

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS <u>AGENDA ITEM SUMMARY</u>

| Meeting Date: | March 10, 2020 | [x] Consent [] Workshop | [] Regular [] Public Hearing |
|---------------|----------------|-------------------------------|-----------------------------------|
| | | | |

Department: Facilities Development & Operations

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve:

A) Deductive Change Order No. 5 to Amendment No. 2 to the contract with The Morganti Group, Inc. (R-2017-0419) for (\$1,683,000);

B) Termination Agreement for Amendment No. 2 terminating remaining scope of (\$274,215); and

C) Change Order No. 6 to Amendment No. 1 to the contract with The Morganti Group, Inc. (R2017-0419) in the amount of \$1,408,785 for the Palm Tran South Expansion project establishing an increase to the Guaranteed Maximum Price (GMP) for construction management services for a period of 618 days from notice to proceed unless amended by change order.

Summary: On April 4, 2017, the County and the Construction Manager entered into contract R2017-0419 for construction management at risk services (the Contract) for the Palm Tran South Expansion Project No. 13202 (the Project), which Contract is still in full force and effect as supplemented and amended. On March 12, 2019, the County and the Construction Manager entered into Amendment No. 1 in the amount of \$22,527,000 using federal funds for the expansion and renovation of the Palm Tran South Facility which includes the addition of approximately 28,000 sq. ft. of building space consisting of offices, locker rooms, training center for bus operators, ancillary support space, a new 135 vehicle parking lot for employees, and a new bus lift at the existing maintenance building. Also on March 12, 2019, the County and the Construction Manager entered into Amendment No. 2 to the Contract in the amount of \$1,683,000 using ad valorem funds for work associated with the installation of Closed-Circuit Television (CCTV), Access Control, Fire Alarm, Audio/Video (A/V) System, Intercom System, Tele-Data and Cable Television (CATV) systems for the Project. At the time of Amendment No. 2, the County thought that many of these systems would not qualify for federal funding due to concerns about Buy America requirements. However, the County has since learned that much of the work under Amendment No. 2 does qualify for federal funding and can comply with Buy America. Accordingly, Change Order No. 5 deducts from Amendment No. 2 the scope of work associated with those systems that qualify for federal funding. Since the County does not intend to complete the work remaining under Amendment No. 2, approval of the Termination agreement will allow the County to terminate for convenience Amendment No. 2 and release all obligations, claims, and demands whatsoever, arising either in law or equity. As a result of the deductive Change Order No. 5 and the termination agreement for Amendment 2, \$1,683,000 in ad valorem funds will be unencumbered. The scope of work deleted from Amendment No. 2, is to be added to Amendment No. 1 by means of Change Order No. 6 adding federal funds for this work. Approval of Change Order No. 6 will increase the contract amount of Amendment No. 1 by \$1,408,785 to a new GMP amount of \$23,935,785 and the entire project will now be federally funded. (Capital Improvements Division) District 7 (LDC)

Background & Justification: (Continued on Page 3)

Attachments:

- 1. Location Map
- 2. Budget Availability Statements (3)
- 3. Amendment No. 2
- 4. Change Order No. 5 to Amendment No. 2
- 5. Termination Agreement for Amendment No. 2
- 6. Amendment No. 1
- 7. Change Order No. 6 to Amendment No. 1
- 8. Agenda item 4C-2
- 9. Agenda item 4C-3

| Recommended by: *** | Anny Worf | 2/10/2020 | | |
|--------------------------------|---------------------|-----------|--|--|
| | Department Director | Date | | |
| Approved by: | Marken | 2/25/2020 | | |
| ~~PP~~, ~, · | | | | |

County Administrator

II. FISCAL IMPACT ANALYSIS

| Fiscal Years | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|---------------------|------|-----------|------------|------------|
| Capital Expenditures | <u>\$(274,215)</u> | | | | |
| Operating Costs External Revenues | | | <u></u> | | |
| Program Income (County) | | | ***** | | |
| In-Kind Match (County | | | | | |
| NET FISCAL IMPACT | <u>\$(274,215)*</u> | -0 | -0 | <u>-0-</u> | <u>-0-</u> |
| # ADDITIONAL FTE POSITIONS (Cumulative) | | | . <u></u> | | <u></u> |
| Is Item Included in Current Bu Does this item include the use | - | | Yes X | No | |

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

The funding for this item is related to the approval of Palm Tran's agenda items 4C-2 and 4C-3 dated March 12, 2019.

| *Amendment No. 2 \$1,683,000 | | | | |
|--|--|--|--|--|
| Change Order No. 5 to Amendment No. 2 | | | | |
| Net Fiscal\$274,215 | | | | |
| Fund <u>1341</u> Dept <u>542</u> Unit <u>5557</u> Object <u>6502</u> (1,408,785) | | | | |
| Amendment No. 2 | | | | |
| Termination Agreement | | | | |
| Net Fiscal\$0 | | | | |
| Fund <u>1341</u> Dept <u>542</u> . Unit <u>5557</u> Object <u>6502</u> (274,215) | | | | |
| Amendment No. 1 | | | | |
| Change Order No. 6 to Amendment No. 1 | | | | |
| New Total Value of Amendment No. 1\$23,935,785 | | | | |
| Fund <u>1341</u> Dept <u>542</u> Unit <u>5558</u> Object <u>6502</u> Program <u>5558</u> GY 19 1,408,785 | | | | |
| C. Departmental Fiscal Review: | | | | |

III. <u>REVIEW COMMENTS</u>:

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



B. Legal Sufficiency:

Assistant County Attorney

C. Other Department Review:

Department Director

strator

Page 3

Background & Justification:

Construction Manager (CM) at Risk is a project delivery method in which the CM provides design phase assistance, evaluation of cost, schedule and implications of alternate designs, systems and materials, and serves as general contractor bidding the subcontracts for construction.

The Morganti Group, Inc. was selected as the CM at Risk, through a competitive solicitation, on January 5, 2017. The project is necessary to support Palm Tran's long term expansion goals including the addition of new bus routes and to remedy several existing deficiencies identified in both the West Palm Beach and Delray Beach facilities, which include insufficient parking for both employees and buses, limited expansion possibilities for existing administrative and maintenance functions, and the need to relocate most of the administrative functions from the West Palm Beach to the South County facility.

Change order No. 5 to Amendment No. 2 deletes certain work from the scope of Amendment No. 2. which scope of work will be added to Amendment No. 1. The Termination Agreement for Amendment No. 2 terminates any remaining scope under Amendment No. 2. The scope of work deleted from Amendment No. 2, is added to Amendment No. 1 using federal funds with Change Order No. 6 to Amendment No. 1. This includes labor and materials for the installation of CCTV, Access Control, Fire Alarm, A/V System, Intercom System, Tele-Data and CATV systems. Change Order No. 6 will increase the contract amount of Amendment No. 1 by \$1,408,785 to a new amount of \$23,935,785 and will make the entire Project federally funded.