

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

Meeting Date: January 24, 2012

☒ Consent ☐ Regular
☐ Workshop ☐ Public Hearing

Department:

Submitted By: Department of Airports

Submitted For:

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve:

- (A) Amendment No. 3 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 third and final one (1) year renewal option for the continuation of services and to modify the contract to include language regarding the compliance with E-Verify and Direct Purchase Materials; and
- (B) Task No. M-11: Pre-Purchase of Terminal Chiller and Cooling Tower equipment at Palm Beach International Airport (PBIA) in the amount of \$1,570,000; and
- (C) A Budget Transfer of \$700,000 in the Airports Improvement and Development Fund from Reserves to provide additional budget needed to fund the purchase of the equipment.

Summary: 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 was approved on May 20, 2008 (R-2008-0850). The Contract is for 2 years with 3 one (1) year renewal options. Amendments No. 1 and No. 2 exercised two out of the three renewal options. Approval of Amendment No. 3 will allow the County, at its sole discretion, to exercise the third and final one (1) year renewal option for the continuation of services provided under the CMR Contract. In addition, this amendment will modify the contract to include State and Federal requirements that the Contractor utilize the U.S. Department of Homeland Security's E-Verify System, in accordance with the terms governing use of the system, to confirm the employment eligibility of the employees to work in the United States. Amendment No. 3 will also modify the contract to include additional language relating to provisions for State of Florida sales and use tax exemption for County-furnished materials. This language allows for substantial cost savings for the County due to direct owner purchase of materials while still holding the Contractor responsible for all matters relating to the receipt of materials and equipment furnished by the County in accordance with the Special Conditions contained in the Amendment. This Amendment will allow for more than \$1,250,000 in direct owner-purchased supplies and equipment, resulting in a sales tax savings of approximately \$75,000. Approval of Task No. M-11: Pre-Purchase of Chiller and Cooling Tower equipment in the amount of \$1,570,000 will enable the Department of Airports to purchase equipment that is needed to support the Terminal Chiller and Cooling Tower Improvements Project at PBIA currently under design that must be completed in advance of the summer season. It also includes pre-construction services required for solicitation and review of bids for the equipment. The Small Business Enterprise (SBE) Goal for this contract was established at 15%. The total SBE contract participation to date is 15.63%. **Countywide (JCM)**

Background and Justification: (continued on page 3)

Attachments:

- 1. Amendment No. 3 with The Morganti Group, Inc. – 3 Originals
- 2. Task No. M-11 (3 originals)
- 3. Budget Transfer

Recommended By: _____

Department Director

Date

Approved By: _____

County Administrator

Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2012	2013	2014	2015	2016
Capital Expenditures	\$1,570,000				
Operating Costs					
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	\$1,570,000				
# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included in Current Budget? Yes _____ No X

Budget Account No: Fund 4111 Department 121 Unit A212-329 Object 6211
Reporting Category _____

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

Approval of this item will result in capital expenditures of \$1,570,000. Funding source is Airport Revenues and includes a transfer from reserves in the amount of \$700,000.

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

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

John W. Weber 12/30/11
OFMB
VA
12/29/11
P
2/28/12

Ann J. Jacobson 1/9/12
Contract Dev. and Control

B. Legal Sufficiency:

James C. Cline 1/13/12
Assistant County Attorney

This item complies with current
County policies.

C. Other Department Review:

Department Director

REVISED 9/03

ADM FORM 01

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)

(Continued from Page 1)

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 third and final 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. 3 will also modify the Contract to include new language required under State or Federally funded projects that the Contractor confirms the employment eligibility of the employees to work in the United States.

Approval of Task M-11: Pre-Purchase of the Terminal Chiller and Cooling Tower equipment at PBIA is required due to the lead time in manufacturing of the equipment to support the constrained construction schedule of completion prior to the summer season. The PBIA chiller plant has evolved over the last 25 years. Two out of the five existing chillers are the original equipment installed in 1986 and have exceeded their median life expectancy and one of them is no longer operational. In addition, the refrigerant that is used in the original chillers is no longer being produced and is prohibited from being imported domestically making the need for replacement critical. The construction package to upgrade the system is currently under design under a separate Construction Management at Risk Procurement process. Due to the constrained construction schedule it was decided that the purchase of the critical materials would be needed in advance of the construction package due to the lead time in manufacturing the equipment. In addition, the County could benefit from the tax savings in purchasing the equipment directly from the manufacturer. The original contract executed in 2008 with the Morganti Group did not include language to direct owner purchase of materials while still holding the Contractor responsible for all matters relating to the receipt of materials and equipment furnished by the County. This language is added to the contract with the approval of Amendment No. 3. Builders Risk Insurance for this task will be provided by the Contractor.

**AMENDMENT NO. 3 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. 3 to the Contract is made as of the _____ day of _____, 2012, 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 on February 15, 2011 the County entered into Amendment #2 (R2011-0182) with the CONTRACTOR 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. The parties hereby agree to amend the Contract to add the following E-Verification requirements:

Contractor acknowledges and agrees to the following:

Contractor shall utilize the U.S. Department of Homeland Security's E-Verify system, in accordance with the terms governing use of the system, to confirm the employment eligibility of;

- a. all persons employed by the Contractor during the term of the Contract to perform employment duties within Florida; and
- b. all persons including subcontractors, assigned by the Contractor to perform work pursuant to the Contract with the Owner.

Further information can be found at the following website: <http://www.uscis.gov/e-verify>

2. The parties hereby agree to amend the Contract to include the third and final one (1) year renewal option for the continuation of services provided by the CONTRACTOR under this Contract.
3. The parties hereby agree to amend the General Conditions, Section 14 TAXES to add the following paragraphs:

14. County Furnished Materials

- 14.1. The Contractor shall include Florida State Sales and other applicable taxes in his bid for material, supplies, and equipment. The Owner, being exempt from sales tax, reserves the right to make direct purchases of various construction materials included in the Contractors bid and/or contract.

County reserves the right to require Contractor to assign some or all of its subcontracts or other agreements with material suppliers directly to County. Any materials purchased by County pursuant to such an assignment of a material supply subcontract or agreement of a material supply subcontract or agreement shall be referred to as "County-Furnished Materials" and the responsibilities of both County and Contractor relating to such County Furnished Materials shall be governed by the terms and conditions of these Special Conditions, which shall take precedence over other conditions and terms of the Contract Documents where inconsistencies or conflicts exist.

- 14.2. Material suppliers shall be selected by the Contractor awarded the contract by the competitive bid process. Supply contracts shall be awarded by the Contractor to the supplier whose bid/proposal is most advantageous to the County, price and other factors considered.

The Contractor shall include the price for all construction materials in his bid. County-purchasing of construction materials, if selected, will be administered on a deductive Change Order basis.

- 14.3. To enable the County to realize savings of Sales Tax on selected tangible personal property needed for this Project, the Contractor will provide to the County a list of all intended suppliers, vendors, and materialmen for consideration as County-Purchased Materials. The Contractor shall submit price quotes from the vendors, as well as a description of the materials to be supplied, estimated quantities and prices. The Contractor will evaluate the list to recommend direct purchases where those direct purchases will result in Sales Tax Savings to the County. The County will either accept or reject the Contractor's recommendations and purchases will be made according to County procedures.

- 14.4. Contractor shall identify materials with a minimum agreed upon goal which the County will furnish through the County Furnished Materials clause, and might furnish materials worth far more than that amount. Therefore, the provision by the Contractor for support, clerical, and administrative services detailed in that clause is part of this contract.

In a timely manner, Contractor shall prepare Purchasing Requisition Request Forms which shall, in form and detail be acceptable to County and shall specifically identify the materials which County may, in its discretion, elect to purchase directly. The Purchasing Requisition Request Form shall include:

- a. the name, address, telephone number and contact person for the material supplier
- b. manufacturer or brand, model of specification number of the item
- c. quantity needed as estimated by Contractor
- d. the price quoted by the supplier for the materials identified therein
- e. any sales tax associated with such quote

- f. shipping and handling insurance cost
- g. 100% Performance Bond cost
- h. delivery dates as established by Contractor
- i. any reduction in Contractor's cost for both the Payment Bond and the Performance Bond
- j. detail concerning bonds or letters of credit provided by the supplier if included in his proposal

Contractor shall include copies of vendors' quotations, and specifically reference any terms and conditions which have been negotiated with the vendors concerning letters of credit, terms, discounts, or special payments.

- 14.5. The following procedure, which is a waiver of the Palm Beach County Procurement Code, will be approved by the Palm Beach County Board of Commissioners before implementation of this program.

After receipt of the Purchasing Requisition Request Form, County shall prepare County Purchase Orders (hereinafter Purchase Orders) for items of material which the County chooses to purchase directly. Alternately, the Contractor may prepare the Purchase Orders for the County's signature in lieu of the Purchasing Requisition Request Form. Once the Purchase Order has been prepared and executed, it shall be issued directly to the vendor by the County. Pursuant to the Purchase Order, the vendor will provide the required quantities of material at the price established in the vendor's quote to the Contractor, less any sales tax associated with such price. Promptly upon issuance of each Purchase Order by the County, Contractor shall verify the purchase of the items in accordance with the terms of the Purchase Order and in a manner to assure timely delivery of items. Palm Beach County's Director of Purchasing or his designated representative shall be the approving authority for the County on Purchase Orders in conjunction with County- Furnished Materials. The Purchase Order shall require that the supplier provide the required shipping and handling insurance. The Purchase Order shall also require the delivery of the County Furnished Materials on the delivery dates provided by the Contractor in the Purchasing Requisition Request Form. The Vendor shall issue its invoice, for all materials supplied pursuant to a County Purchase Order, directly to Palm Beach County.

- 14.6. In conjunction with or prior to the execution of the Purchase Orders by the suppliers, the Contractor shall execute and deliver to the County one or more deductive Change Orders, in accordance with General Conditions (GC 65 Changes) referencing the full value of all County-Furnished Materials to be provided by each supplier from whom the County elected to purchase material directly, plus all sales taxes associated with such materials in Contractor's bid to County, plus savings to Contractor in the cost of Payment and Performance Bonds associated with such County-Furnished Materials. The Director of Airports or his/her authorized representative shall be the approving authority for the County on deductible Change Orders in conjunction with County-Furnished Materials.
- 14.7. All shop drawings and submittals shall be made in accordance with GC 45, Contractor Furnished Drawings, Data & Samples, of the General Conditions.
- 14.8. Contractor shall be fully responsible for all matters relating to the receipt of materials furnished by County in accordance with these Special Conditions including, but not limited to, verifying correct quantities, verifying documents of orders in a timely manner, coordinating purchases providing and obtaining all warranties and guarantees required by the Contract Documents, inspection and acceptance of the goods at the time of delivery, and loss or damage

to equipment and materials following acceptance of items by the Owner due to the negligence of the Contractor. The Contractor shall coordinate delivery schedules, sequence of delivery, loading orientation, and other arrangements normally required by the Contractor for the particular materials furnished. The Contractor shall provide all services required for the unloading, handling and storage of materials through installation. The Contractor agrees to indemnify and hold harmless the County from any and all claims of whatever nature resulting from non-payment of goods to suppliers arising from the actions of the Contractor.

- 14.9. As County-Furnished Materials are delivered to the jobsite, the Contractor shall visually inspect all shipments from the suppliers, and approve the vendor's invoice for material delivered. The Contractor shall assure that each delivery of County-Furnished Materials is accompanied by documentation adequate to identify the Purchase Order against which the purchase is made. This documentation may consist of a delivery ticket and an invoice from the supplier conforming to the Purchase Order together with such additional information as the County or Project Manager may require. The Contractor will then forward the invoice to the County through the Project Manager for payment.
- 14.10. The Contractor shall insure that County-Furnished Materials conform to the Specifications, and determine prior to incorporation into the Work if such materials are patently defective, and whether such materials are identical to the materials ordered and match the description on the bill of lading. If the Contractor discovers defective or non-conformities in County-Furnished Materials upon such visual inspection, the Contractor shall not utilize such nonconforming or defective materials in the Work and instead shall promptly notify the County of the defective or nonconforming condition so that repair or replacement of those materials can occur without any undue delay or interruption to the Project. If the Contractor fails to perform such inspection and otherwise incorporates into the work such defective or nonconforming County-Furnished Materials, the condition of which it either knew or should have known by performance of an inspection, Contractor shall be responsible for all damages to County resulting from Contractor's incorporation of such materials into the Project, including liquidated or delay damages.
- 14.11. The Contractor shall maintain records of all County-Furnished Materials incorporated into the Work from the stock of County-Furnished Materials in its possession. The Contractor shall account monthly to the County through the Project Manager for any County-Furnished Materials delivered into the Contractor's possession, indicating portions of all such materials which have been incorporated into the Work.
- 14.12. The Contractor shall be responsible for obtaining and managing all warranties and guarantees for all materials and products as required by the Contract Documents. All repair, maintenance or damage-repair calls shall be forwarded to the Contractor for resolution with the appropriate supplier, vendor, or subcontractor.
- 14.13. Notwithstanding the transfer of County-Furnished Materials by the County to the Contractor's possession, the County shall retain legal and equitable title to any and all County-Furnished Materials.
- 14.14. The transfer of possession of County-Furnished Materials from the County to the Contractor shall constitute a bailment for the mutual benefit of the County and the Contractor. The County shall be considered the bailor and the Contractor the bailee of the County-Furnished Materials. County-Furnished Materials shall be considered returned to the County for purposes of their bailment at such time as they are incorporated into the Project or consumed in the process of completing the Project.
- 14.15. The Contractor shall purchase and maintain Builders Risk insurance sufficient to protect against any loss of or damage to County-Furnished Materials. Such insurance shall cover the full value of any County-Furnished Materials not yet incorporated into the Project during the

period between the time the County first takes title to any such County-Furnished Materials and the time when the last of such County-Furnished Materials is incorporated into the Project or consumed in the process of completing the Project.

- 14.16. The County shall in no way be liable for any interruption or delay in the Project, for any defects or other problems with the Project, or for any extra costs or time resulting from any delay in the delivery of, or defects in, County-Furnished Materials.
- 14.17. On a monthly basis, Contractor shall be required to review invoices submitted by all suppliers of County-Furnished Materials delivered to the project sites during that month and either concur or object to the County's issuance of payment to the suppliers, based upon Contractor's records of materials delivered to the site and any defects in such materials.
- 14.18. In order to arrange for the prompt payment to the suppliers, the Contractor shall provide to the County a list indicating the acceptance of the goods or materials within 15 days of receipt of said goods or materials. The list shall include a copy of the applicable Purchase Order, invoices, delivery tickets, written acceptance of the delivered items, and such other documentation as may be reasonable required by the County. Upon receipt of the appropriate documentation, the County shall prepare a check drawn to the supplier based upon the receipt of data provided. This check will be released, delivered and remitted directly to the supplier. The Contractor agrees to assist the County to immediately obtain partial or final release of waivers as appropriate.
- 14.19. At the end of the project, Contractor will be provided with a deductive Change Order for the costs incurred by County to provide all County-Furnished Materials overruns and will be credited with an additive Change Order representing the value, less applicable sales taxes, of all County-Furnished Material underruns which were not ordered and paid for by the County. Salvage materials shall be stored or removed from the site by the Contractor at the County's direction, or may be turned over to the Contractor for salvage or disposal at the Contractor's option.
- 14.20. The County shall be entitled to the benefits of any discounts attributable to the early payment of vendor invoices for materials furnished by the County pursuant to these Specifications.
- 14.21. The material supplier may be required to provide a Supply Bond in the amount of 100% of the purchase order price. The bond shall be from a qualified surety company authorized to do business in the State of Florida and acceptable to the Owner and the Project Manager. If the supply bond is required the cost of the bond will be added to the amount of the purchase order.

The premium cost for the surety bond should not be included in the bid price. Verifying that a designated material supplier can furnish a supply bond will be the responsibility of the Contractor.

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 Third 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.

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: _____
Shelley Vana, 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
[Signature]
(Witness Signature - CONTRACTOR)

By: [Signature]
(Signature)
Gerry Kelly.
(Print Signatory's Name)

TONI CAVAZOS
Witness Name (Type or Print) - CONTRACTOR

Vice- President
(Print Title)

12/20/11
(Date of Execution)

(Corporate Seal)



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
08/09/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services Northeast, Inc. Boston MA Office One Federal Street Boston MA 02110 USA	CONTACT NAME:	
	PHONE (A/C, No, Ext): (866) 283-7122	FAX (A/C, No.): (847) 953-5390
INSURED The Morganti Group, Inc. 1450 Centrepark Boulevard Suite 260 West Palm Beach FL 33401 USA	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	NAIC #	
	INSURER A: National Union Fire Ins Co of Pittsburgh	19445
	INSURER B: Zurich American Ins Co	16535
	INSURER C: Catlin Specialty Insurance Company	15989
INSURER D:		
INSURER E:		
INSURER F:		

COVERAGES CERTIFICATE NUMBER: 570043491492 REVISION NUMBER:

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR		TYPE OF INSURANCE		ADD'L SUBR INSR WVD		POLICY NUMBER		POLICY EFF (MM/DD/YYYY)		POLICY EXP (MM/DD/YYYY)		LIMITS	
B		GENERAL LIABILITY				GL0386731504		07/01/2011		07/01/2012		EACH OCCURRENCE	\$2,000,000
	X	COMMERCIAL GENERAL LIABILITY										DAMAGE TO RENTED PREMISES (Ea occurrence)	\$300,000
		CLAIMS-MADE	X	OCCUR								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
		GEN'L AGGREGATE LIMIT APPLIES PER:											
		POLICY	X	PRO-JECT	X	LOC							
B		AUTOMOBILE LIABILITY				BAP 3867314-04 AOS		07/01/2011		07/01/2012		COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
	X	ANY AUTO										BODILY INJURY (Per person)	
		ALL OWNED AUTOS		SCHEDULED AUTOS								BODILY INJURY (Per accident)	
		HIRED AUTOS		NON-OWNED AUTOS								PROPERTY DAMAGE (Per accident)	
	X	Comp Ded. \$1,000	X	Coll Ded. \$1,000									
A		UMBRELLA LIAB	X	OCCUR		BE34202341		07/01/2011		07/01/2012		EACH OCCURRENCE	\$2,000,000
	X	EXCESS LIAB		CLAIMS-MADE								AGGREGATE	\$2,000,000
		DED		RETENTION									
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC386731304		07/01/2011		07/01/2012		X WC STATUTORY LIMITS	
		ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)		Y / N	N	N/A						E.L. EACH ACCIDENT	\$1,000,000
		If yes, describe under DESCRIPTION OF OPERATIONS below										E.L. DISEASE-EA EMPLOYEE	\$1,000,000
												E.L. DISEASE-POLICY LIMIT	\$1,000,000
C		E&O-ProflLiabPri				CPL2030810712		07/01/2011		07/01/2012		Each Claim	\$1,000,000
						SIR applies per policy terms & conditions							

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Re:Evidence of Insurance Coverage.

CERTIFICATE HOLDER	CANCELLATION
Palm Beach County c/o Department of Airports Bldg. 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, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Northeast, Inc.</i>

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. M11 PBI Cooling Tower and Chiller Replacement – Pre-Purchase Equipment

PROJECT NUMBER: PB 07-3

PALM BEACH COUNTY
BOARD OF COMMISSIONERS

THIS AUTHORIZATION Task No. M11 to the Agreement dated May 20, 2008 R20080850 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 Task Authorization on the requested Services. The Construction Manager will continue to perform the requested Services with due diligence and shall be completed in within 90 Calendar Days from the execution of the Task Authorization. There are no liquidated damages associated with this task.
4. Description of Services to be provided by CONSTRUCTION MANAGER (CM): The Department of Airports is in the process of upgrading the cooling tower and chiller equipment at PBI and will be pre-purchasing equipment due to the lead time in the manufacturing process prior to the summer season. The CM shall provide pre-construction services which include solicitation and analysis of bids, review of submittals and procurement of the equipment.
5. Pursuant to Article 2 and Article 6 of the Contract between Owner and CONSTRUCTION MANAGER, the parties have agreed to a Guaranteed Maximum Price (GMP) of \$1,570,000.00 which includes pre-construction services as indicated in the attached summary dated December 16, 2011 for No. M11 PBI Cooling Tower and Chiller Replacement – Pre-Purchase Equipment
6. This project will be assigned Task No. M11 with a total cost not to exceed \$1,570,000.00

All terms of original agreement shall apply to this authorization.

Attachments:

1. GMP dated December 16, 2011.
2. Schedule 1 (SBE)

IN WITNESS WHEREOF, this Authorization is accepted this _____ day of _____, 2012, subject to the terms and conditions of the aforementioned Agreement.

CONSTRUCTION MANAGER:

SIGNED: _____

TYPED NAME: GERRY KELLY

TITLE: SENIOR V.P.

DATE: 12/14/11

ATTEST:

SHARON R. BOCK
CLERK AND COMPTROLLER

By: _____

Deputy Clerk

COUNTY:

SIGNED: _____

TYPED NAME: _____

TITLE: _____

DATE: _____

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

By: _____

Shelley Vana, Chair

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY

By: _____

Assistant County Attorney

APPROVED AS TO TERMS AND
CONDITIONS

By: _____

Director, Department of Airports

Attachment # 2

PBIA Terminal Cooling Tower and Chiller Replacement

PBCC Department of Airports

Date: December 16, 2011
Owner: Palm Beach County Commissioners, Department of Airports
CM: The Morganti Group, Inc.
Architect: Ricondo & Associates

GMP Summary - Equipment Pre-Purchase

Section	Description	Guaranteed Max Price
15000	Mechanical Equipment	\$882,420
16000	Electrical Equipment	\$387,967
Alternate One (1)	Provide High Efficiency Chillers	\$77,000
	Contingency	\$31,221
	Subtotal - Division 2 - 16	\$1,378,608
	Construction Staff	\$59,669
	Subtotal	\$59,669
	General Liability Insurance and OCP	\$17,898
	Builder's Risk Insurance	\$18,840
	Performance and Payment Bonds	\$16,485
	Subtotal	\$53,223
	Construction Manager's Fee	\$78,500
	Total Guaranteed Maximum Price	\$1,570,000
	Anticipated Sales Tax Savings	\$75,000

PBIA Terminal Cooling Tower and Chiller Replacement

WORK SCOPE	DESCRIPTION	BIDDER	AMOUNT OF PROPOSAL	COMMENTS	ADDENDUM RECEIVED	Amount Utilized in GMP
Bid Package One (1)						
15A	HVAC Cooling Tower Equipment	Integrated Cooling Solutions, LLC	\$398,000.00		None	\$398,000.00
		Middleton & Associates, Inc.	\$444,055.00		None	
15B	HVAC Water Cooled Chiller Equipment	Johnson Controls, Inc.	\$519,895.00		None	\$484,420.00
		Trane	\$484,420.00		None	
16A	Electrical Equipment	Davco Electrical Contractors Corporation	\$387,967.00		None	\$387,967.00
		Hypower, Inc.	\$441,000.00			
		CR Dunn, Inc.	\$422,566.00			
Alternate One (1)	Provide High Efficiency .511 kw/ton Chillers					\$77,000.00
Subtotal:						\$1,347,387.00

Construction Contingency		\$31,221.00
General Conditions		\$0.00
Bonds	0.010500	\$16,485.00
GL Insurance	0.010000	\$15,700.00
Builders Risk	0.012000	\$18,840.00
OCP Insurance	0.001400	\$2,198.00
Construction Staff		\$59,668.61
CM Fee	0.050000	\$78,500.00
		\$1,570,000

PBIA TERMINAL COOLING TOWER AND CHILLER REPLACEMENT EQUIPMENT PRE-PURCHASE
DEPARTMENT OF AIRPORTS PALM BEACH COUNTY
THE MORGANTI GROUP INC.
CONSTRUCTION PHASE FEE

16-Dec-11

ITEM #	POSITION OR TITLE OF STAFF	UTILIZATION RATE	QTY IN MONTHS	UNIT PRICE	TOTAL LABOR	LABOR BURDEN RATE	TOTAL BURDEN	TOTAL RATE
1	Senior Project Manager	0.33	3	\$9,000	\$8,910	0.6219	\$5,541	\$14,451
2	Project Coordinator	0.33	3	\$5,600	\$5,544	0.5219	\$2,893	\$8,437
3	Administrative Assistant	0.33	3	\$4,500	\$4,455	0.5219	\$2,325	\$6,780
	Preconstruction Staff Services	0.01		\$3,000,000				\$30,000
	SUBTOTAL							\$59,669
					TOTAL			\$59,669



MORGANTI

Construction Managers and Design Builders

**PBIA Terminal Cooling Tower and Chiller Replacement
Equipment Pre-Purchase**

Guaranteed Maximum Price

Alternates

December 16, 2011

1. Alternate One (1) – Provide high efficiency .511 kw/ton chillers in lieu of the specified efficiency rating. Add Seventy Seven Thousand Dollars (+\$77,000.00).

The Morganti Group, Inc.

1450 Centrepark Blvd., Suite 260, West Palm Beach, FL 33401 Phone: (561) 689-0200 Fax: (561) 689-4774

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MORGANTI

Construction Managers and Design Builders

**PBIA Terminal Cooling Tower and Chiller Replacement
Equipment Pre-Purchase**

Guaranteed Maximum Price

Clarifications and Assumptions

December 16, 2011

1. The Guaranteed Maximum Price is for the pre-purchase of the following mechanical and electrical equipment.
 - a. Mechanical Equipment
 - i. Three (3) five hundred (500) ton water cooled chillers designated as CH-1, CH-2, and CH-3 on the construction documents.
 - ii. Four (4) six hundred fifty six (656) ton cooling towers designated as CT-1, CT-2, CT-3, and CT-4 on the construction documents.
 - iii. One (1) medium voltage motor control designated as New Switchgear CP on the construction documents.
 - iv. One (1) motor control center designated as MCC-1 on the construction documents.
 - v. Five (5) variable frequency drives for the four (4) cooling towers plus one (1) as a spare.
 - vi. Four (4) safety switches for the cooling towers.
 - vii. One (1) short circuit and device evaluation study with a protective device evaluation for new electrical equipment indicated above in items iii. through vi.
2. The Guaranteed Maximum Price includes sales tax and equipment delivery. Unloading, storing, and installation of the equipment will be included in a future Task Authorization and Guaranteed Maximum Price.
3. The construction staff shall be paid in three (3) equal payments.
4. Alternate One (1) for high efficiency .511kw/ton chillers is included in the Guaranteed Maximum Price.

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5. The cooling towers are basinless equipment, and the design team is responsible for confirming the existing basin can accommodate the new cooling towers manufactured by Baltimore Aircoil Company as well as designing all required new supports for the cooling towers with any required modifications to the existing structure.

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The Morganti Group, Inc.

Job No:31SE16

Project No:31SE16

The Morganti Group, Inc.

Drawing Log

PBIA Cooling Tower & Chiller Replace

Date: 12/19/2011

Page: 1 of 1

Drawing Number	Title	by Drawing Number Latest Revision	Issued Date	Drawing Phase	Latest Rev. No.	Latest Rev. Date	Percent Progress
*15684	Centrifugal Water Chillers		11/1/2011				
*15712	Mechanical Induced Draft Cooling Tower		11/1/2011				
*16015	Electrical System Analysis		12/1/2011				
*16050	Basic Electrical Materials and Methods		12/1/2011				
*16349	Medium Voltage Motor Starters		12/1/2011				
*16480	Low Voltage Motor Control		12/1/2011				
*16485	Variable Frequency Drives		12/1/2011				
E0.2	Electrical Legend		11/1/2011				
E1.1	Electrical Demolition Plan		11/1/2011				
E2.1	Electrical Installation Plan		12/13/2011				
E2.2	Electrical Installation Plan		12/13/2011				
E3.2	Electrical One Line		12/13/2011				
E3.3	Electrical Riser and Schedules		11/1/2011				
E3.4	Electrical Schematic		11/1/2011				

SCHEDULE 1

LIST OF PROPOSED SBE-M/WBE PRIME AND/OR SUBCONTRACTOR PARTICIPATION

PROJECT NAME OR BID NAME: Cooling Tower and Chiller Replacement

PROJECT NO. OR BID NO.: PB-07-03 Task – No. M11

NAME OF PRIME BIDDER: The Morganti Group, Inc.

ADDRESS: 1450 Centrepark Boulevard, Suite 260, West Palm Beach, FL 33401

CONTACT PERSON: Stephen Sines

PHONE NO.: 561-689-0200 FAX NO.: 561-689-4774

BID OPENING DATE: 12/9/11

USER DEPARTMENT: _____

THIS DOCUMENT IS TO BE COMPLETED BY THE PRIME CONTRACTOR AND SUBMITTED WITH BID PACKET. PLEASE LIST THE NAME, CONTACT INFORMATION AND DOLLAR AMOUNT OR PERCENTAGE OF WORK TO BE COMPLETED BY ALL SBE -M/WBE SUBCONTRACTORS ON THIS PROJECT. IF THE PRIME IS AN SBE-M/WBE, PLEASE ALSO LIST THE NAME, CONTACT INFORMATION AND DOLLAR AMOUNT OR PERCENTAGE OF WORK TO BE COMPLETED BY THE PRIME ON THIS PROJECT. THE PRIME AFFIRMS THAT IT WILL MONITOR THE SBES LISTED TO ENSURE THE SBES PERFORM THE WORK WITH ITS OWN FORCES.

Name, Address and Phone Number	(Check one or both Categories)		DOLLAR AMOUNT OR PERCENTAGE OF WORK				
	M/WBE Minority Business	SBE Small Business	Black	Hispanic	Women	Caucasian	Other (Please Specify)
1. NONE	<input type="checkbox"/>	<input type="checkbox"/>					
2.	<input type="checkbox"/>	<input type="checkbox"/>					
3.	<input type="checkbox"/>	<input type="checkbox"/>					
4.	<input type="checkbox"/>	<input type="checkbox"/>					
5.	<input type="checkbox"/>	<input type="checkbox"/>					
(Please use additional sheets if necessary)							
Total							

Total Bid Price \$ \$1,570,000.00

Total SBE-M/WBE Participation Dollar Amount or Percentage of Work \$0.00

I hereby certify that the above information accurate to the best of my knowledge:

Signature

Senior Project Manager

Title

Note:

1. The amount listed on this form for a subcontractor must be supported by price or percentage listed on the signed Schedule 2 or signed proposal in order to be counted toward goal attainment.
2. Firms may be certified by Palm Beach County as an SBE and/or M/WBE. If firms are certified as both an SBE and M/WBE, please indicate the dollar amount or percentage under the appropriate category.
3. M/WBE information is being collected for tracking purposes only.

Revised 9/7/2011

PALM BEACH COUNTY INTERNATIONAL AIRPORT
DOA CM @ Risk Contract

MORGANTI
PB NO: PB 07-3
CONTRACT HISTORY

CONTRACT APPROVED ON:		5/20/2008	Expiration		
RESOLUTION NO		R2008-0850			
CONTRACT TIME		2 Yrs with an option of 3 - 1yr renewals	5/20/2010		
Amendment 1		Executed on April 20, 2010 for 1 additional year	5/20/11		
Amendment 2		Executed on Feb 15 for the second year renewal	5/20/12		
Amendment 3		To be Executed Jan 24 for the last 1 year renewal	5/20/2013		

Task No	DATE	DESCRIPTION	TASK ORDER TIME	TASK ORDER AMOUNT	CHANGE ORDER/ GMP ADJUSTMENT	REVISED TASK ORDER AMOUNT	CUMULATIVE PERCENT CHANGE	LEAD/DEPT APPROVAL	CRC APPROVAL	BCC APPROVAL	STATUS
M1	5/20/2008	Maintenance Compound	120	\$1,089,000.00						\$1,089,000.00	Approved by Board #R20080850.1
	CRC Meeting 3/10/09				\$ (17,867.27)	\$1,001,132.73			\$ (17,867.27)		Close-out to CRC on 3/10/2009
M2	10/21/2008	FBC Terminal Maintenance Hangar @ PHK	270	\$2,058,000.00						\$2,058,000.00	Approved by Board #R20081846
	Change Order No 1			\$ 45,559.00	\$2,103,559.00		2.21%		\$45,559.00		Approved on July 15, 2009
	Change Order No 2			\$ 46,032.00	\$2,149,591.00		4.45%		\$91,618.00		Approved on 8/25/2009
	Final GMP Adjustments			\$ (14,179.00)	\$2,135,411.13						Close-out to CRC on 8/25/2010
M3	1/13/2009 Board Meeting	Apron Expansion Utility Relocation	150	\$909,000.00						\$909,000.00	Approved on 1/13/09 R20090077
	4/22/09 CRC	Change Order No 1			\$78,041.00	\$987,041.00	8.59%		\$78,041.00		Approved on 4/22/09
		Change Order No 2.Final			\$ (28,630.00)	\$958,405.00	-2.93%		\$ (28,630.00)		Close-out to CRC on 4/7/2010
M4	1/5/2009	Apron A Electrical Materials	150	\$89,415.00						\$89,415.00	Approved on 1/5/09
			0			\$89,415.00					Close-out to CRC 6/17/2009
M5	6/16/2009	North County HVAC and Roof Repairs	60	\$223,000.00							Close-out to CRC 10/20/10
		Final GMP Adjustments			\$12,934.33	\$210,065.67					
ME		Garage Rehab Not authorized									
M7		LNA Wash water equipment		\$10,630.00		\$10,630.00					Task Approved on 9/29/10
M8		Relocate (2) Noise Monitoring Stations		\$30,000.00		\$30,000.00					Task Approved on 2/10/11
M9		Concourse C Exit Improvements		\$150,000.00							Approved by the Board on 6/7/11 R2001-0806
M10	7/20/2011	PBI Curtain Wall Connection Repair		\$22,325.00							
M11	12/16/2011	Pre-Purchase of Terminal Chiller and Cooling Tower Equipment		\$1,570,000.00							
Closed out				\$ 6,151,370.00	\$ 28,014.53	\$4,437,059.53		\$ 181,006.00	\$ (38,462.27)	\$ 4,056,000.00	

Notes:

Approval Authority for Task Authorizations (CM @ Risk)

TA Value
\$0-100,000
\$100,001-199,999
>\$200,000

Authority
Lead Dept
BCC

Approval Authority
*Time

CO Value
\$0-50,000
\$50,001-100,000
>\$100,001

Authority
Lead Dept
CRC
BCC

Cumulative Days
0-30 days
31-90
120

Authority
Lead Dept
CRC
BCC

Time Extensions in excess of 90 Days must be approved by the Board and does not count towards the Cumulative Limit

Cumulative Value - Revised as of 6/24/09

1

When the cumulative value of changes or additional work exceeds the greater of \$250,000 or 5% of the original contract then it must be brought to the board. The cumulative value is then reset to 0

12-

0286

BUDGET TRANSFER
BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA

Page 1 of 1 pages

Advantage Document Numbers:
BGEX 122011/506
BGRV

Fund 4111 Airport Improvement & Development Fund

Use this form to provide budget for items not anticipated in the budget.

ACCT.NUMBER	ACCOUNT NAME	ADOPTED BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 12/20/12	REMAINING BALANCE
<u>Expenditures</u>								
121-A212-6211	Building Improvements	2,380,366	4,195,415	700,000	0	4,895,415	1,246,135	3,649,280
121-A900-9909	Reserves Improvement Program	22,695,087	23,037,115		700,000	22,337,115	0	22,337,115
Total Appropriations & Expenditures				700,000	700,000			

Signatures

Date

By Board of County Commissioners

OFMB

At Meeting of

INITIATING DEPARTMENT/DIVISION

VA
12/28

CM Sumner

12/20/11

January 24, 2012

Administration/Budget Department Approval

[Signature]

12/30/11

Deputy Clerk to the
Board of County Commissioners

OFMB Department - Posted

Attachment #

6