

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY

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Meeting Date: February 15, 2011

[x] Consent [ ] Regular  
[ ] Workshop [ ] Public Hearing

Department:

Submitted By: Department of Airports

Submitted For:  
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I. EXECUTIVE BRIEF

**Motion and Title: Staff recommends motion to approve:** Amendment No. 2 to the Construction Manager at Risk (CMR) Contract with The Morganti Group, Inc. for the Miscellaneous Repair, Replacement and Improvement Projects for Palm Beach County Department of Airports exercising the second one (1) year renewal option for the continuation of services, and to modify the language regarding the Office of Inspector General Ordinance Fee.

**Summary:** On May 20, 2008, the Board approved the CMR Contract with The Morganti Group, Inc., a Palm Beach County Company, for the Miscellaneous Repair, Replacement and Improvement Projects for Palm Beach County Department of Airports(R-2008-0850). The Contract is for 2 years with 3 one (1) year renewal options. Amendment No. 1 exercising the first one (1) year renewal option was approved by the Board on April 20, 2010 (R-2010-0608). Approval of Amendment 2 will allow the County, at its sole discretion, to exercise the second one (1) year renewal option for the continuation of services provided under the CMR Contract. In addition, this amendment will modify the contract to delete costs of the Office of Inspector General (OIG) Fee. The Small Business Enterprise (SBE) Goal for this contract was established at 15%. The total SBE contract participation to date including all tasks is 20.28%. Countywide (JCM)

**Background and Justification:** In order to carry out the approved Capital Improvement Program for the County, the Department of Airports uses several methods of procurement including the CMR Contract. By exercising the second one (1) year renewal option, this amendment allows for the continuation of CMR services necessary for the development and operation of the County's airport system. Approval of Amendment No. 2 will modify the Contract to delete the imposition of the Inspector General Fee in accordance with the amendment to Ordinance No. 2009-049 approved by the Board on September 28, 2010.

**Attachments:**

1. Amendment No. 2 with The Morganti Group, Inc. – 3 Originals

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Recommended By: John A. Kelly 1/20/11  
Department Director Date

Approved By: [Signature] 2/15/11  
County Administrator Date

**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	2011	2012	2013	2014	2015
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
<b>NET FISCAL IMPACT</b>	<u>0 * see below</u>	_____	_____	_____	_____
<b># ADDITIONAL FTE POSITIONS (Cumulative)</b>	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes \_\_\_\_\_ No \_\_\_\_\_  
 Budget Account No: Fund \_\_\_\_\_ Department \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_  
 Reporting Category \_\_\_\_\_

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

\* There is no Fiscal Impact for this item.

C. Departmental Fiscal Review:                     *CM Scinner*                    

**III. REVIEW COMMENTS**

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

                    *[Signature]* 1/25/11                      
 OFMB VA 1/24/11  
*[Signature]* 1/24/11

                    *[Signature]* 1/31/11                      
 Contract Dev. and Control  
*[Signature]* 1/26/11

**B. Legal Sufficiency:**

                    *[Signature]* 1/2/11                      
 Assistant County Attorney

This amendment complies with our review requirements.

**C. Other Department Review:**

\_\_\_\_\_  
 Department Director

**AMENDMENT NO. 2 TO THE CONSTRUCTION MANAGER (CM) AT RISK CONTRACT  
BETWEEN  
PALM BEACH COUNTY DEPARTMENT OF AIRPORTS  
AND  
THE MORGANTI GROUP INCORPORATED  
FOR  
MISCELLANEOUS REPAIR, REPLACEMENT & IMPROVEMENT PROJECTS AT  
PALM BEACH COUNTY AIRPORTS**

This Amendment No. 2 to the Contract is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and between Palm Beach County, Florida (COUNTY) and THE MORGANTI GROUP INCORPORATED, a corporation authorized to do business in the State of Florida, hereinafter referred to as the CONTRACTOR, having its office and principal place of business at 1450 Centrepark Blvd., Suite 260 West Palm Beach, Florida 33401

WITNESSETH

WHEREAS, on May 20, 2008, the County entered into an Agreement (R2008-0850) with the CONTRACTOR for the CONTRACTOR to provide Construction Manager at Risk Services for the Palm Beach County Department of Airports, 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; and

WHEREAS, Article 12 defines the Terms of the Contract 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; and

WHEREAS, on April 20, 2010, the County entered into Amendment #1 (R2010-0608) with the CONTRACTOR to exercise the first one (1)-year renewal option for the continuation of services provided by the CONTRACTOR under this contract.

WHEREAS it is the County's desire to exercise the second one (1)-year renewal option for the continuation of services provided by the CONTRACTOR under this contract.

NOW THEREFORE, in consideration of the mutual covenants herein contained, and such other good and valuable consideration, the receipt of which the parties hereby acknowledge, the parties agree to the following terms and conditions.

1. Amend the Contract to delete the following language from ARTICLE 13 Palm Beach County Office of the Inspector General

The cost of the Office of Inspector General shall be incorporated into the contract price of all contracts and shall be one quarter (1/4) of one (1) percent of the contract price.

2. Amend the Contract to delete the following language from General Conditions GC 68 PROGRESS PAYMENT PROCEDURES

68.3.1 Without changing the contract price, a fee of 0.25% will be deducted by the Owner from each application for payment to defray costs of the Office of Inspector General in accordance with Ordinance R2009-049.

3. The parties hereby agree to amend the Contract to include the second one (1) year renewal option for the continuation of services provided by the CONTRACTOR under this Contract.
4. Except as specifically amended herein, all other terms and conditions of the Contract shall remain in full force and effect.

**IN WITNESS WHEREOF**, the parties have caused the Second Amendment to the Contract to be signed by the Chair of the Board of County Commissioners and the Seal of said Board to be fixed hereto and attested by the Clerk of said board, and the CONTRACTOR, THE MORGANTI GROUP INCORPORATED, has caused these present to be signed in its corporate name by its duly authorized officer Gerry Kelly, acting on behalf of said CONTRACTOR, and the Seal of said CONTRACTOR to be affixed hereto and attested by the Secretary of said CONTRACTOR, the day and year first written above.

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

ATTEST:  
SHARON R. BOCK,  
Clerk and Comptroller

BOARD OF COUNTY COMMISSIONERS

By: \_\_\_\_\_  
Deputy Clerk

By: \_\_\_\_\_  
Karen T. Marcus, Chair

APPROVED AS TO FORM AND LEGAL  
SUFFICIENCY

CONTRACTOR:

BY: \_\_\_\_\_  
County Attorney

THE MORGANTI GROUP INCORPORATED  
Company Name

APPROVED AS TO TERMS AND  
CONDITIONS:

A 10/19/92  
(Date of Incorporation: )

By: [Signature]  
Director of Airports

By: [Signature]  
(Signature)

[Signature]  
(Witness Signature - CONTRACTOR)

Gerry Kelly.  
(Print Signatory's Name)

BETTY E. BRIGHT  
Witness Name (Type or Print)

Vice-President  
(Print Title)  
1/28/11  
(Date of Execution)

(Corporate Seal)

**PRODUCER**  
Aon Risk Services Northeast, Inc.  
Boston MA Office  
One Federal Street  
Boston MA 02110 USA

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

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

**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.**

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**

SIR applies per terms and conditions of the policy

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.

LIMITS SHOWN ARE AS REQUESTED

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE(MM/DD/YYYY)	POLICY EXPIRATION DATE(MM/DD/YYYY)	LIMITS	
A		<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR  GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC	GLO 3867315-03	07/01/2010	07/01/2011	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		<b>AUTOMOBILE LIABILITY</b> <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. \$1,000 <input checked="" type="checkbox"/> Coll Ded. \$1,000	BAP 3867314-03 AOS	07/01/2010	07/01/2011	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
						BODILY INJURY (Per person)	
						BODILY INJURY (Per accident)	
						PROPERTY DAMAGE (Per accident)	
		<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	
						OTHER THAN AUTO ONLY EA ACC AGG	
B		<b>EXCESS / UMBRELLA LIABILITY</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION	AUC-9375202-07	07/01/2010	07/01/2011	EACH OCCURRENCE	\$6,000,000
						AGGREGATE	\$6,000,000
A		<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y <input checked="" type="checkbox"/> N If yes, describe under SPECIAL PROVISIONS below	WC 3867313-03	07/01/2010	07/01/2011	<input checked="" type="checkbox"/> WC STATUTORY LIMITS	
						OTHER	
						E.L. EACH ACCIDENT	\$100,000
						E.L. DISEASE-EA EMPLOYEE	\$500,000
						E.L. DISEASE-POLICY LIMIT	\$100,000
C		<b>OTHER</b> E&O-ProfLiabPri	EOC 9138537 04	07/01/2010	07/01/2011	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**

**CANCELLATION**

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

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 Northeast, Inc.*

Holder Identifier :  
Certificate No : 570039390010

**Attachment to ACORD Certificate for** The Morganti Group, Inc.

The terms, conditions and provisions noted below are hereby attached to the captioned certificate as additional description of the coverage afforded by the insurer(s). This attachment does not contain all terms, conditions, coverages or exclusions contained in the policy.

**INSURED**

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

INSURER
INSURER
INSURER
INSURER
INSURER

**ADDITIONAL POLICIES**

If a policy below does not include limit information, refer to the corresponding policy on the ACORD certificate form for policy limits.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER POLICY DESCRIPTION	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS	

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS**

General Liability policy. Insurance is Primary and Non-Contributory. A Waiver of Subrogation applies. See attached Endorsements, CG 20 33 0704 and CG 2503 0397.

Certificate No : 570039390010

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.