



Broward County

Legislation Text

File #: 20-1614, 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 Tenth Amendment to the Agreement Between Broward County and G.F.C. Crane Consultants, Inc., for rail mounted container gantry crane maintenance and repair at Port Everglades, extending the Agreement an additional four years and ten months through September 30, 2025, with revised scope of services to account for new gantry cranes, and updated labor billing rates, annual management cost fee, profit fee, and subcontractor billing rates; and authorizing the Mayor and Clerk to execute same.

Why Action is Necessary

Broward County Board of County Commissioners approval is required for amendments to the Agreement.

What Action Accomplishes

Approves the Tenth Amendment to the Agreement with G.F.C. Crane Consultants, Inc., for the maintenance and repair of rail mounted container gantry cranes at Port Everglades.

Is this Action Goal Related

Yes

Previous Action Taken

None

Summary Explanation/Background

THE PORT EVERGLADES DEPARTMENT RECOMMENDS APPROVAL.

This action supports the Broward County Board of County Commissioners' ("Board") Value of "Ensuring economic opportunities for Broward's diverse population and businesses" and the Goal to "Increase the economic strength and impact of revenue-generating County enterprises balancing economic, environmental, and community needs."

G.F.C. Crane Consultants, Inc. ("GFC"), has maintained the eight County-owned rail mounted container gantry cranes and one mobile harbor crane at Port Everglades for the last 26 years under a series of competitively solicited agreements and amendments. The most recent five-year extension to the Agreement was approved by the Board on September 1, 2015 (Item No. 4). On December 3, 2019 (Item No. 80), the Board directed staff to negotiate an extension to the current Agreement with

GFC.

In preparation for negotiation of the extension, GFC was requested to furnish certain detailed financial information of costs incurred under the Agreement. Staff from the County Auditor's Office also reviewed this information and made recommendations to Port staff to address in this amendment. Negotiations involving representatives from GFC, the Port Everglades Department, the County Auditor's Office, and the Office of the County Attorney were held on August 20, 2020, and resulted in agreement on business terms for the five-year extension.

Since the amendment to the Agreement would not be complete by the September 30, 2020, expiration of the existing Agreement, the Board approved the Ninth Amendment to Agreement on September 22, 2020 (Item No. 44), which extended the term of the Agreement to October 31, 2020, with an option for an additional thirty (30) day extension at the sole discretion of the Port Everglades Chief Executive/Port Director and included new hourly rates for GFC labor that reflected new collective bargaining agreements between GFC and their workforce. The additional extension through November 30, 2020, was approved by the Chief Executive/Port Director on October 9, 2020.

The Tenth Amendment to the Agreement includes the following business terms and changes from the existing Agreement:

- The term of the Agreement is extended an additional four years and ten months through September 30, 2025.
- The Lump Sum Annual Management Cost Fee paid to GFC for Contract Year 14 will be \$1,080,886, a decrease of \$96,233 from the Contract Year 13 fee. This is based on a calculation that includes a reduction of \$122,927 from the Contract Year 13 Fee as a result of the review by the County Auditor's Office and negotiations between the County and GFC. The reduction includes a 50% decrease in GFC's downtown office support from \$22,800 to \$11,400 per year, as well as other reductions to address charges against the Annual Management Cost Fee identified by the County Auditor's Office during its review that should have been paid from the Profit Fee.
- The Annual Management Cost Fee is subject to a fixed increase of 2% in each of Contract Years 14-18. Prior to the Ninth Amendment, the Annual Management Cost Fee was adjusted by the greater of 2.5% or the CPI each year.
- The Profit Fee for each of the next five contract years is calculated at a factor of 8% of the sum of the total actual labor billings for the previous contract year and the current contract year Annual Management Cost Fee. Prior to the Ninth Amendment, the Profit Fee was based on a factor of 9%.
- Hourly labor billing rates by GFC to the County are fixed for each of the next five contract years and are based on wage and benefit rates for each category of employee GFC is contractually obligated to pay under its three collective bargaining agreements with its workforce. Eligible expenses were expanded to include a vacation buy back benefit included in the collective bargaining agreements, paid at the employee's hourly pay rate with a limit of \$1,500 per request and a maximum of 30 requests per contract year. The hourly labor billing

rates in this amendment are slightly different than those approved in the Ninth Amendment due to errors in the new rates provided by GFC.

- For the next five contract years, the hourly labor billing rates include a factor of 8.5% for workers' compensation insurance. Any increase to that rate charged to GFC above 8.5% and up to 10.5% will be absorbed by GFC. Any increase above 10.5% and up to 12.5% will result in the hourly labor billing rates being increased to reflect the adjustment. Any increase above 12.5% will be absorbed by GFC. This is a reduction from what the Agreement provided prior to the Ninth Amendment, where the worker's compensation insurance factor was 10%, with GFC absorbing any increases above 10% and up to 12%, any increases above 12% and up to 14% resulting in labor billing rates being increased, and any increases above 14% being absorbed by GFC.
- The hourly labor billing rates the County will pay GFC will continue to be based on negotiated collective bargaining agreement rates for wages, insurances, taxes, and benefits absent any overhead or profit. The hourly labor billing rates for Contract Years 15 through 18 will be increased by 3% each Contract Year from the new rates in Contract Year 14.
- Subcontracted services billing rates are fixed for each of the next five contract years, providing for 3% annual increases. As compensation to GFC for administering and overseeing the work of subcontractors, GFC will be paid an administrative fee equal to 2.5% of the subcontractor billings. This is the same annual increase and administrative fee as provided for in the existing Agreement. The total subcontractor billings for Contract Year 14 inclusive of the administrative fees are capped at \$1,120,187, with the administrative fee component not-to- exceed \$28,005.
- Authorizes the Contract Administrator to approve changes to the named subcontractors provided that the billing rates remain unchanged, and retains the authority in the existing Agreement to approve subcontracted services up to \$100,000.
- Increases the authority of the Director of Purchasing to approve subcontracted services to \$400,000 from the existing \$200,000 to reflect changes to the Procurement Code.
- Includes a new provision for GFC to directly procure and be reimbursed for specialty crane spare parts, supplies, and materials that are needed for GFC to deliver crane maintenance services that are not available through subcontractors. Such reimbursable expenses must be approved by the Contract Administrator in advance, with a cumulative annual cap not-to-exceed \$135,000.
- Includes updates to existing contractual language for indemnification, insurance, audit rights, and payment of interest, and new sections addressing public records and verification of employment eligibility.

The Broward Workforce Investment Program remains applicable to this Agreement.

While no County Business Enterprise ("CBE") goal applies to this Agreement, GFC has agreed to

continue to give full consideration to using certified CBE subcontractor firms to perform work under this Agreement, as provided for in the Broward County Business Opportunity Act of 2012, as amended.

Based on an analysis provided by the County Auditor's Office, the negotiated changes to the existing terms and conditions results in an estimated \$1.6 million savings to the County over the effective five-year extension term compared to the existing Agreement terms.

The Tenth Amendment to the Agreement has been reviewed by the Port Everglades Risk Manager and approved as to form by the Office of the County Attorney. The Agreement is pending final execution by GFC, and receipt of signature pages will be noted in the Monday Night Memo prior to the Board meeting.

Source of Additional Information

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Fiscal Impact

Fiscal Impact/Cost Summary

The first extension year (Contract Year 14 commencing October 1, 2020) combined costs for labor billing, Management Cost Fee, Profit Fee, and subcontracted services are estimated at a not-to-exceed amount of \$9,501,868. The estimated cost over the five-year term of the extension is a not-to-exceed amount of \$51,806,064. Funding for the first year of the extension is included in the approved Fiscal Year 2021 Port Everglades Operating Budget.