



# Broward County

## Legislation Details (With Text)

<b>File #:</b>	21-906	<b>Version:</b>	1
		<b>Status:</b>	Agenda Ready
		<b>In control:</b>	AVIATION DEPARTMENT
<b>On agenda:</b>	6/15/2021	<b>Final action:</b>	6/15/2021
<b>Title:</b>	<p>A. MOTION TO APPROVE Second Amendment to the Second Addendum to the Signatory Terminal Building Lease Agreement between Broward County and Delta Air Lines, Inc., for the Terminal 2 Modernization Project at Broward County's Fort Lauderdale-Hollywood International Airport, to modify certain terms and conditions of the Second Addendum, and decrease the contract duration by 212 days for a revised contract duration of 1613 days, for a decrease in the amount of \$67,000,000, decreasing the total Second Addendum amount from \$220,000,000 to \$153,000,000; and authorize the Mayor and Clerk to execute.</p> <p>ACTION: (T-12:42 PM) Approved as amended with Yellow-Sheeted Additional Material, dated June 15, 2021, submitted at the request of Aviation Department. (Refer to minutes for full discussion.)</p> <p>VOTE: 9-0.</p> <p>B. MOTION TO APPROVE Third Amendment to the Second Addendum to the Signatory Terminal Building Lease Agreement between Broward County and Delta Air Lines, Inc., for the Terminal 2 Modernization Project at Broward County's Fort Lauderdale-Hollywood International Airport, to reimburse Delta Air Lines, Inc. for the former Delta Sky Club demolished and relocated during the T2 Modernization Project.</p> <p>ACTION: (T-12:42 PM) Approved as amended with Yellow-Sheeted Additional Material, dated June 15, 2021, submitted at the request of Aviation Department. (Refer to minutes for full discussion.)</p> <p>VOTE: 9-0.</p>		
<b>Sponsors:</b>			
<b>Indexes:</b>	Established Commission Goals		
<b>Code sections:</b>			
<b>Attachments:</b>	1. Additional Material - Information, 2. 21-906 Exhibit 3 OESBD memo		

Date	Ver.	Action By	Action	Result
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### Broward County Commission Regular Meeting

**Director's Name:** Mark Gale

**Department:** Aviation

**Division:** Capital Development

### Information

#### Requested Action

A. MOTION TO APPROVE Second Amendment to the Second Addendum to the Signatory Terminal Building Lease Agreement between Broward County and Delta Air Lines, Inc., for the Terminal 2 Modernization Project at Broward County's Fort Lauderdale-Hollywood International Airport, to modify certain terms and conditions of the Second Addendum, and decrease the contract duration by 212 days for a revised contract duration of 1613 days, for a decrease in the amount of \$67,000,000,

decreasing the total Second Addendum amount from \$220,000,000 to \$153,000,000; and authorize the Mayor and Clerk to execute.

***ACTION: (T-12:42 PM) Approved as amended with Yellow-Sheeted Additional Material, dated June 15, 2021, submitted at the request of Aviation Department. (Refer to minutes for full discussion.)***

***VOTE: 9-0.***

B. MOTION TO APPROVE Third Amendment to the Second Addendum to the Signatory Terminal Building Lease Agreement between Broward County and Delta Air Lines, Inc., for the Terminal 2 Modernization Project at Broward County's Fort Lauderdale-Hollywood International Airport, to reimburse Delta Air Lines, Inc. for the former Delta Sky Club demolished and relocated during the T2 Modernization Project.

***ACTION: (T-12:42 PM) Approved as amended with Yellow-Sheeted Additional Material, dated June 15, 2021, submitted at the request of Aviation Department. (Refer to minutes for full discussion.)***

***VOTE: 9-0.***

#### **Why Action is Necessary**

Motions A and B: In accordance with the Broward County Procurement Code, Section 21.47, any changes, including amendments to agreements must be approved by the appropriate award authority, based on the amendment amount.

#### **What Action Accomplishes**

Motion A: Amends the Second Addendum to the Signatory Terminal Building Lease Agreement ("Signatory TBLA") to modify certain terms and conditions of the Second Addendum, decrease the contract duration to 1613 days, for a decrease in the amount of \$67,000,000, for the Terminal 2 ("T2") Modernization Project at Broward County's Fort Lauderdale-Hollywood International Airport ("FLL").

Motion B: Amends the Second Addendum to the Signatory Terminal Building Lease Agreement ("Signatory TBLA") to reimburse Delta Air Lines, Inc. ("Delta") for the former Delta Sky Club removed during the T2 Modernization Project.

#### **Is this Action Goal Related**

Yes

#### **Previous Action Taken**

None.

#### **Summary Explanation/Background**

THE AVIATION DEPARTMENT RECOMMENDS APPROVAL OF THE ABOVE MOTIONS.

This item supports the Board's Value for "Ensuring economic opportunities for all people and businesses in the County", its Goal to "Increase the economic strength and impact of revenue-generating County enterprises balancing economic, environmental, and community needs" and its

Objective to modernize passenger facilities in T2 at FLL.

The Office of Economic and Small Business Development (“OESBD”) established a Community Business Enterprise (“CBE”) goal of 15% for this project. Delta committed to 15% CBE participation. To date, Delta has been paid \$106,419,324 and has paid its sub-contractors \$13,881,620, for 13.04% CBE participation. OESBD will continue to monitor this contract for compliance with the CBE Program and monitor the good faith efforts being made to meet the participation commitment (Exhibit 3).

On September 27, 2011 (Item No. 62B), the Board approved the Signatory TBLA between the County and Delta, commencing for a five year period, expiring on September 30, 2016. On April 5, 2016 (Item No. 42B), the Board approved the Fourth Amendment to the Signatory TBLA between the County and Delta, which extended its term for ten years, expiring on September 30, 2026.

On June 12, 2012 (Item No. 2B), the Board approved the Addendum to the Signatory TBLA between the County and Delta, to provide for the design, construction and installation of an In-Line Baggage System in T2 at FLL. This was a separate project which was completed in 2014.

On April 5, 2016 (Item No. 42C), the Board approved the Second Addendum to the Signatory TBLA with Delta to administer and oversee the construction of the T2 Modernization Project, in the amount of \$110,000,000.

On April 10, 2018 (Item No. 5), the Board approved the First Amendment to the Second Addendum to the Signatory TBLA with Delta, effective March 27, 2018, for additional scope to modernize additional areas for the T2 Modernization Project, to extend the contract time by an additional 549 days, to modify certain terms and conditions of the Addendum, for an increase in the amount of \$110,000,000, for a revised Second Addendum amount of \$220,000,000.

#### Motion A

The proposed Second Amendment to the Second Addendum to the Signatory TBLA (“Second Amendment”) provides for scope adjustments to the T2 Modernization Project. The County and Delta have agreed to eliminate scope from the project which includes the new terminal connector project consisting of the terminal Bump-out extensions (“Bump-out”) to Terminal 1 (“T1”) and T2 and two new terminal connectors; one connecting T1 to T2 and one connecting T2 to Terminal 3 (“T3”). Scope will also be removed from the base modernization project which includes the buildout of two landside vestibules, skylight replacement in the ticket lobby, new elevator, ticket level mechanical upgrades, replacement of ceiling tiles and lights, and a portion of landside finishes including terrazzo flooring, carpet and wall finishes. The removed scope for the terminal connector project and the modernization project will be competitively solicited through the Broward County procurement process.

The proposed Second Amendment also includes additional work consisting of renovations to four airside ramp-level restrooms, installation of new passenger seating with power charges in the east and west hold room areas, and a new Bi Directional Amplifier system for emergency communications. Work also includes the buildout of new secure airside office space for the Broward Sheriff’s Office (“BSO”) and carpet replacement in the existing security checkpoint and jet bridges.

Delta will continue to work towards Final Completion of the remaining work, which is estimated for Third Quarter 2022. Work includes an airside concourse expansion of 33,000 square feet, including a mezzanine level Delta Sky Club, partial replacement and renovation of concession and retail spaces, relocation and/or addition of vertical circulation, replacement of carpet with decorative terrazzo,

renovation and expansion of restroom facilities to include family restrooms, a pet relief area, replacement and upgrade of HVAC system and facility lighting, replacement of gate podiums, replacement and upgrade of all facility signage, and realignment of ramp-level airside operation spaces occupied by various tenants, including the Airlines, BSO, Transportation Security Administration and Broward County Aviation Department ("BCAD").

Approval of the proposed Second Amendment modifies certain terms and conditions of the Second Addendum, decreases the contract duration to 1613 days, and decreases the Second Addendum amount by \$67,000,000, for a revised total Second Addendum amount of \$153,000,000.

In accordance with the terms of the Second Addendum, Delta will continue to comply with the County's competitive bidding process and contract requirements such as the CBE Program. Additionally, BCAD will continue to provide oversight of the project through weekly project meetings, and the review and approval of all project invoices.

#### Motion B

The proposed Third Amendment to the Second Addendum provides for reimbursement of the former Delta Sky Club demolished and relocated during the T2 Modernization Project. The Second Addendum provided that the value associated with the former Delta Sky Club would be determined and paid by a separate agreement. The County and Delta each secured independent estimates to assist in the review. The County and Delta have agreed that \$2,900,000 represents the value of the former Delta Sky Club.

The proposed Second and Third Amendments have been reviewed and approved as to form by the Office of the County Attorney. At the time of submission of this action, BCAD had not received the executed amendments from Delta. Upon receipt, BCAD will submit to the Board the executed amendments prior to its approval of this action.

#### **Source of Additional Information**

Mark E. Gale, A.A.E., CEO/Director of Aviation, (954) 359-6199

#### **Fiscal Impact**

##### **Fiscal Impact/Cost Summary**

All costs associated with this project are budgeted for in the Aviation Department FLL Capital Fund 40350.