to be determined

which contract is by reference made a part hereof in its entirety, and is hereinafter referred to as the Contract.

THE CONDITION OF THIS BOND is that if Principal:

1. Performs the contract dated _____, 2008 between Principal and County for the design and construction of PB07-3, the contract being made a part of this bond by reference, at the times and in the manner prescribed in the contract; and
2. Promptly makes payments to all claimants, as defined in Section 255.05, Florida Statutes, supplying Principal with labor, materials, or supplies, used directly or indirectly by Principal in the prosecution of the work provided for in the contract; and
3. Pays County all losses, damages (including liquidated damages), expenses, costs, and attorneys' fees, including appellate proceedings, that County sustains because of a default by Principal under the contract; and
4. Performs the guarantee of all work and materials furnished under the contract for the time specified in the contract, then this bond is void; otherwise it remains in full force.
5. Any changes in or under the contract documents and compliance or noncompliance with any formalities connected with the contract or the changes does not affect Surety's obligation under this bond and Surety waives notice of such changes.
6. The amount of this bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder, inclusive of the payment by Surety of construction liens which may be filed of record against said improvement, whether or not claim for the amount of such lien be presented under and against the bond.
7. Principal and Surety expressly acknowledge that any and all provisions relating to consequential, delay and liquidated damages contained in the contract are expressly covered by and made a part of this

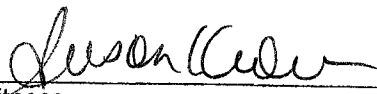
Performance, Labor and Material Payment Bond. Principal and Surety acknowledge that any such provisions lie within their obligations and within the policy coverages and limitations of this instrument.

8. Section 255.05, Florida Statutes, as amended, together with all notice and time provisions contained therein, is incorporated herein, by reference, in its entirety. Any action instituted by a claimant under this bond for payment must be in accordance with the notice and time limitation provisions in Section 255.05(2), Florida Statutes. This instrument regardless of its form, shall be construed and deemed a statutory bond issued in accordance with Section 255.05, Florida Statutes.

9. Any action brought under this instrument shall be brought in the state court of competent jurisdiction in Palm Beach County and not elsewhere.

Signed and sealed this 5th day of May, 2008

Witness



Witness

The Morganti Group, Inc.

Principal

(Seal)



Title

COUNTERSIGNATURE

BY:

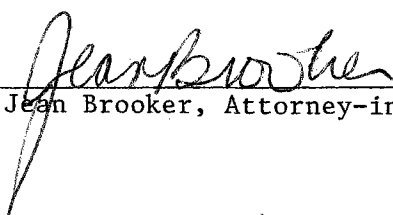


Joseph Michael Pietrangelo
Licensed Resident Agent, FL
A207358

The Insurance Company
of the State of Pennsylvania

Surety

(Seal)



Title Jean Brooker, Attorney-in-Fact

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aigproducercompensation.com or by calling AIG at 1-800-706-3102.

POWER OF ATTORNEY

The Insurance Company of the State of Pennsylvania

Principal Bond Office: 175 Water Street, New York, NY 10038

Power No. 29702

No. 04-B-07407

KNOW ALL MEN BY THESE PRESENTS:

That The Insurance company of the State of Pennsylvania, a Pennsylvania corporation, does hereby appoint

---Kevin A. White, Susan M. Kedian, Mark P. Herendeen, Jean M. Feeney, Michael J. Cusack, Jean Brooker, John J. Gambino, Nicole Roy, Natalie Coney, of Boston, Massachusetts---

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, The Insurance Company of the State of Pennsylvania has executed these presents



this 17th day of January, 2008

Vincent P. Forte

Vincent P. Forte, Vice President

STATE OF NEW YORK }

COUNTY OF NEW YORK } ss:

On this 17th day of January, 2008 before me came the above named officer of The Insurance Company of the State of Pennsylvania, to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seals of said corporation thereto by authority of his office.

Juliana E. Hallenbeck

JULIANA E. HALLENBECK
NOTARY PUBLIC, STATE OF NEW YORK
No. 01HA6125671
QUALIFIED IN BRONX COUNTY
MY COMMISSION EXPIRES APRIL 18, 2009

CERTIFICATE

Exerpts of Resolutions adopted by the Boards of Directors of The Insurance Company of the State of Pennsylvania, on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance and other contract of indemnity and writing obligatory in the nature thereof;

"RESOLVED; that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of The Insurance Company of the State of Pennsylvania, do hereby certify that the foregoing exerpts of Resolutions adopted by the Boards of Directors of this corporation, and the Power of Attorney issued pursuant thereto, are true and correct, and that both the Resolutions and the Powers of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of the corporation



this 5th day of May, 2008

Elizabeth M. Tuck

Elizabeth M. Tuck, Secretary

CORPORATE CERTIFICATE

PBC PROJECT NUMBER: PB 07-3

DATE: April 29, 2008

The undersigned hereby certifies that the following are true and correct statements:

That he/~~she~~ is the Secretary of The Morganti Group, Inc. Corporation, a corporation organized and existing in good standing under the laws of the State of Connecticut, hereinafter referred to as the

1. "Corporation", and that the following Resolutions are true and correct copies of certain Resolutions adopted by the Board of Directors of the Corporation as of the 2nd day of April, 2008 in accordance with the laws of the State of the State of Incorporation of the Corporation, the Articles of Incorporation and the By-laws of the Corporation:

RESOLVED, that the Corporation shall enter into that certain Agreement between Palm Beach County, a political subdivision of the State of Florida and the Corporation, a copy of which is attached hereto, and be it

FURTHER RESOLVED, that Gerry Kelly the Vice President of the Corporation, is hereby authorized and instructed to execute such Agreement and such other instruments as may be necessary and appropriate for the Corporation to fulfill its obligations under the Agreement.

2. That the foregoing resolutions have not been modified, amended, rescinded, revoked or otherwise changed and remain in full force and effect as of the date hereof.

3. That the Corporation is in good standing under the laws of the State of Florida or its State of Incorporation if other, and has qualified, if legally required, to do business in the State of Florida and has the full power and authority to enter into such Agreement.

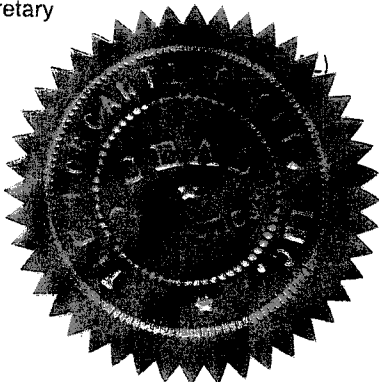
IN WITNESS WHEREOF, the undersigned has set his hand and affixed the Corporate Seal of the Corporation the 29th day of April, 2008

Nabil M. Takla

(Signature)

Nabil M. Takla
(Print Signatory's Name)

It's Secretary



SWORN TO AND SUBSCRIBED before me this 29th day of April, 2008 by the Secretary of the aforesaid corporation, who is personally known to me OR who produced (known to me) as identification and who did take an oath.

Ingrid E. Andrews

Notary Signature

Ingrid E. Andrews

Print Notary Name

NOTARY PUBLIC
~~State of Florida at Large~~
State of Connecticut

My Commission Expires:

My Commission Exp. Sep. 30, 2010

FORM OF GUARANTEE

GUARANTEE FOR PBIA Maintenance Compound, Project Number: 28SE01

Owner Project Number: PBQ7-3 Task M-1

We hereby, the undersigned, guarantee that the Construction Manager at Risk Services at PBCDOA, Palm Beach County, Florida, which we have constructed and bonded, has been done in accordance with the plans and specifications; that the work constructed will fulfill the requirements of the guaranties included in the Contract Documents. We agree to repair or replace any or all of the work, together with any other adjacent work which may be damaged in so doing, that may prove to be defective in the workmanship or materials within a period of one year from the date of issuance to us of the Notice of Substantial Completion of the above named work by the County of Palm Beach, State of Florida, without any expense whatsoever to said County of Palm Beach, ordinary wear and tear and unusual abuse or neglect excepted.

In the event of our failure to comply with the above-mentioned conditions within five (5) calendar days after being notified in writing by the Board of County Commissioners, Palm Beach County, Florida, we, collectively or separately, do hereby authorize Palm Beach County to proceed to have said defects repaired and made good at our expense and we will honor and pay the costs and charges therefore upon demand. When correction work is started, it shall be carried through to completion.

DATED _____
(Notice of Substantial Completion Date)

Signed and sealed this 5th day of May, 2008
SEAL AND NOTARIAL ACKNOWLEDGMENT OF SURETY

(Seal)

CONTRACTOR
The Morganti Group, Inc.

By: [Signature]
(Signature)

COUNTERSIGNED RESIDENT
AGENT IN FLORIDA:

Joseph Michael Pietrangelo
(Seal) Agent A207358

By: [Signature]

STATE OF ~~FLORIDA~~ Massachusetts
COUNTY OF ~~PALM BEACH~~ Suffolk

SURETY
The Insurance Company of the State of
Pennsylvania

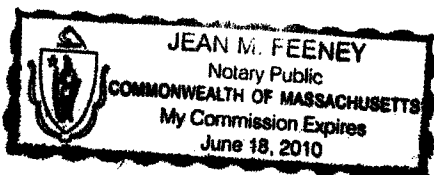
By: [Signature]
Jean Brooker, Attorney-in-Fact

The foregoing instrument was acknowledged before me this 5th day of May, 2008 by Jean Brooker who is personally known to me or who has produced a license as identification and who did (did not) take an oath.

[Signature]
Notary Public, State of ~~Florida~~ Massachusetts
Jean M. Feeney

My Commission Expires: June 18, 2010

Commission Number: N/A



POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aigproducercompensation.com or by calling AIG at 1-800-706-3102.

POWER OF ATTORNEY

The Insurance Company of the State of Pennsylvania
Principal Bond Office: 175 Water Street, New York, NY 10038

Power No. 29697

No. 04-B-07407

KNOW ALL MEN BY THESE PRESENTS:

That The Insurance company of the State of Pennsylvania, a Pennsylvania corporation, does hereby appoint

---Kevin A. White, Susan M. Kedian, Mark P. Herendeen, Jean M. Feeney, Michael J. Cusack, Jean Brooker, John J. Gambino, Nicole Roy, Natalie Coney, of Boston, Massachusetts---

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business; and to bind the respective company thereby.

IN WITNESS WHEREOF, The Insurance Company of the State of Pennsylvania has executed these presents



this 17th day of January, 2008

Vincent P. Forte

Vincent P. Forte, Vice President

STATE OF NEW YORK)

COUNTY OF NEW YORK) ss.

On this 17th day of January, 2008 before me came the above-named officer of The Insurance Company of the State of Pennsylvania, to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seals of said corporation thereto by authority of his office.

Juliana E. Hallenbeck

JULIANA E. HALLENBECK
NOTARY PUBLIC, STATE OF NEW YORK
No. 01HA6125671
QUALIFIED IN BRONX COUNTY
MY COMMISSION EXPIRES APRIL 18, 2009

CERTIFICATE

Exerpts of Resolutions adopted by the Boards of Directors of The Insurance Company of the State of Pennsylvania, on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance and other contract of indemnity and writing obligatory in the nature thereof;

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of The Insurance Company of the State of Pennsylvania, do hereby certify that the foregoing exerpts of Resolutions adopted by the Boards of Directors of this corporation, and the Power of Attorney issued pursuant thereto, are true and correct, and that both the Resolutions and the Powers of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of the corporation



this 5th day of May, 2008

Elizabeth M. Tuck

Elizabeth M. Tuck, Secretary

PRODUCER
Aon Risk Services, Inc. of Massachusetts
99 High Street
Boston MA 02110 USA

PHONE: (866) 283-7122 FAX: (847) 953-5390

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
The Morganti Group, Inc.
1450 Centrepark Boulevard
Suite 260
West Palm Beach FL 33401 USA

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	Zurich American Ins Co	16535
INSURER B:	American Guarantee & Liability Ins Co	26247
INSURER C:	Steadfast Insurance Company	26387
INSURER D:		
INSURER E:		

COVERAGES:
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MMDDYY)	POLICY EXPIRATION DATE (MMDDYY)	LIMITS	
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC	GLO386731500	07/01/07	07/01/08	EACH OCCURRENCE	\$2,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$300,000
						MED EXP (Any one person)	\$10,000
						PERSONAL & ADV INJURY	\$2,000,000
						GENERAL AGGREGATE	\$4,000,000
						PRODUCTS - COMP/OP AGG	\$4,000,000
A		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON OWNED AUTOS <input checked="" type="checkbox"/> Comp Ded. \$500 <input checked="" type="checkbox"/> Coll Ded. \$500	BAP386731400 AOS	07/01/07	07/01/08	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
						BODILY INJURY (Per person)	
						BODILY INJURY (Per accident)	
						PROPERTY DAMAGE (Per accident)	
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	
						OTHER THAN AUTO ONLY: EA ACC AGG	
B		EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION	AUC937520204	07/01/07	07/01/08	EACH OCCURRENCE	\$6,000,000
						AGGREGATE	\$6,000,000
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WC386731300	07/01/07	07/01/08	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
						E.L. EACH ACCIDENT	\$100,000
						E.L. DISEASE-EA EMPLOYEE	\$500,000
						E.L. DISEASE-POLICY LIMIT	\$100,000
C		OTHER Prof Liability	EOC913853701	07/01/07	07/01/08	Each Claim Deductible	\$1,000,000 \$100,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
 RE: Project No. PB 07-3. Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents included as Additional Insured on the captioned General Liability policy with respect to the work performed by The Morganti Group. Contractual Liability Coverage is included under

CERTIFICATE HOLDER
 Palm Beach County
 c/o Department of Airports
 846 P.B.I.A.
 West Palm Beach FL 33406 USA

CANCELLATION
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE *Aon Risk Services Inc., of Massachusetts*

Holder Identifier : 570027438314 Certificate No. : 570027438314

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – AUTOMATIC STATUS WHEN
REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Section II – Who Is An Insured** is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:
1. Your acts or omissions; or
 2. The acts or omissions of those acting on your behalf:
- in the performance of your ongoing operations for the additional insured.
- A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.
- B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:**
- This insurance does not apply to:
1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b. Supervisory, inspection, architectural or engineering activities.
 2. "Bodily injury" or "property damage" occurring after:
 - a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
 - b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Construction Projects:

A GENERAL AGGREGATE LIMIT APPLIES TO ALL CONSTRUCTION PROJECTS WHERE THE NAMED INSURED IS PERFORMING OPERATIONS; HOWEVER, A GENERAL AGGREGATE LIMIT DOES NOT APPLY TO ANY PROJECT WHERE THE NAMED INSURED IS PERFORMING OPERATIONS THAT ARE INSURED UNDER A WRAP-UP OR ANY OTHER CONSOLIDATED OR SIMILAR INSURANCE PROGRAM.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

- A. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under COVERAGE A (SECTION I), and for all medical expenses caused by accidents under COVERAGE C (SECTION I), which can be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
1. A separate Designated Construction Project General Aggregate Limit applies to each designated construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
 2. The Designated Construction Project General Aggregate Limit is the most we will pay for the sum of all damages under COVERAGE A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under COVERAGE C regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
 3. Any payments made under COVERAGE A for damages or under COVERAGE C for medical expenses shall reduce the Designated Construction Project General Aggregate Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Construction Project General Aggregate Limit for any other designated construction project shown in the Schedule above.
4. The limits shown in the Declarations for Each Occurrence, Fire Damage and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project General Aggregate Limit.
- B. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under COVERAGE A (SECTION I), and for all medical expenses caused by accidents under COVERAGE C (SECTION I), which cannot be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
1. Any payments made under COVERAGE A for damages or under COVERAGE C for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-Completed Operations Aggregate Limit, whichever is applicable; and
 2. Such payments shall not reduce any Designated Construction Project General Aggregate Limit.
- C. When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-Completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Construction Project General Aggregate Limit.

D. If the applicable designated construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.

E. The provisions of Limits Of Insurance (SECTION III) not otherwise modified by this endorsement shall continue to apply as stipulated.

CONSTRUCTION MANAGER AUTHORIZATION

PROJECT NAME: Request for Proposals for Construction Manager (CM) at Risk Services for Miscellaneous Repair, Replacement and Improvement Projects for Palm Beach County Department of Airports - Task - No. M-1

PROJECT NUMBER: PB 07-3

PALM BEACH COUNTY BOARD OF COMMISSIONERS

THIS AUTHORIZATION Task No. M-1 to the Agreement dated between the COUNTY and the CONSTRUCTION MANAGER, Palm Beach County Project Number PB 07-3 (District 2) identified herein as for the Services described in Item 4 of this Authorization:

- 1. CONSTRUCTION MANAGER: The Morganti Group, Inc.
2. ADDRESS: 1450 Centrepark Blvd., Suite 260 West Palm Beach, FL 33401
3. CONSTRUCTION MANAGER shall begin work promptly after receipt of an executed copy of this authorization...
4. Description of Services to be provided by CONSTRUCTION MANAGER: Task No. M-1 - Construction Phase Services for Modifications to Buildings B, D and E of the Maintenance Compound at Palm Beach International Airport.
5. The compensation to be paid CONSTRUCTION MANAGER for providing the requested services shall be:
[X] A. Lump Sum Fee of \$1,089,000.00.
[] B. Time and Materials fee of a Not-to-Exceed amount of \$
[] C. Reimbursable Expenses capped at \$
[] D. Lump Sum Expenses of \$

This project will be assigned Task No. M-1 with a total cost of \$ \$1,089,000.00.

All terms of original agreement shall apply to this authorization.

Attachments:

- 1. Cost proposal dated April 22, 2008.
2. Schedules 1 & 2 (SBE)

IN WITNESS WHEREOF, this Authorization is accepted this day of 2008, subject to the terms and conditions of the aforementioned Agreement.

CONSTRUCTION MANAGER:
SIGNED: [Signature]
TYPED NAME: GERRY KELLY
TITLE: VICE PRESIDENT
DATE: 4/24/08

COUNTY:
SIGNED:
TYPED NAME:
TITLE:
DATE:

ATTEST:
SHARON R. BOCK
CLERK AND COMPTROLLER

PALM BEACH COUNTY, FLORIDA, a
Political Subdivision of the State of Florida
BOARD OF COUNTY COMMISSIONERS

By: Deputy Clerk

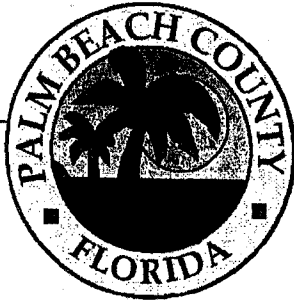
By: Addie L. Greene, Chairperson

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND CONDITIONS

By: Assistant County Attorney

By: [Signature] Director, Department of Airports

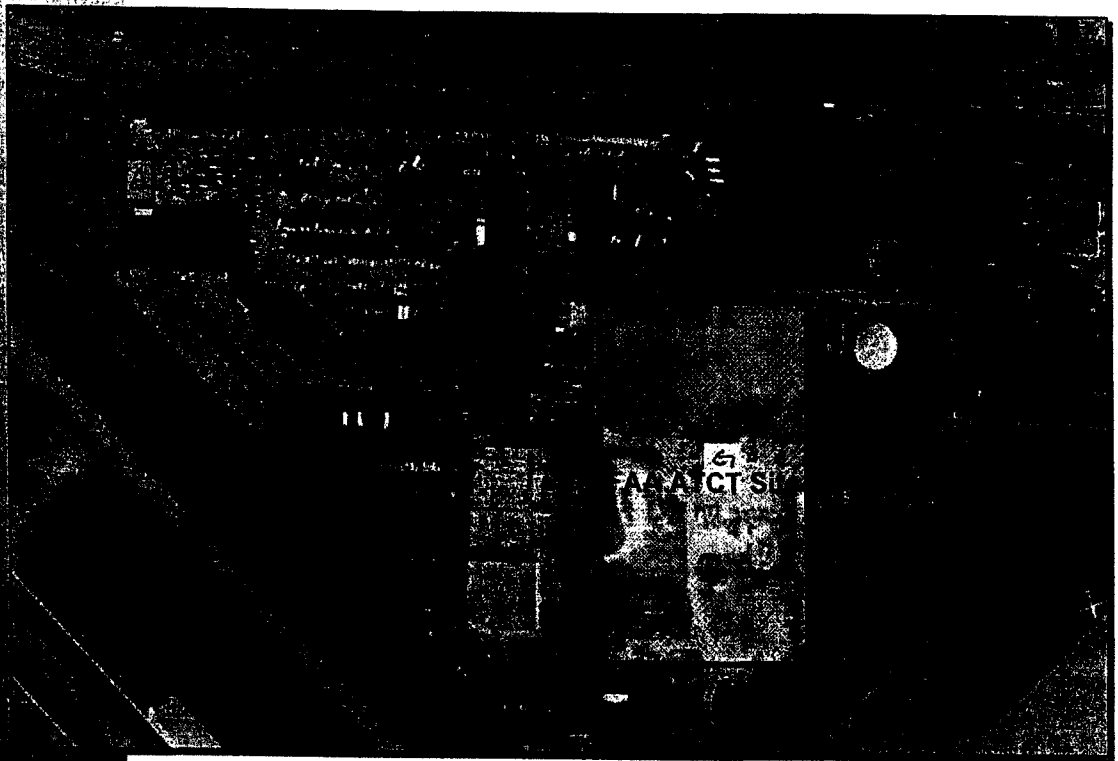


APRIL 22, 2008

GUARANTEED MAXIMUM PRICE

Maintenance Building Renovations

PALM BEACH COUNTY DEPARTMENT OF AIRPORTS



THE MORGANTI GROUP, INC.
1450 Centrepark Blvd., Suite 260
West Palm Beach, FL 33401
(561) 689-0200



THE LPA GROUP INC.
2000 Palm Beach Lakes Blvd., Suite 600
West Palm Beach, FL 33409
(561) 686-5130



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Palm Beach International Airport Maintenance Buildings

Executive Summary

The construction and renovation of the PBIA Maintenance Buildings will be delivered to the Owner through a Construction Management at Risk contract which includes pre-construction services, assembly of bid packages and subcontractor bidding, building construction and turnover of the renovated facilities.

Demolition includes interior partitions, mechanical and electrical systems. Sitework includes the striping and signage of several handicap parking spots as well as new sidewalks to building E.

Building B renovations will include modifying an existing bathroom for ADA accessibility, painting, floor covering, and new acoustical ceiling tiles with the re-use of existing ceiling grid and light fixtures.

Building D renovations include updating bathrooms for ADA accessibility, painting, floor covering, interior partition relocation, new acoustical ceilings and light fixtures, new door frames, doors and finish hardware, new upper and lower cabinets for the break room, new plumbing fixtures, modification of existing ductwork, four new HVAC roof top units at Warehouse Storage 17 and a new fire alarm system.

Renovations to Building E include demolition of existing bathrooms, installation of new bathrooms meeting ADA requirements, and new finishes for the bathroom areas including ceramic tile and painting.

Palm Beach International Airport Maintenance Buildings

PBCC Department of Airports

Date: April 21, 2008
 Owner: Palm Beach County Commissioners, Department of Airports
 CM: The Morganti Group, Inc.
 Architect: The LPA Group

GMP Summary - Buildings B, D & E

Section	Description	Estimated Quantity	Unit	Guaranteed Max Price
02000	Demolition and Site Work	1	ls	\$296,662
03000	Concrete (Included in other divisions.)	1	ls	\$0
04000	Masonry	1	ls	\$17,500
05000	Structural Metals (Included in other divisions.)	1	ls	\$0
06000	Carpentry (Included in other divisions.)	1	ls	\$0
07000	Thermal Moisture/Damproofing	1	ls	\$9,000
08000	Doors and Windows	1	ls	\$56,849
09000	Finishes	1	ls	\$188,769
10000	Specialties	1	ls	\$56,275
11000	Equipment (Included in other divisions.)	1	ls	\$0
12000	Furnishings	1	ls	\$4,500
13000	Special Construction	1	ls	\$53,897
14000	Conveying Systems (Not required.)	1	ls	\$0
15000	Mechanical	1	ls	\$341,843
16000	Electrical Systems	1	ls	\$289,650
	Subtotal - Division 2 - 16			\$1,314,945
	Value Engineering and/or Scope Reduction			(\$510,347)
	Subtotal with Value Engineering			\$804,598
	General Conditions	1	ls	\$50,775
	Construction Staff	1	ls	\$144,282
	Subtotal			\$999,655
	General Liability Insurance and OCP	1	ls	\$12,500
	Builder's Risk (Provided by Owner)	1	ls	\$0
	Performance and Payment Bonds	1	ls	\$11,445
	Subtotal			\$1,023,600
	Overhead and Profit	1	ls	\$65,400
	Total-Lump Sum Amount			\$1,089,000

MAINTENANCE COMPOUND RENOVATIONS
DEPARTMENT OF AIRPORTS PALM BEACH COUNTY
THE MORGANTI GROUP INC.
GENERAL CONDITIONS

21-Apr-08

100% CONSTRUCTION DOCUMENT PHASE - LPA GROUP DOCUMENTS DATED FEB. 15, 2008

ITEM DESCRIPTION	Utl'n. Rate	QTY.	Unit	Unit Cost	Subtotal	Total Cost
TEMPORARY FACILITIES						
Field Office			mo.	by Owner	\$ -	
Field Office Furniture	1	1	ls.	2500.00	\$ -	
Field Office Janitor Service	1	4	mo.	70.00	\$ -	
Chemical Toilets - Contractor	4	4	mo	100.00	\$ 1,600	
Computer Service Set Up	1	1	ls.	1000.00	\$ -	
FO Computer Network Conn./Cable Access	1	4	mo.	150.00	\$ -	
Internet Access Connection (Provider)	1	4	mo.	100.00	\$ -	
Field Office Computer Stations - Contractor	1	1	ea.	1250.00	\$ -	
Network Maintenance	1	4	mo.	500.00	\$ 2,000	
TEMPORARY CONSTRUCTION						
Job Signs	1	1	ls.	1000.00	\$ 1,000	
Barricades	1	1	ls.	1000.00	\$ 1,000	
Temporary Fire Protection	1	1	ls.	600.00	\$ 600	
CLEAN UP						
20 YD - Dumpster	10	4	mo	425.00	\$ 17,000	
					\$ -	
MISC. PERMITS (allowance)	1	1	ls.	1000.00	\$ 1,000	
Building & Trade Per Permits				by owner		
TESTING						
			ls.	by owner	\$ -	
					\$ -	
SUPPLIES						
Office Supplies	1	5	mo.	350.00	\$ 1,750	
Copier Maintenance	1	1	ea.	1000.00	\$ 1,000	
Postage & Overnight Mail	1	5	mo.	450.00	\$ 2,250	
Safety Supplies	1	4	mo.	50.00	\$ 200	
Drug Test Program	5	1	ea.	75.00	\$ 375	
Progress Photos	1	4	mo.	120.00	\$ 480	
Digital Camera	1	1	ea.	300.00	\$ 300	
Water, Ice & Cups	1	4	mo.	75.00	\$ 300	
First Aid Supplies	1	1	ls.	200.00	\$ 200	
Reproduction Expenses	1	35	set	250.00	\$ 8,750	
As-Built Drawings	1	1	set	500.00	\$ 500	
UTILITIES						
Cellular Phones	3	4	mo.	150.00	\$ 1,800	
Construction Power - Initial	1	4	mo.	by owner	\$ -	
Construction Power - w/ AC	1	4	mo.	by owner	\$ -	
Water Consumption	1	4	mo.	by owner		
EQUIPMENT						
copier small	1	1	ea.	850.00	\$ 850	
fax machine	1	1	ea.	500.00	\$ 500	
electric power strips	1	1	ea.	30.00	\$ 30	
Small Tools	1	1	ls.	850.17	\$ 850	
SCHEDULING						
	1	4	mo.	360.00	\$ 1,440	
					\$ -	
MISC. REQUIREMENTS						
Project Closeout	1	1	ls.	5000.00	\$ 5,000	

MAINTENANCE COMPOUND RENOVATIONS
DEPARTMENT OF AIRPORTS PALM BEACH COUNTY
THE MORGANTI GROUP INC.
GENERAL CONDITIONS

21-Apr-08.

100% CONSTRUCTION DOCUMENT PHASE - LPA GROUP DOCUMENTS DATED FEB. 15, 2008

ITEM DESCRIPTION	Utl'n. Rate	QTY.	Unit	Unit Cost	Subtotal	Total Cost
SUB TOTAL REIMBURSABLE GENERAL CONDITIONS						\$ 50,775

PBIA Maintenance Buildings

WORK SCOPE	DESCRIPTION	V.E. ITEM NUMBER	DESCRIPTION	PROPOSED DEDUCT	APPROVED	COMMENTS
Value Engineering Log						
		01	Delete D Shed	125,354.00	(125,354.00)	
		02	Delete Site/Civil Work	281,162.00	(281,162.00)	
		03	Delete Building C	103,831.00	(103,831.00)	
8A	Door & Frame Supplier	04	Use 14 Ga. Frames & 16 Ga Doors ILO 12 & 14 ga	1,725.00		
Total Proposed Value Engineering:				512,072.00	(510,347.00)	



THE MORGANTI GROUP, INC.
1450 CENTREPARK BOULEVARD, SUITE 260
WEST PALM BEACH, FLORIDA 33401
PHONE 561-689-0200 FAX 561-689-4774

Palm Beach International Airport Maintenance Buildings

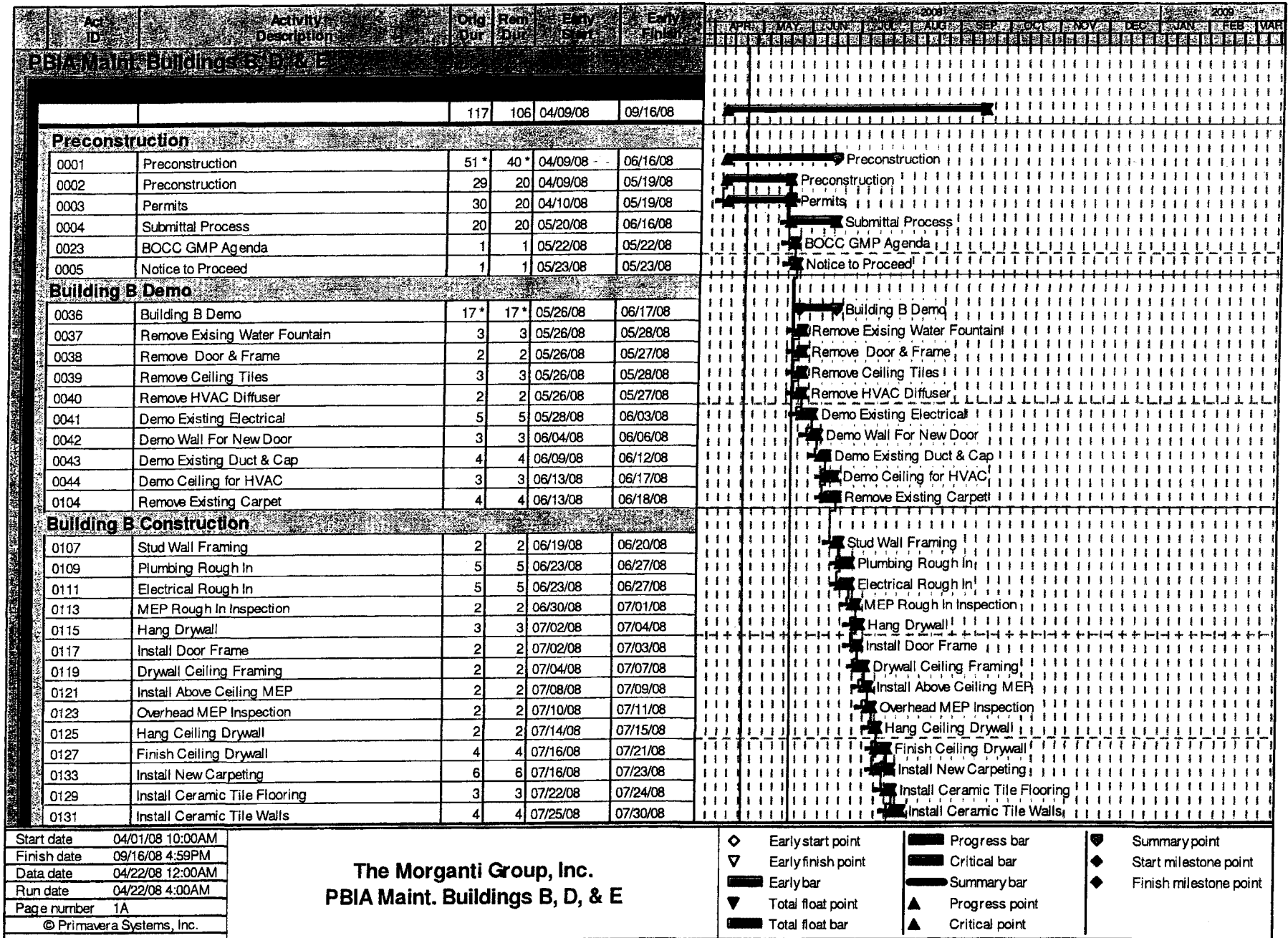
Assumptions and Clarifications

1. The GMP does not include permit fees. It is our understanding that any and all required permits will be applied and paid for by the Owner or by other parties.
2. The GMP does not include any costs associated with inspections and/or code, threshold or specialty inspectors of any kind. The Owner will provide all required threshold inspections as well as any inspections and certified inspectors required in association with permits provided by SFWMD, DEP, DERM, DERC, NPDES and all other governing agencies that may be applicable to this project.
3. The GMP does not include any utility fees for the renovation of the maintenance compound including but not limited to tap fees or impact fees, or utility services such as underground/overhead power or gas. The Owner shall pay for all meters and services.
4. No other work other than that specifically indicated in the contract documents for the gasoline, diesel, natural gas and/or propane holding tanks or the associated underground piping, regulators, etc... is included in the GMP.
5. All material and assembly testing shall be paid for and provided by the Owner. The Construction Manager will coordinate the work with the Owner's testing contractor.
6. The Owner shall perform any and all removal or abatement services of any environmentally hazardous material existing at the site prior to the start of construction and encountered or discovered during the course of the work. The Owner shall furnish to the Construction Manager with the Notice to Proceed all asbestos surveys required to obtain all demolition permits.
7. The GMP does not include any cost associated with the removal and/or replacement of any unsuitable subsurface materials.
8. Water, power and other on-site utilities shall be available to and utilized by the Construction Manager. Any costs associated with the consumption of these utilities for construction shall be paid for directly by the Owner. The Construction Manager shall use existing services already on-site.
9. The anticipated construction start date and contract completion date will be determined from the date all necessary permits and the Notice to Proceed have been issued. Once all documents are obtained a mutually agreed upon schedule will be determined for the scope of work.
10. As of the date of the GMP the Owner has not required the Construction Manager to participate in an Owner Provided Insurance Program, therefore it is not included.
11. Builders Risk insurance is not included in the GMP and shall be purchased directly by the Owner. Owner is responsible for the wind storm and/or flood deductibles, the Construction Manager shall be responsible for all other deductibles.



THE MORGANTI GROUP, INC.
1450 CENTREPARK BOULEVARD, SUITE 260
WEST PALM BEACH, FLORIDA 33401
PHONE 561-689-0200 FAX 561-689-4774

12. It is the Construction Manager's understanding that the Federal Aviation Administration (FAA) is not an Authority Having Jurisdiction in this project, therefore requirements of the FAA are not included in the GMP or any subcontract agreement.
13. The GMP does not include any costs associated with revisions to the contract documents made by permitting agencies.
14. Salvage of any existing furnishings, fixtures, equipment and finishes shall be by others.
15. The contract documents do not require the existing pre-finished wood doors be refinished, therefore no cost has been included for this work.
16. Electrical coordination study shall be performed per specification 16950 for Building D only for practical purposes as a result of the minimal electrical work for the other buildings.
17. The LPA Group, Incorporated has advised the Construction Manager that new fire extinguishers and exit signs are not part of this scope of work and therefore not included in the GMP.
18. The LPA Group, Incorporated has advised the Construction Manager that the metal lockers indicated in room 107, building "B" are not part of the scope of work.
19. The staffing costs will be paid in five (5) equal payments starting at the beginning of construction.
20. This GMP does not include any site work except that indicated on sheets AS1.0D and AS1.0E received by the Construction Manager via e-mail on April 17, 2008 from Thomas Coco, LPA Group Inc.
21. This GMP does not include any work associated with buildings "C", "D-Shed" and the site/civil package.
22. The scope of work included in this GMP is indicated in the Contract Document Log included in section of eight (8) of this proposal.
23. Wherever the term "at it's expense" appears in the agreement between the Owner and Construction Manager it shall only apply to these items specifically included in the GMP.
24. The substantial completion dates for Buildings D, B, and E shall be August 12, 2008, August 28, 2008, and August 28, 2008 respectively.



Drawing Number	Title	by Drawing Number Latest Revision	Drawing Phase	Latest Rev. No.	Latest Rev. Date	Percent Progress
****00001**	Construction Manager At Risk Continuing Services Contract					0
****0002***	Morganti Bid Package Number One (1)					0
*017000	DIVISION #1 - GENERAL REQUIREMENTS		IFC	000	2/15/2008	100
*017329	Cutting and Patching		IFC	000	2/15/2008	100
*03000	DIVISION #3 - CONCRETE		IFC	000	2/15/2008	100
*03001	This Division Not Used		IFC	000	2/15/2008	100
*04000	DIVISION #4 - MASONRY		IFC	000	2/15/2008	100
*04001	This Division Not Used		IFC	000	2/15/2008	100
*05000	DIVISION # 5 - METALS		IFC	000	2/15/2008	100
*05001	This Division Not Used		IFC	000	2/15/2008	100
*06000	DIVISION # 6 - WOOD AND PLASTICS		IFC	000	2/15/2008	100
*06100	Rough Carpentry		IFC	000	2/15/2008	100
*06402	Int. Arch. Woodwork		IFC	000	2/15/2008	100
*07000	DIVISION #7 - THERMAL AND MOISTURE PROTECTION		IFC	000	2/15/2008	100
*07210	Building Insulation		IFC	000	2/15/2008	100
*08000	DIVISION #8 - DOORS AND WINDOWS		IFC	000	2/15/2008	100
*08110	Steel Doors and Frames		IFC	000	2/15/2008	100
*08210	Wood Doors		IFC	000	2/15/2008	100
*08711	Door Hardware		IFC	000	2/15/2008	100
*09000	DIVISION #9 - FINISHES		IFC	000	2/15/2008	100
*09260	Gypsum Wallboard Assemblies		IFC	000	2/15/2008	100
*09310	Ceramic Tile		IFC	000	2/15/2008	100
*09511	Acoustical Panel Ceilings		IFC	000	2/15/2008	100
*09651	Resilient Floor Tile		IFC	000	2/15/2008	100
*09680	Carpet		IFC	000	2/15/2008	100
*09912	Painting		IFC	000	2/15/2008	100
*10000	DIVISION #10 - SPECIALTIES		IFC	000	2/15/2008	100
*10155	Toilet Compartments		IFC	000	2/15/2008	100
*10200	Louvers and Vents		IFC	000	2/15/2008	100
*10505	Metal Lockers		IFC	000	2/15/2008	100
*10801	Toilet and Bath Accessories		IFC	000	2/15/2008	100
*11000	DIVISION # 11 - EQUIPMENT		IFC	000	2/15/2008	100
*11001	This Division Not Used		IFC	000	2/15/2008	100
*12000	DIVISION # 12 - FURNISHINGS		IFC	000	2/15/2008	100
*12001	This Division Not Used		IFC	000	2/15/2008	100
*14000	DIVISION #14 - CONVEYING SYSTEMS		IFC	000	2/15/2008	100
*14001	This Division Not Used		IFC	000	2/15/2008	100
*15000	DIVISION # 15 - MECHANICAL		IFC	000	2/15/2008	100
*15050	Basic Materials and Methods		IFC	000	2/15/2008	100
*15055	Motors		IFC	000	2/15/2008	100
*15060	Hangers and Supports		IFC	000	2/15/2008	100
*15070	Mechanical Sound & Vibration Control		IFC	000	2/15/2008	100
*15075	Mechanical Identification		IFC	000	2/15/2008	100
*15083	Duct Insulation		IFC	000	2/15/2008	100
*15089	Piping Insulation		IFC	000	2/15/2008	100
*15100	Valves		IFC	000	2/15/2008	100
*15105	Plumbing Piping		IFC	000	2/15/2008	100
*15184	Refrigerant (DX) Piping and Specialties		IFC	000	2/15/2008	100
*15300	Fire Protection Systems		IFC	000	2/15/2008	100
*15330	Automatic Sprinkler Piping		IFC	000	2/15/2008	100
*15410	Plumbing Fixtures		IFC	000	2/15/2008	100
*15430	Plumbing Specialties		IFC	000	2/15/2008	100
*15732	Packaged Air Conditioning Unit		IFC	000	2/15/2008	100
*15735	Water Source Heat Pump		IFC	000	2/15/2008	100
*15736	Ductless Air Conditioner		IFC	000	2/15/2008	100
*15810	Ducts		IFC	000	2/15/2008	100
*15830	Fans		IFC	000	2/15/2008	100
*15850	Air Outlets and Inlets		IFC	000	2/15/2008	100
*15860	Air Cleaning Devices		IFC	000	2/15/2008	100

Drawing Number	Title	by Drawing Number Latest Revision	Drawing Phase	Latest Rev. No.	Latest Rev. Date	Percent Progress
*15991	Testing and Balancing		IFC	000	2/15/2008	100
*15995	Start-up and Certification of Air Systems		IFC	000	2/15/2008	100
*16000	DIVISION # 16 - ELECTRICAL		IFC	000	2/15/2008	100
*16010	Basic Electrical Requirements		IFC	000	2/15/2008	100
*16015	Electrical Systems Analysis		IFC	000	2/15/2008	100
*16050	Basic Electrical Materials & Methods		IFC	000	2/15/2008	100
*16110	Raceways		IFC	000	2/15/2008	100
*16120	Conductors		IFC	000	2/15/2008	100
*16450	Grounding		IFC	000	2/15/2008	100
*16500	Lighting		IFC	000	2/15/2008	100
*16722	Addressable Fire Alarm System		IFC	000	2/15/2008	100
*16950	Electrical Testing		IFC	000	2/15/2008	100
A0.0B	General Notes, Index to Drawings		IFC	000	2/15/2008	100
A0.0D	General Notes Index to Drawings		IFC	000	2/15/2008	100
A0.0E	General Notes, Index to Drawings		IFC	000	2/15/2008	100
A0.1B	Life Safty Plan		IFC	000	2/15/2008	100
A0.1D	Life Safty Code Compliance Summary		IFC	000	2/15/2008	100
A1.0B	Floor Plan New		IFC	000	2/15/2008	100
A1.0D	Demolition Plan		IFC	000	2/15/2008	100
A1.0E	First Floor Demolition Plan & First Floor Plan New		IFC	000	2/15/2008	100
A1.1D	Floor Plan - New		IFC	001	3/28/2008	100
A2.0B	Enlarged Floor Plans/Interior Elevations		IFC	000	2/15/2008	100
A2.0D	Exterior Elevations		IFC	000	2/15/2008	100
A2.0E	Enlarged Plan / Ceiling Plan & Interior Elevations		IFC	000	2/15/2008	100
A2.1D	Exterior Elevations		IFC	000	2/15/2008	100
A3.0B	Door Schedule & Details		IFC	000	2/15/2008	100
A4.0B	Finish Schedule/Partition Types		IFC	000	2/15/2008	100
A4.0D	Enlarged Restroom Plans & Interior Elevations		IFC	000	2/15/2008	100
A4.0E	Finish Schedule & Partition Types		IFC	000	2/15/2008	100
A4.1D	Enlarged Ceiling Plans		IFC	000	2/15/2008	100
A5.0D	Door Schedule & Details		IFC	000	2/15/2008	100
A6.0D	Finish Schedule / Partition Types		IFC	001	3/28/2008	100
A7.0D	Millwork Details		IFC	000	2/15/2008	100
AO.1E	Life Safty Plan		IFC	000	2/15/2008	100
AS1.0D	Site Plan - Received by e-mail 4/17/08		IFC	000	4/17/2008	100
AS1.0E	Site Plan - Received by e-mail 4/14/08		IFC	000	4/17/2008	100
CS2	Cover Sheet - Building B		IFC	000	2/15/2008	100
CS4	Cover Sheet Building D		IFC	000	2/15/2008	100
CS6	Cover Sheet Building E		IFC	000	2/15/2008	100
E0.1E	Electrical General Notes		IFC	000	2/15/2008	100
E0.2E	Electrical Legend		IFC	000	2/15/2008	100
E0.3E	Electrical Demolition		IFC	000	2/15/2008	100
E0.4E	Electrical Installation Plan		IFC	000	2/15/2008	100
E0.5E	Electrical Lighting Plan		IFC	000	2/15/2008	100
E0.6E	Electrical Schedules		IFC	000	2/15/2008	100
E0.7E	Electrical Details		IFC	000	2/15/2008	100
E01B	Electrical General Notes		IFC	000	2/15/2008	100
E01D	Electrical General Notes - Received by e-mail 4/14/08		IFC	000	4/14/2008	100
E02B	Electrical legend		IFC	000	2/15/2008	100
E02D	Electrical Legend - Received by e-mail 4/14/08		IFC	000	4/14/2008	100
E03B	Electrical Demolition Plan		IFC	000	2/15/2008	100
E03D	Electrical Demolition - Received by e-mail 4/14/08		IFC	000	4/14/2008	100
E04B	Electrical Power & Lighting Plan		IFC	000	2/15/2008	100
E04D	Electrical Demolition - Received by e-mail 4/14/08		IFC	000	4/14/2008	100
E05B	Electrical Schedules		IFC	000	2/15/2008	100
E05D	Power Plan - Received by e-mail 4/14/08		IFC	000	4/14/2008	100
E06B	Electrical Details		IFC	000	2/15/2008	100
E06D	Power Plan - Received by e-mail 4/14/08		IFC	000	4/14/2008	100
E07D	Lighting Plan - Received by e-mail 4/14/08		IFC	000	4/14/2008	100

The Morganti Group, Inc.

Job No:28SE01

Project No:28SE01

The Morganti Group, Inc.

Drawing Log

PBIA - Maintenance Compound

Date: 4/22/2008

Page: 3 of 3

Drawing Number	Title	by Drawing Number Latest Revision	Drawing Phase	Latest Rev. No.	Latest Rev. Date	Percent Progress
E08D	Lighting Plan - Received by e-mail 4/14/08		IFC	000	4/14/2008	100
E09D	Roof Electrical Plan - Received by e-mail 4/14/08		IFC	000	4/14/2008	100
E10D	Roof Electrical Plan - Received by e-mail 4/14/08		IFC	000	4/14/2008	100
E11D	Electrical One-Lines and Risers - Received by e-mail 4/14/08		IFC	000	4/14/2008	100
E12D	Electrical Schedules - Received by e-mail 4/14/08		IFC	000	4/14/2008	100
E13D	Electrical Schedules - Received by e-mail 4/14/08		IFC	000	4/14/2008	100
E14D	Electrical Details - Received by e-mail 4/14/08		IFC	000	4/14/2008	100
E15D	Electrical Details - Received by e-mail 4/14/08		IFC	000	4/14/2008	100
FA.01D	Fire Alarm Notes		IFC	000	2/15/2008	100
FA.02D	Fire Alarm Demolition Plan		IFC	000	2/15/2008	100
FA.03D	Fire Alarm Demolition Plan		IFC	000	2/15/2008	100
FA.04D	Fire Alarm Installation Plan		IFC	000	2/15/2008	100
FA.05D	Fire Alarm Installation Plan		IFC	000	2/15/2008	100
FA.06D	Fire Alarm Riser		IFC	000	2/15/2008	100
FA.07D	Fire Alarm Calculations		IFC	000	2/15/2008	100
FP1.0D	First Floor Fire Protection Plan		IFC	000	2/15/2008	100
FP1.0E	First Floor Fire Protection Plan		IFC	000	2/15/2008	100
FP2.0D	Fire Protection Notes & Details		IFC	000	2/15/2008	100
FP2.0E	Fire Protection Notes & Details		IFC	000	2/15/2008	100
M1.0B	First Floor Mechanical Demolition Plan		IFC	000	2/15/2008	100
M1.0D	First Floor Demolition Plan		IFC	000	2/15/2008	100
M1.0E	First Floor Mechanical Plan		IFC	000	2/15/2008	100
M1.1B	First Floor Mechanical Plan		IFC	000	2/15/2008	100
M1.1D	First Floor Mechanical Plan		IFC	000	2/15/2008	100
M1.2D	First Floor Partial Mechanical Plan		IFC	000	2/15/2008	100
M1.2E	Mechanical Notes & Schedule		IFC	000	2/15/2008	100
M1.3D	Mechanical Roof Plan		IFC	000	2/15/2008	100
M2.0D	Mechanical Details		IFC	000	2/15/2008	100
M2.0E	Mechanical Notes & Schedules		IFC	000	2/15/2008	100
M2.1B	Mechanical Schedule		IFC	000	2/15/2008	100
M2.1D	Mechanical Schedules		IFC	000	2/15/2008	100
P1.0B	Plumbing First Floor Demolition Plan		IFC	000	2/15/2008	100
P1.0D	First Floor Demolition Plan		IFC	000	2/15/2008	100
P1.0E	Plumbing Demolition Plan & Plumbing Plan - New		IFC	000	2/15/2008	100
P1.1B	Plumbing First Floor Plan New		IFC	000	2/15/2008	100
P1.1D	First Floor Plan		IFC	000	2/15/2008	100
P1.1E	1st Floor Enlarged Plumbing Plan		IFC	000	2/15/2008	100
P1.2D	Enlarged Floor Plan		IFC	000	2/15/2008	100
P2.1B	Plumbing Details		IFC	000	2/15/2008	100
P2.1D	Plumbing Notes & Details		IFC	000	2/15/2008	100
P2.1E	Plumbing Notes & Details		IFC	000	2/15/2008	100

**SCHEDULE 2
LETTER OF INTENT TO PERFORM AS AN SBE-M/WBE SUBCONTRACTOR**

PROJECT NAME:

PROJECT NO:

TO: THE MORGAN GROUP

(Name of Prime Bidder)

The undersigned is certified by Palm Beach County as a(n) (check one or more as applicable):

Small Business Enterprise Minority Business Enterprise

Black Hispanic Women Caucasian Other (Please Specify)

Date of Palm Beach County Certification: 11/20/07 # GOLD C-152

The undersigned is prepared to perform the following described work in connection with the above project (specify in detail particular work items or parts thereof to be performed):

Line Item No.	Item Description	Qty/Units	Unit Price	Total Price
1	BAILOUT W/ E - SIGN			2076.75
2	BLADE C. FENCE			2747.85
3	BLADE			2339.00
4	BLADE SHED			599.98
5	BLADE E			1546.96
6	CONSTRUCTION SITE SIGN			477.00

at the following price: \$ 11931.30
(Subcontractor's quote)

and will enter into a formal agreement for work with you conditioned upon your execution of a contract with Palm Beach County.

If undersigned intends to sub-subcontract any portion of this subcontract to a non-SBE-M/WBE subcontractor or supplier, the amount of any such subcontract must be stated: \$ 0

The undersigned subcontractor understands that the provision of this form to prime bidder does not prevent subcontractor from providing quotations to other bidders.

GOLD COAST SIGN & DESIGN, LLC
(Print name of SBE-M/WBE Subcontractor)

By: Heather H Chase
(Signature)

HEATHER H. CHASE Pres
(Print name/title of person executing on behalf of SBE-M/WBE Subcontractor)

Date: 11-23-08