



Broward County

Legislation Text

File #: 22-536, Version: 1

Broward County Commission Regular Meeting

Director's Name: Jonathan Daniels

Department: Port Everglades

Division: Director's Office

Information

Requested Action

MOTION TO APPROVE Third Amendment to Petroleum Transfer Facilities License Agreement between Broward County and South Florida Petroleum Services LLC, to transfer the responsibility for annual and semiannual fire suppression system inspections for dockside petroleum transfer facilities at Port Everglades, with the County retaining the obligation for payment; and authorize the Mayor and Clerk to execute same.

Why Action is Necessary

Amendments to Petroleum Transfer Facilities License Agreements require approval by the Broward County Board of County Commissioners.

What Action Accomplishes

Approves the Third Amendment to the South Florida Petroleum Services LLC ("SFPS"), Petroleum Transfer Facilities License Agreement making SFPS responsible for contracting for annual and semiannual inspections of the fire suppression system located within their leasehold while retaining County's obligation for payment.

Is this Action Goal Related

No

Previous Action Taken

None

Summary Explanation/Background

THE PORT EVERGLADES DEPARTMENT RECOMMENDS APPROVAL.

On October 28, 2014 (Item No. 18), the Broward County Board of County Commissioners ("Board") approved a Petroleum Transfer Facilities License Agreement between Broward County ("County") and South Florida Petroleum Services LLC ("SFPS"), for the use of Port property to install, maintain, operate, repair, replace, and remove facilities for the transportation, loading, and off-loading of petroleum products at Port Everglades ("Original Agreement") and to designate SFPS as the most reasonable sole source for the construction of a modern fire suppression system on behalf of the County at Port Everglades Berths 7, 9 and 13.

On December 5, 2018 (Item No. 15), the Board approved a First Amendment to the Original Agreement to extend the term; provide for a simplified process to revise exhibits depicting the

Premises to account for actual subsurface and obstacles encountered in the field during installation, maintenance, repair, replacement, or removal of Facilities; and provide for a simplified process to amend the Original Agreement relating to alternative licensed location(s) to accommodate SFPS during the implementation of the Petroleum Slip 1 Expansion Project.

On April 22, 2019, a Second Amendment to the Original Agreement was approved by the Port Everglades Chief Executive/Port Director to provide for additional licensed areas to accommodate SFPS during construction of the Petroleum Slip 1 Expansion Project.

Under the Original Agreement, SFPS designed and constructed a new fire suppression system at SFPS' dockside petroleum transfer facilities and retained responsibility for on-going maintenance and repairs at no cost to the County. Chapter 633, Florida Statutes requires annual and semiannual inspections of these facilities by a Fire Protection Contractor licensed by the Bureau of Fire Prevention within the Florida Division of State Fire Marshal. Upon acceptance of the system, inspections were contracted by the County to an outside licensed vendor.

The fire suppression system protects the critical infrastructure used to receive petroleum transportation fuels for South Florida within the SFPS leasehold. The fire suppression system was procured at a cost of \$2.2 million, and the associated inspections are currently \$10,546 annually. A portion of this infrastructure, owned by SFPS, is the process of being relocated as directed by the County to allow for the start of the Slip 1 Expansion Project. The multiyear relocation requires modification to the fire suppression system which are being performed by SFPS at their expense. During the relocation, the scope of inspection services will be changing as new fire suppression equipment is added and old equipment moved or decommissioned. It is in the County's best interest for SFPS to contract directly for the fire suppression system inspections based on their knowledge and expertise of both the system design and the overall leasehold redevelopment.

The current County contract for inspection services expires December 10, 2022. Approval of this amendment will allow SFPS sufficient time to procure the inspection services from a licensed Fire Protection Contractor through a competitive process while allowing for uninterrupted inspection services. SFPS will bill the County the actual cost of inspection with no markup. It is anticipated that the inspection fees will initially increase slightly as the number of petroleum transfer locations increases from three to four during the Slip 1 Expansion Project construction activities, and then decrease to three once the project concludes.

The Third Amendment to the Petroleum Transfer Facilities License Agreement has been reviewed by the Port Everglades Risk Manager and approved as to form by the Office of the County Attorney.

Source of Additional Information

Neil J. Kutchera, Assistant Port Director, Energy and Innovation, Port Everglades Department (954) 468-3520

Fiscal Impact/Cost Summary

No increase in cost is expected for the inspections of the current facilities, however, the addition of a fourth petroleum transfer location requiring inspection during the Slip 1 Expansion Project is expected to increase annual costs by less than \$5,000. Funding for any increase is available in the Port Everglades Operating Fund.