

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date: June 4, 2013

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 CM at Risk Services for Terminal Improvements at Palm Beach International Airport (PBIA) for Palm Beach County Department of Airports.

Summary: In order to complete capital improvement projects at PBIA for the County, the Department of Airports (Department) requires the services of a CM at Risk contractor. The Morganti Group, Inc. was one of two firms competitively selected to provide these services. Projects may include but are not limited to Security Improvements, Federal Inspection Service (FIS) Facility Expansion, Terminal Restroom Improvements, and Terminal HVAC Improvements. The pre-construction/construction services under this contract are task order based and the projects to be assigned will be determined at a later date and approved in accordance with PPM CW-F-50 with the appropriate bonds and insurance documents. The Morganti Group, Inc. is a Danbury, Connecticut, based firm; however, the work will be directly managed by their southeast regional office in Palm Beach County. A Disadvantaged Business Enterprise (DBE) goal of 13% was set for this contract. As one of the successful proposers, The Morganti Group, Inc. will be required to demonstrate its good faith efforts to achieve the established DBE goal. Countywide (JCM)

Background and Justification: The Department requested proposals from interested firms and individuals to provide CM at Risk Services to Palm Beach County associated with carrying out these approved capital improvement projects for the County. Based on this request, twelve (12) proposals were received on January 17, 2013. The Department shortlisted four (4) firms on February 20, 2013: The Whiting-Turner Contracting Company, The Morganti Group, Inc., The Weitz Company, LLC; and the Thornton Construction Company, Inc. On March 19, 2013 the Countywide Selection Committee selected The Morganti Group, Inc. and The Weitz Company, LLC to provide the required CM at Risk Services for Palm Beach County Department of Airports. This selection and project setup arrangement was approved by the County Administrator approximately ten (10) business days after selection.

Attachments:

1. Three (3) Original Contracts with The Morganti Group, Inc.

Recommended By:  _____ 5/2/13
Department Director Date

Approved By:  _____ 5/2/13
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2013	2014	2015	2016	2017
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues (Grants)	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>-0-</u>	_____	_____	_____	_____
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

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. This is a CM at Risk Contract that will utilize work orders to authorize the pre-construction and construction phases of the contract in accordance with the authority approval defined in PPM CW-F-050. The budget will be formally amended upon project authorization by the Board.

C. Departmental Fiscal Review: CM Summary

III. REVIEW COMMENTS

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

OFMB [Signature] 5/17/13

[Signature] 5/17/13
Contract Dev. and Control
5-16-13 [Signature]

B. Legal Sufficiency:

[Signature] 5/17/13
Assistant County Attorney

C. Other Department Review:

Department Director

CONSTRUCTION MANAGER AT RISK SERVICES

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:

TERMINAL IMPROVEMENTS AT PALM BEACH INTERNATIONAL AIRPORT PROJECT NO. PB 12-14

hereinafter referred to as Project 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, supervision, equipment, supplies, fees, expertise, and services necessary to fully complete all work in accordance with all requirements of the Contract Documents and in accordance with all applicable codes and governing regulations. The Contract Documents consist of the following documents which are incorporated herein by reference.

- A. Notice
- B. Request for Proposals, dated November 2012
- C. Addenda No 1, dated January 11 2013
- D. General Provisions including Appendix 1, dated April 2013
- E. Special Provisions, dated, April 2013
- F. General Requirements
- G. 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 Owner, and Architect 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.

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 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 Provisions 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 Provisions of the Contract, this Agreement will prevail. Where this Agreement is silent, the Provisions 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 Performance Period: The Construction Manager shall commence services upon execution of this Contract and written Notice To Proceed from Owner. The term of this Contract shall be two (2) years, with three (3) one (1) year renewal options, the exercise of which are within Owner's sole control and discretion. Continued performance of on-going services related to amendments or task orders executed prior to the expiration of the Contract shall extend the term presented above to allow completion of the work.
- 1.5 Terms used in the Contract shall have the following meanings:
- 1.5.1 Owner means Palm Beach County, and the terms will be used interchangeably;
- 1.5.2 "Contractor" means Construction Manager, and the terms will be used interchangeably;
- 1.5.3 "Subcontractor" means Trade Contractor, and the terms will be used interchangeably; and,
- 1.5.4 "Contract Sum" means Guaranteed Maximum Price, and the terms will be used interchangeably.
- 1.5.5 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 Unless agreed to the contrary in writing by Owner, the Construction Manager shall provide continuity in the assignment of the Construction Manager's Project Manager during the pre-construction and construction phases.

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 in maintaining the project budget and project scope. The Construction Manager shall:

2.1.1 Meet with the Owner, the Architect and any other design team members to fully understand the Program, the design documents, the Project scope and all other pertinent aspects of the Project.

2.1.2 Provide preconstruction deliverables at the stages defined in the Task Order for the subject project together with a Guaranteed Maximum Price proposal. The reports shall include a complete discussion and summary of the services provided in accordance with Subparagraphs 2.1.3 through 2.1.7 herein below, including the schedule and a detailed cost estimate.

2.1.3 Review designs during their development as to constructability, including without limitation observing all features in the design that appear to be ambiguous, confusing, conflicting or erroneous. With respect to each such issue, the Construction Manager shall submit a written report to both the Owner and the Architect. At a minimum, each such written report shall contain: (1) A description of the constructability issue with background information; (2) A summary of the Construction Manager's in-depth study/research; and, (3) Written recommendations for addressing the issue. Proactively advise the Architect with regard to the most effective approach for designing the project regarding issues of onsite 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. Conduct the comparisons and reviews required by GP50-03.

2.1.4 Attend regularly scheduled meetings with the Owner, Architect and consultants to advise them on matters relating to site use, improvements, selection of materials, building methods, construction details, building systems and equipment, phasing and sequencing. The Construction Manager shall provide written recommendations on construction feasibility. The Construction Manager will record and issue minutes for all meetings.

2.1.5 After a complete review of the documents, evaluate the design and obtain an understanding of the intent of the Owner and Architect, provide an initial value analysis and offer cost savings suggestions and best value recommendations. All recommendations shall be in writing and must be fully reviewed with the Architect, and approved by the Owner prior to implementation.

Value analysis efforts shall result in a design that is most effective in the first costs as well as long term operational costs relative to issues of energy use and facility maintainability. Value analysis studies shall including life cycle cost analysis as may be required to assist the Architect to achieve an appropriate balance between costs, aesthetics and function. Value analysis efforts shall also take into consideration applicable constructability issues. All value analysis studies shall be continuous as the design is being developed and must be provided on a timely basis within the design schedule.

2.1.6 Provide, for the Architect's and the Owner's review and acceptance, a schedule that details the Construction Manager's services with the anticipated construction schedules. The

Construction Manager shall update this schedule periodically, as required.

2.1.7 Based on documents provided, prepare for the Owner's approval a detailed estimate of Construction Cost, developed by using estimating techniques which anticipate the various elements of the Project, and based on design documents prepared by the Architect. Update and refine this estimate as the Architect prepares each design phase of the project (Design Documents, Construction Documents). Advise the Owner and the Architect if it appears that the Construction Cost may exceed the Project budget. Make recommendations for corrective action.

The Construction Manager shall clearly list and describe in each estimate of probable construction cost(s) all assumptions made by the Construction Manager and identify any and all contingency costs (including Allowances) that have been applied to the cost estimate. All contingency amounts will be described and quantified to the Owner's satisfaction. During the preconstruction services the Construction Manager shall keep a record of the project issues that they have identified as requiring contingency amounts or items that are as yet incomplete and thus require a conceptual estimate cost using either a rule of thumb or other reasonable, comparable historical cost data. The Construction Manager shall be required to show that this record is being resolved by the Architect and Owner throughout the preconstruction services phase so as to show definitive progress towards meeting the requirement of the Project Cost Budget Model.

In the event that the estimate of Construction Cost exceeds the Amount Available for Construction, the Owner may direct the Construction Manager to (and the Construction Manager shall without additional compensation to the Construction Manager) work in conjunction with the Architect to redesign the facility as necessary to maintain the Project Program within the Amount Available for Construction.

Each cost estimate will be reviewed by the Construction Manager for reasonableness and compatibility with the Amount Available for Construction. Meetings and negotiations between the Architect and the Construction Manager will be held to resolve questions and differences. The Construction Manager shall work with the Architect and Owner to reach a mutually acceptable Probable Construction Cost.

2.1.8 The Construction Manager shall review the drawings and specifications as they are being prepared, recommending alternative solutions whenever design details affect costs, construction feasibility or schedules. The Construction Manager shall notify the Architect and the Owner in writing upon observing any features in the plans or specifications, which appear to be ambiguous, confusing, conflicting or erroneous. All ambiguous, confusing, conflicting and/or erroneous features discovered in the plans or specifications by the Construction Manager during the review process shall be deemed to be corrected, and any associated costs shall be included in the Guaranteed Maximum Price (GMP).

The Construction Manager shall provide a thorough interdisciplinary coordination review of the Construction Drawings and Specifications submitted for review to the agency having jurisdiction for plan review and building permits, before Trade Contract Bidding. Review shall be performed utilizing a structured and industry accepted process. The Construction Manager shall review the final documents to see that all comments have been incorporated.

The Construction Manager, during preconstruction services, will be requested to provide validation of their cost estimating and constructability reviews by using the resources of qualified regional subcontractors and vendors that the Construction Manager believes are capable of bidding and or executing the work that is being developed by the Architect.

2.1.9 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 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.

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

2.1.11 Advise on the separation of the Project into subcontracts for various categories of Work. If separate contracts are to be awarded, 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.

2.1.12 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.

2.1.12.1 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. Expedite and coordinate delivery of these purchases.

2.1.13 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.

2.1.14 Develop procedures which are acceptable to the Owner for the qualifications of Trade Contractors. Unless authorized in advance by the Owner, develop Trade Contractor interest in the Project and publicly advertise and conduct pre-bid conferences at the DOA Administration Building 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. Unless authorized in advance by the Owner, competitive Bids shall be submitted to in sealed opaque envelopes addressed as follows:

Terminal Improvements – Project Name to Be Determined
Palm Beach International Airport
Palm Beach County Project No. PB12-14
Palm Beach County Department of Airports
846 Palm Beach International Airport

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Palm Beach International Airport

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Bids shall be opened publicly at the DOA Administration Building and will be read aloud at the time and date identified for submission of the Bid Documents. Construction Manager shall comply with the Disadvantage Business Enterprises requirements as part of the bidding on the project and show good faith effort to award work to those firms. Construction Manager shall also include in bid documents, language advising bidders of the Mandatory Requirements listed in Appendix 1. 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.

2.1.15 UTILIZATION OF DISADVANTAGED BUSINESS ENTERPRISES

2.1.15.1 Policy. The requirements of 49 CFR Part 26, regulations of the U.S. Department of Transportation ("DOT"), apply to this Contract. It is the policy of Palm Beach County to ensure that Disadvantaged Business Enterprises (as defined in 49 CFR Part 26) have the maximum opportunity to participate in the performance of contracts.

2.1.15.2 Federal Non-Discrimination Covenant. Construction Manager and its subcontractors shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract. Construction Manager shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the Construction Manager to carry out these requirements is a material breach of this Contract, which may result in the termination of this Contract or such other remedy, as the Owner deems appropriate. Construction Manager shall include the contract assurance provided for in this Section 2.1.15.2 in every subcontract entered into in furtherance of this Contract.

2.1.15.3 DBE Goal. The Owner has established a DBE participation goal of twelve percent (13%) for this Contract. Construction Manager shall be required to demonstrate good faith efforts, as defined in Appendix A, 49 CFR Part 26, to achieve the DBE goal for this Contract. DBE participation counted toward meeting the established DBE goal will be determined by the Department of Airports (the "Department") on behalf of the Owner in accordance with 49 CFR §26.55. Only those firms certified as DBEs by the Unified Certification Program for the State of Florida shall be counted toward the established DBE goal. It is the responsibility of Construction Manager to confirm the certification of any proposed DBE.

2.1.15.4 Required DBE Bid Submission Documentation. Construction Manager shall be required to submit the following DBE Schedules with the GMP, which shall be completed in their entirety and signed as required:

(a) Schedule 1 - List of Proposed DBE Firms ("Schedule 1"). Schedule 1 must contain the names and contact information for all proposed DBE firms participating in this Contract (including DBE firms acting as the prime contractor, subcontractors, manufacturers and suppliers). The dollar amount of each DBE firm's participation DBE participation must be indicated on the form.

(b) Schedule 2 - Letter of Intent to Perform as a Disadvantaged Business Enterprise ("Schedule 2"). Schedule 2 must be submitted for each DBE firm listed on Schedule 1.

Schedule 2 must be completely filled out and signed by the proposed DBE firm. The amounts listed on Schedule 1 for each DBE firm must be supported by the price included on Schedule 2 in order to be counted toward the DBE goal.

- (c) Schedule 3 - Demonstration of Good Faith Efforts to Achieve DBE Goal ("Schedule 3"). Construction Manager shall indicate how it intends to satisfy the requirements of this Contract related to DBE participation on Schedule 3. If the DBE goal is not achieved, Construction Manager shall submit written evidence of good faith efforts (as provided in Schedule 3) by showing that Construction Manager took all necessary and reasonable steps to achieve the DBE goal even if Construction Manger was not fully successful.
- (d) Schedule 6 - Bidders and Subcontractor's Information ("Schedule 6"). Schedule 6 must include the required information for the Construction Manager and all subcontractors, including DBE and non-DBE firms.

Failure to submit the aforementioned DBE Schedules with the GMP or to demonstrate good faith efforts to achieve the DBE participation goal, as determined by the Department, shall entitle the Owner to reject the GMP, resulting in the termination of this Contract. In the event the GMP is accepted, the completed DBE Schedules shall be automatically incorporated into and become a material part of this Contract without a formal amendment hereto.

2.1.15.5 Progress Reports. Construction Manager shall be required to submit regular progress reports, in a form and substance as required by the Owner, related to satisfaction of the DBE goal and other affirmative action efforts. Progress reports shall be completed and submitted with each payment request or application for payment. Failure to provide the required progress reports as instructed may result in a delay in processing payment or disapproval of the invoice until the progress report is submitted, as required.

2.1.15.6 Additional Information. Construction Manager agrees to provide any additional information requested by Owner to substantiate DBE participation, including, but not limited to, the written subcontract or agreement between Construction Manager and any DBE firm for the work relative to this Contract.

2.1.15.7 DBE Work. Construction Manager shall ensure that work committed to a DBE firm as a part of this Contract is actually performed by the DBE firm and shall notify Owner in the event work committed to the DBE firm is actually performed by a non-DBE subcontractor or Construction Manager.

2.1.15.8 Maintenance of Records. Construction Manager shall maintain records and documents of payments to DBE firms performing under this Contract for a minimum of three (3) years from the termination date of this Contract. The records shall be made available to Owner or DOT, or any agency thereof, for inspection upon request. Construction Manager shall also require its DBE subcontractors and suppliers maintain their records and documents of payments from Construction Manager for a minimum of three (3) years from the termination date of this Contract and ensure that the records are made available to Owner or DOT, or any agency thereof, for inspection upon request.

2.1.15.9 DBE Substitution/Termination.

- (a) Construction Manager shall not terminate a DBE subcontractor listed in Schedule 1, List of Proposed DBE Firms, without the Department's prior written consent. This includes, but is not limited to, instances in which Construction Manager seeks to perform work originally designated for a DBE subcontractor with its own forces or those of an affiliate, a non-DBE firm or with another DBE firm.
- (b) Before transmitting a request to terminate and/or substitute a DBE subcontractor, Construction Manager must give notice in writing to the DBE subcontractor, with a copy to the Department, of its intent to request to terminate and/or substitute, and the reason for the request. Construction Manager must give the DBE subcontractor five (5) days to: (i) respond to Construction Manager's notice; and (ii) advise the Department and Construction Manager of the reasons, if any, why it objects to the proposed termination of its subcontract and why the Department should not approve the Construction Manager's action.

2.1.15.10 Small Business Participation. In order to facilitate competition by small business concerns, Construction Manager shall take all reasonable steps to eliminate obstacles to their participation in this Contract, including, providing subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all work involved.

2.1.15.11 Compliance with DBE Requirements. Failure of Construction Manager to comply with the DBE requirements of this Contract shall be considered a material default of this Contract, entitling the Owner to exercise all available remedies under this Contract or the law, including, but not limited to, termination of this Contract.

2.1.15.12 Prompt Payment. Construction Manager shall comply with the prompt payment requirements of this Contract set forth in the General Provisions. Such requirements may be modified by the Owner from time to time to ensure compliance with 49 CFR §26.29.

2.1.15.13 Conflict. In the event of a conflict between the provisions of this Section 2.1.15 and the Contract Documents relating to the DBE requirements of this Contract, the provisions of this Section 2.1.15 shall control.

2.1.16 Local Preference – Not applicable to Federally Funded Contracts

~~2.1.16.1 In accordance with the Palm Beach County Local Preference Ordinance, a preference will be given to firms having a permanent place of business in Palm Beach County. The Construction Manager shall apply this preference when evaluating subcontractor bids. Local preference means that if the lowest responsive, responsible Bidder is a regional or non-local business, then all bids received from responsive, responsible local Bidders are decreased by 5%, to a maximum of \$100,000 difference. The original bid amount is not changed; the 5% decrease is calculated only for the purposes of determining local preference. The \$100,000 is a cumulative value for all subcontractors under one project.~~

~~2.1.61.2 Glades Local Preference: in addition, if the project is located in the Glades area as defined in the Ordinance, a preference will be given to Bidders having a permanent place of~~

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~~business in the Glades area or to a local bidder who utilizes a Glades subcontractor(s) by a minimum of 15% of the total bid price. If the lowest responsive, responsible Bidder is a non-Glades business, then all bids received from responsive, responsible Glades Bidders are decreased by 5%, to a maximum of \$100,000 difference. If the lowest responsive, responsible Bidder is a non-Glades business, then all bids received from responsive, responsible non-Glades, local Bidders that utilize Glades subcontractors for a minimum of 15% are decreased by 3%, and for a minimum of 30% are decreased by 4%, to a maximum of \$100,000 difference. The original bid amount is not changed; the decrease is calculated only for the purposes of determining the Glades local preference.~~

~~2.1.16.3. To receive a local preference, a business must have a permanent place of business in existence prior to the County's issuance of this Invitation for Bid. A permanent place of business means that the business' headquarters is located in Palm Beach County or for the Glades preference in the Glades area; or, the business has a permanent office or other site in Palm Beach County or Glades area where the business will produce a substantial portion of the goods or services to be purchased.~~

~~2.1.16.4 A valid occupational license issued by the Palm Beach County Tax Collector will be used to verify that the Bidder had a permanent place of business. The name and address on the occupational license must be the same name and address that is included in the bid. A Palm Beach County occupational license is required unless specifically exempted by law.~~

~~2.1.16.5 The ranking of responsive Bidders pursuant to the DBE Ordinance which results in an award to a Bidder in compliance with the Ordinance shall not be re-ordered by the provisions of the Local Preference Ordinance to the extent that the application of local preference would result in an award to a non-DBE firm.~~

2.1.17 Analyze and evaluate the results of the various bids and their relationship to budgeted and estimated amounts, and prepare for review with the Owner 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 bidders.

2.1.18 Upon agreement of the Owner and Construction Manager, the Construction Manager's GMP may be submitted at any time after completion and approval of the Design Development Phase, but in no case later than 45 days after submission of the Construction Documents to the agency having jurisdiction for plans review and permitting. The Construction Manager will develop and provide to the Owner a GMP which will include all construction costs, and all other projected costs including without limitation the Construction Manager fees, the Construction Manager-GMP contingency and General Conditions allowance. The GMP shall set out each anticipated trade contract amount; the Construction Manager's fixed fee; General Conditions reimbursable costs, and all project related costs, i.e., bonds, insurance, etc.

All assumptions made by the Construction Manager in the development of the GMP shall be specifically listed in the GMP proposals. The GMP will not be subsequently adjusted due to assumptions made by the Construction Manager, but not included in the GMP Proposal.

In the event that the GMP exceeds the Project Construction Budget, the Owner reserves the right to direct the Construction Manager to (and the Construction Manager shall) work in conjunction with the Architect to redesign the Facility as necessary to maintain the Project Program and meet the Project Construction Budget.

The Construction Manager shall perform the work set forth in this Section without additional compensation.

The Owner has the right to reject any GMP as originally submitted, or as adjusted. In that event, the Contract will terminate according to its terms. In addition, the Owner has the right to withhold, in its sole discretion, approval of the amendment of the Contract to reflect any GMP, in which event the Contract will terminate according to its terms.

The Construction Manager's detailed construction cost estimates and GMP will be reviewed by the Architect and the Owner for reasonableness and compatibility with the Project Construction Budget. Meetings and negotiations with the Construction Manager will be held to resolve questions and differences that may occur between the Project Construction Budget and the Construction Manager's corresponding GMP. If indicated by the Project Construction budget limitations or other circumstances, the Construction Manager shall work with the Owner to reach a mutually acceptable GMP.

2.1.19.1 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 insurance certificates shall be provided by the Construction Manager simultaneously with the GMP Amendment. Before the issuance of a Notice to Proceed, Contractor shall provide to County a certified copy of the recorded bond(s). County may not make any payment to Contractor until Contractor has complied with this requirement.

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

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 Provisions of the Contract, which include the following: General Provisions, Special Provisions, General Requirements and Technical Specifications.

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 Promptly award and execute Trade Contracts with approved Trade Contractors. When requested, provide copies of fully executed Trade Contracts, insurance certificates and, if

required, bonds to the Owner.

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 and Architect 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, 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 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 personnel 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, 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, establish and implement procedures for tracking and

expediting the processing of shop drawings and samples, as required by the Provisions 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 of all such meetings, and prepare and distribute minutes. Attend Team meetings with the Architect and Owner and prepare and distribute minutes.

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 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, 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 (OFICI) 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 (OFICI) 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 whenever projected costs exceed budgets or estimates. Cost Control reports shall be included as part of the monthly project report outlined 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, review requests for changes and submit recommendations to the Owner and Architect.

2.2.13.1 When requested by the Owner or Architect, 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, 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.

2.2.15 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 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. Report and record such additional information related to construction as may be requested by the Owner.

2.2.17 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 Construction Manager shall comply with all requirements of federal and state funding agreements which apply to all or a part of the work including preparing such reports and make such certifications and representations as may be required by Owner.

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, receive and process communications and paperwork, and to 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 45 days after the Construction Documents have been made available to the Construction Manager.

5.2 Construction Phase: The number of days for performance of the Work under the construction phase of this Agreement shall be established in the Guaranteed Maximum Price Amendment to this Agreement.

5.3 At the time a Guaranteed Maximum Price (GMP) is established, as provided for in Article 6, 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 may result in substantial damages to the Owner. Liquidated Damages will be indicated in the GMP Amendment for each Task Order as applicable and may be assessed by the Owner if the work is not completed by the established completion dates.

5.4 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 21 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 adjusted 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.

5.5 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. 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 expended portions of the documented Construction Manager's Fee, the construction contingency 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 In addition to the cost of work, the GMP will include an agreed upon sum as the construction contingency which is included for the purpose of defraying the expenses due to unforeseen circumstances relating to construction. The Construction Manager will be required to

furnish documentation evidencing expenditures charged to this contingency prior to the release of funds by the Owner. Documentation for use of the contingency shall be determined by the Owner. If trade contracts are executed below the applicable line items in the GMP, the surplus will be added to the contingency. If trade contracts are above the applicable line item in the GMP, the deficiency will be taken from the contingency, however such events shall not be cause to increase the GMP. The contingency is included to adjust the estimate for eventualities which have not been taken into precise account in the establishment of the GMP, including (1) scope gaps between trade contractors, (2) contract default by trade contractors, (3) reconciliation of allowances and sales tax savings estimate and (4) unforeseen field conditions. The contingency shall not be used for design errors and omissions which a prudent Construction Manager should reasonably have detected during the Construction Manager's pre-construction duties and reasonable due diligence by the Construction Manager.

If bids are not received for a portion of the work at or below the applicable line item amount in the GMP, the Contractor may perform that portion of the work as acknowledged by the Owner or negotiate for its performance for the specified line item lump sum amount or less.

6.5 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.

6.6 The Construction Manager's role in providing preconstruction services has allowed/caused the Construction Manager to formulate positions with respect to specific scope of work and contract interpretation issues. In that the Construction Manager is familiar with aspects of the scope of work and the contract documents for this project during the preconstruction phase, the Construction Manager agrees not to request an increase in the GMP for any substantially similar issue based upon a theory of recovery which is inconsistent with written advise or consultation previously discussed pursuant to the aforesaid preconstruction services.

6.7 Adjustments to the GMP will be made as described in the Provisions of the Contract.

ARTICLE 7

Payments to Construction Manager

7.1 In consideration of the performance of the Contract, the Owner agrees to pay the Construction Manager, as compensation for its services an amount as set forth below:

7.1.1 For preconstruction services, the incremental (cumulative) percentage of the total sum amount to be paid shall be as specified in the Task Order.

7.1.1.1 Upon receipt of the Notice to Proceed, the Construction Manager shall begin providing the indemnification described in the Provisions 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, will be paid monthly based on percentage of work completed.

7.1.2.1 As required by Section 218.735, F.S., within ten 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 as specified herein and in accordance with the General Provisions.

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 principle 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.

7.3 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 Provisions of the Contract.

7.3.2 For delays in the Work not concurrent with other delays and caused solely by the Owner, the Construction Manager may be entitled to additional fee to compensate the Construction Manager for its increased expenses. The amount of this increased fee shall not exceed 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, or another mutually agreed method.

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.

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. Deposits will not be allowed. Payment for shop drawings and engineering will only be made with advance agreement with Owner.

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 and Special Provisions 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, subject to prior written approval by the Owner.

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.

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 and Special Provisions 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 Provisions 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

Palm Beach County Office of the Inspector General

12.1 Palm Beach County has established the Office of the Inspector General in Palm Beach County Code, Section 2-421 - 2-440, as may be amended. The Inspector General's authority includes but is not limited to the power to review past, present and proposed County contracts, transactions, accounts and records, to require the production of records, and to audit, investigate, monitor, and inspect the activities of the Consultant, its officers, agents, employees and lobbyists in order to ensure compliance with contract requirements and detect corruption and fraud.

Failure to cooperate with the Inspector General or interfering with or impeding any investigation shall be in violation of Palm Beach County Code, Section 2-421 - 2-440, and punished pursuant to Section 125.69, Florida Statutes, in the same manner as a second degree misdemeanor."

IN WITNESS WHEREOF, the Board of County Commissioners of Palm Beach County, Florida, has made and executed this Contract on behalf of the said Owner and caused the seal of the said Owner 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 & Comptroller

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

BOARD OF COUNTY COMMISSIONERS

By: _____
Deputy Clerk

By: _____
Steven L. Abrams, Mayor

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY

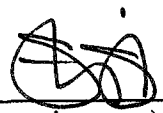
APPROVED AS TO TERMS AND
CONDITIONS

Assistant County Attorney



Director of Airports

CONSTRUCTION MANAGER




(witness signature)

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

STEPHEN SINES

(witness name printed)

a CONNECTICUT corporation
(insert state of corporation)

By: 

(signatory)

GERRY KELLY

(print signatory's name)

It's SR. VICE PRESIDENT

(print title)

APRIL 30, 2013
(date of execution)

(Corporate Seal)

CORPORATE CERTIFICATE

PBC PROJECT NUMBER: PB12-14

DATE: May 03, 2013

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

1. 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 "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:

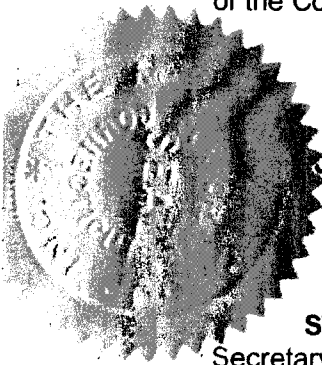
RESOLVED, that the Corporation shall enter into that certain Agreement between Palm Beach County, a political subdivision of the State of Florida and the Corporation, a copy of which is attached hereto, and be it

FURTHER RESOLVED that Gerry Kelly the Sr. 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 3rd day of May, 2013.



CORPORATE SEAL)

Nabil M. Takla
(Signature)

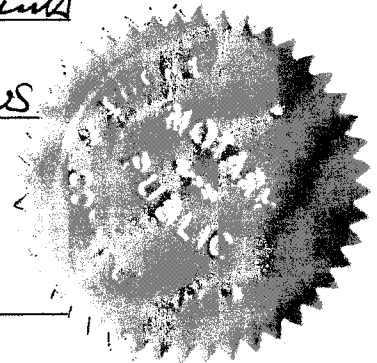
Nabil M. Takla
(Print Signatory's Name)
It's Secretary

SWORN TO AND SUBSCRIBED before me this 3rd day of May, 2013 by the Secretary of the aforesaid corporation, who is personally known to me OR who produced _____ as identification and who did _____ take an oath.

Ingrid E. Andrews
Notary Signature

Ingrid E. Andrews
Print Notary Name
NOTARY PUBLIC
State of Connecticut
My Commission Expires:

INGRID E. ANDREWS
NOTARY PUBLIC
MY COMMISSION EXPIRES SEP. 30, 2015



DISCLOSURE OF LOBBYING ACTIVITIES

Approved by OMB
0348-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

<p>1. Type of Federal Action:</p> <p><input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance</p>	<p>2. Status of Federal Action:</p> <p><input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post award</p>	<p>3. Report Type:</p> <p><input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change</p> <p>For Material Change Only: year _____ quarter _____ date of last report _____</p>
<p>4. Name and Address of Reporting Entity:</p> <p><input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known:</p> <p>Congressional District, if known: _____</p>	<p>5. If Reporting Entity in No. 4 is Subawardee, Enter Name Address of Prime:</p> <p>Congressional District, if known: _____</p>	
<p>6. Federal Department/Agency:</p>	<p>7. Federal Program Name/Description</p> <p>CFDA Number, if applicable: _____</p>	
<p>8. Federal Action Number, if known: _____</p>	<p>9. Award Amount, if known: \$ _____</p>	
<p>10. a. Name and Address of Lobbying Entity (if individual, last name, first name, MI)</p> <p style="text-align: center;">NONE</p> <p style="text-align: center;">(Attach Continuation Sheet(s) SF-LLL-A, if necessary)</p>	<p>b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI)</p> <p style="text-align: center;">NOT APPLICABLE</p> <p style="text-align: center;">(Attach Continuation Sheet(s) SF-LLL-A, if necessary)</p>	
<p>11. Amount of Payment (check all that apply):</p> <p>\$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned</p>	<p>13. Type of Payment (check all that apply):</p> <p><input type="checkbox"/> a. retainer <input type="checkbox"/> b. one-time fee <input type="checkbox"/> c. commission <input type="checkbox"/> d. contingent fee <input type="checkbox"/> e. deferred <input type="checkbox"/> f. other, specify: _____</p>	
<p>12. Form of Payment (check all that apply):</p> <p><input type="checkbox"/> a. cash <input type="checkbox"/> b. in-kind: specify: nature _____ value _____</p>	<p>14. Brief Description of Services Performed or to be Performed and Date(s) of Service, including officer(s), employee(s), or Member(s) contacted, for Payment indicated in Item 11:</p> <p style="text-align: center;">NOT APPLICABLE</p> <p style="text-align: center;">(attach Continuation Sheet(s) SF-LLL-A, if necessary)</p>	
<p>15. Continuation Sheet(s) SF-LLL-A attached: _____ Yes _____ No</p>		
<p>16. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>	<p>Signature: <u>[Signature]</u> Print Name: <u>GERRY KELLY</u> Title: <u>SR. VICE PRESIDENT</u> Telephone No: <u>561-689-0200</u> Date: <u>5/03/13</u></p>	
<p>FEDERAL USE ONLY</p>	<p>Authorized for Local Reproduction Standard Form LLL</p>	



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
04/30/2013

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.): 800-363-0105		
	E-MAIL ADDRESS:		
INSURED The Morganti Group, Inc. 1450 Centrepark Boulevard Suite 260 West Palm Beach FL 33401 USA	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Zurich American Ins Co		16535
	INSURER B: Catlin Specialty Insurance Company		15989
	INSURER C: National Union Fire Ins Co of Pittsburgh		19445
	INSURER D:		
	INSURER E:		
INSURER F:			

COVERAGES **CERTIFICATE NUMBER: 570049775581** **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. **Limits shown are as requested**

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC			GLO386731505	07/01/2012	07/01/2013	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 ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS 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 3867314-05 AOS	07/01/2012	07/01/2013	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION			34202376	07/01/2012	07/01/2013	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N	WC386731305	07/01/2012	07/01/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE-EA EMPLOYEE \$1,000,000 E.L. DISEASE-POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Project: Terminal Improvements Palm Beach Airport. Project # PB 12-14. 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 and Excess Liability policies with respect to the work performed by The Morganti Group. Contractual Liability Coverage is included under General Liability policy. Insurance is Primary and Non-Contributory. A waiver of subrogation applies. (See attached Endorsements)

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, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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Holder Identifier :

Certificate No : 570049775581

Additional Insured – Automatic – Owners, Lessees Or Contractors – Products-Completed Operations Liability Amendment



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer No.	Add'l. Prem	Return Prem.
GLO386731505	07-01-12	07-01-13				

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured:

Address (including ZIP Code):

This endorsement modifies insurance provided under the:

Commercial General Liability Coverage Part

- A.** Section II – **Who Is An Insured** is amended to include as an insured any person or organization who you are required to add as an additional insured on this policy under a written contract or written agreement.
- B.** The insurance provided to the additional insured person or organization applies only to "bodily injury", "property damage" or "personal and advertising injury" covered under Section I - **Coverage A - Bodily Injury And Property Damage Liability** and Section I - **Coverage B - Personal And Advertising Injury Liability**, but 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,
 and resulting directly from your ongoing operations or "your work" as included in the "products-completed operations hazard", which is the subject of the written contract or written agreement, performed for the additional insured person or organization.
- C.** However, regardless of the provisions of Paragraphs **A.** and **B.** above:
 - 1. We will not extend any insurance coverage to any additional insured person or organization:
 - a. That is not provided to you in this policy; or
 - b. That is any broader coverage than you are required to provide to the additional insured person or organization in the written contract or written agreement; and
 - c. Subject to **C.1.a.** and **b.** above, as respects "products-completed operations hazard" coverage, unless a claim or "suit" for damages is presented to us no later than the following timeframes:
 - (1) If no time requirement is stipulated in the written contract or written agreement, one year from the "products-completed operations hazard" completion date deemed applicable to "your work" from which the loss originates; or
 - (2) If a time requirement is stipulated in the written contract or written agreement, the lesser of:
 - i. The stipulated time requirement;
 - ii. The period expiring when any Statute of Repose applicable to the loss has been reached; or
 - iii. 10 years from the "products-completed operations hazard" completion date deemed applicable to "your work" from which the loss originates; and

2. We will not provide Limits of Insurance to any additional insured person or organization that exceed the lower of:
 - a. The Limits of Insurance provided to you in this policy; or
 - b. The Limits of Insurance you are required to provide in the written contract or written agreement.
- D. The insurance provided to the additional insured person or organization does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering or failure to render any professional architectural, engineering or surveying services including:

 1. The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
 2. Supervisory, inspection, architectural or engineering activities.
- E. The additional insured must see to it that:
 1. We are notified as soon as practicable of an "occurrence" or offense that may result in a claim;
 2. We receive written notice of a claim or "suit" as soon as practicable; and
 3. A request for defense and indemnity of the claim or "suit" will promptly be brought against any policy issued by another insurer under which the additional insured may be an insured in any capacity. This provision does not apply to insurance on which the additional insured is a Named Insured, if the written contract or written agreement requires that this coverage be primary and non-contributory.
- F. For the coverage provided by this endorsement:
 1. The following paragraph is added to Paragraph 4.a. of the Other Insurance Condition of Section IV – **Commercial General Liability Conditions**

This insurance is primary insurance as respects our coverage to the additional insured person or organization, where the written contract or written agreement requires that this insurance be primary and non-contributory with respect to any other policy upon which the additional insured is a Named Insured. In that event, we will not seek contribution from any other such insurance policy available to the additional insured on which the additional insured person or organization is a Named Insured.
 2. The following paragraph is added to Paragraph 4.b. of the Other Insurance Condition of Section IV – **Commercial General Liability Conditions**

This insurance is excess over:

Any of the other insurance, whether primary, excess, contingent or on any other basis, available to an additional insured, in which the additional insured on our policy is also covered as an additional insured on another policy providing coverage for the same "occurrence", offense, claim or "suit". This provision does not apply to any policy in which the additional insured is a Named Insured on such other policy and where our policy is required by written contract or written agreement to provide coverage to the additional insured on a primary and non-contributory basis.
- G. This endorsement does not apply to an additional insured which has been added to this policy by an endorsement showing the additional insured in a Schedule of additional insureds, and which endorsement applies specifically to that identified additional insured.

All other terms and conditions of this policy remain unchanged.

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 Project(s):

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

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage A, and for all medical expenses caused by accidents under Section I – Coverage C, 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, Damage To Premises Rented To You 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 Section I – Coverage A, and for all medical expenses caused by accidents under Section I – Coverage C, 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 Section III – Limits Of Insurance not otherwise modified by this endorsement shall continue to apply as stipulated.