

ITEM #29₍₂₎

(Memo and Correspondence)

**ADDITIONAL MATERIAL
REGULAR MEETING**

JUNE 13, 2023

**SUBMITTED AT THE REQUEST OF
FINANCIAL AND ADMINISTRATIVE
SERVICES DEPARTMENT**



Finance and Administrative Services Department

PURCHASING DIVISION

115 S. Andrews Avenue, Room 212 • Fort Lauderdale, Florida 33301 • 954-357-6066 • FAX 954-357-8535

M E M O R A N D U M

DATE: June 08, 2023

TO: Board of County Commissioners

THRU: George Tablack, Chief Financial Officer

FROM: Robert E. Gleason, Director, Purchasing Division

Robinson
on behalf of G. Tablack

Digitally signed by ROSE
JOHNSON
Date: 2023.06.09
16:35:46 -04'00'

CONSTANCE
S. MANGAN

Digitally signed by
CONSTANCE S. MANGAN
Date: 2023.06.08 18:10:04
-04'00'

Assistant Director,
on behalf of

SUBJECT: June 13, 2023 – Commission Meeting – Agenda Item 29

MOTION TO AUTHORIZE County Administrator or designee to approve and/or execute agreements, contract amendments, work authorizations, advertisements of competitive solicitations, and other documents during the Broward County Board of County Commissioner's 2023 Summer Recess (between June 14, 2023 and August 22, 2023), including all items listed on Exhibit 1
Exhibit 1, Item 8 - Approval to award and execute an agreement or reject all responses to Two-Step solicitation, Request for Qualifications (RFQ) No. PNC2122436R1, and Invitation to Bid (ITB) No. PNC2122436C1, Terminal 1 Checked Baggage Resolution Area (CBRA) Room Improvements

In accordance with Section 1-266(e)(6) of the Broward County Code of Ordinances, the Director of Purchasing or designee shall accept written communications from a Vendor or Vendor's Representative at any time the Cone of Silence is in effect. Such writing, including any response thereto, shall be provided by the Director of Purchasing or designee as follows: if an Evaluation Committee has been appointed, to the Evaluation Committee sufficiently in advance of evaluation and ranking to permit appropriate review under the circumstances; and to the Board or other awarding authority, prior to consideration of the request for award of the Competitive Solicitation or approval of the contract for the Competitive Solicitation, or within three (3) days after the writing is received or the response is provided (as applicable) if the writing was received or the response was provided after approval of the award or contract, as applicable.

Attached is correspondence dated June 6, 2023, received from the firm, LSN Partners, on behalf of their client, Magnum Construction Management, LLC, regarding ITB No. PNC2122436C1, Terminal 1 Checked Baggage Resolution Area (CBRA) Room Improvements.

Attachment

REG/cs/lg

c: Monica Cepero, County Administrator
Kimm Campbell, Deputy County Administrator
Kevin B. Kelleher, Assistant County Administrator
Andrew J. Meyers, County Attorney
Robert Melton, County Auditor
Mark Gale, Director, Aviation Department

Williams-Canty, Lashonne

From: Lisa Castillo <lcastillo@lsnpartners.com>
Sent: Tuesday, June 6, 2023 1:56 PM
To: Gleason, Robert
Cc: Meyers, Andrew; Williams, Alexander; Amuchastegui, Fernando; Welch, Richard; Williams-Canty, Lashonne; Jaramillo, Salustio; Pedro R. Munilla; Daniel F. Munilla; jmgonzalez@mcm-us.com; Sheryl Dickey; Joshua Freeman; George I. Platt
Subject: Terminal 1 Checked Baggage Resolution Area PNC 21222436C1
Attachments: doc00151620230606122048.pdf

External Email Warning

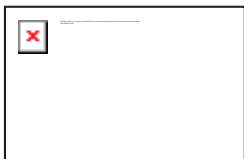
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Mr. Gleason,

Please see the attached letter from George Platt on behalf of his client Magnum Construction Management, LLC relating to the FLL Terminal 1 Checked Baggage Resolution Area Improvement Project, PNC 21222436C1. Please let us know if you have any questions.

Best regards,
Lisa Castillo

**** PLEASE NOTE OUR NEW ADDRESS BELOW! ****



Lisa Castillo
Chief of Staff
LSN Partners
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Suite 490
Fort Lauderdale, FL 33301
(954) 522-3588 - Office
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LSN PARTNERS
Local * State * National

June 6, 2023

SENT BY EMAIL

Robert Gleason, Director
Broward County Purchasing Division
115 S. Andrews Ave. Room 212
Fort Lauderdale, FL 33301
rgleason@broward.org

Re: FLL Terminal 1 Checked Baggage Resolution Area (CBRA) Improvement PNC 21222436C1

Dear Mr. Gleason,

I am writing this letter on behalf of our client, Magnum Construction Management, LLC ("MCM"), regarding the above referenced bid. Step One (RFQ PNC 2122436R1 was an RFQ with four (4) proposers, three (3) of which were deemed qualified to proceed to the Step Two Bid (PNC 2122436C1). MCM was the only qualified firm to submit a bid on this important project.

It is our understanding that the County is in the process of deciding whether to move forward with an award or reject all bids in this procurement based upon the cost reflected in the MCM bid. It is our request that before such action is taken, County staff meet with MCM to discuss opportunities for cost savings through voluntary reduction of the bid and possible scope adjustments (value engineering).

In this regard, we request that termination of the procurement not take place during the summer Commission recess without the County Commission having the opportunity to review this procurement and hear from MCM and County staff. To this end, we ask pursuant to Section 1-266(e)(6) of the County Code of Ordinances that this letter be provided to the Board prior to the June 13, 2023 commission meeting. The policy basis for this request is set forth below.

Project Timeframe and Costs

It has now been over ten (10) years since the County launched Concourse Expansion of Terminal 1 ("T-1"). With the rapid increase in passengers utilizing T-1, BCAD recognized a need to plan for the expansion of the checked baggage area from its current 13 screening stations to the 26 now planned. This project has been almost five (5) years in the planning process.

Work on drafting the procurement started in 2019. The First Step RFQ was issued on August 25, 2021. The Second Step hard bid procurement was sent to the three (3) qualified firms on or about October 13, 2022. When the bid ended on January 31, 2023, MCM was the only bidder.

While the original RFQ was issued on August 25, 2021, this procurement, as noted, took several years in its formulation. At the time when the RFQ was issued BCAD estimated the construction cost of the Project at \$19,721,077. It is not clear when that cost estimate was made, but it would likely have been in late 2020 or early 2021.

The restrictions contained in the Bid specs mandated that the selected contractor (MCM) utilize specifically identified firms and allocated specific budgeted amounts for their work. None of these firms are CBE's which also distorted the CBE goal for the project. Here is what the bid required:

It is the intent of the county to utilize various County-approved vendors for certain equipment and/or service, as required. Work performed by County-approved vendors below will be funded via established allowances.

County Approved Vendor	Description
Brock Solutions	Baggage Handling System Controls
SIG Matrix, LLC	Access Control System
Micro Security Systems Integration	CCTV System
Johnson Controls, Inc.	Building Automation System
WSA Systems-Boca, LLC	Fire Alarm Life Safety System

The budget allowance for these five (5) firms is \$2,877,277 and was required to be included in the Contractors Bid.

The County Bid document also mandated that its selected vendor utilize one of the six (6) identified baggage conveyor companies listed in the County for this Project. None of those firms is a CBE. MCM selected one of the listed firms. The specialty scope of work is valued at \$12,000,000.

Thus, the Contractor was mandated to utilize these six (6) firms whose initial pricing in 2021 totaled \$14,877,277.

The MCM Bid that was submitted for Step 2 was: \$29,935,390.

The County has spent a great deal of time on its capital projects in an effort to address the extraordinary increases in construction costs that have taken place between 2019 and 2023. Without discussion, the County Commission recently approved an increase of almost \$100 million for the construction budget for FLL T-5, a project that has not yet broken ground. That increase was an approximately 32% increase over the original estimate for T-5, a clear recognition of the significant increases in construction costs over the last three (3) years.

According to official reports, the rate of inflation for construction labor and materials year-over-year was as follows:

2021	19.6%
2022	14.1%
2023	5.7%

What does this mean relative to the Terminal one CBRA Project?

Base County estimate in 2021:	\$19,721,077
Add 2021 inflation (19.6%):	<u>\$ 3,865,331</u>
	\$23,586,408
 Add 2022 inflation (14.1):	 <u>\$ 3,325,683</u>
New cost at end of 2022:	\$26,912,091
 Add five (5) months 2023:	 <u>\$640,000</u>
Estimated 2023 cost of Project	\$27,552,091

The County has stated that it will take one (1) year (365 days) to complete this Project. You should also be aware that there is a 42-week lead time for many of the parts listed in the specifications.

MCM Proposal

MCM is the only bidder. Under the County Procurement Code, the low bidder, MCM, is legally permitted to voluntarily lower its bid. MCM has asked to meet with the County to discuss ways to reduce their Bid. So far, MCM has identified approximately \$3,000,000 which could be reduced with County approval. Based on negotiations, MCM also believes that they and the County may be able to identify other opportunities to achieve cost savings that can be passed through to the County on this project.

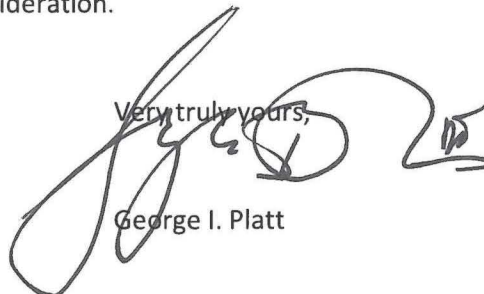
With the importance and complexities of this project and the length of time it has taken to get to this point, there is zero benefit to the County to terminate this procurement without first making a concerted effort to reach an agreement.

The County Commission also has legal authority to waive portions of the Procurement Code in appropriate circumstances. In the absence of any other bidders, we do not believe the Cone of Silence should apply. Thus, our request for negotiations is timely and appropriate.

In closing, we respectfully request an opportunity to meet with staff to discuss the issues raised by this letter. We all know that the cost of this essential Project will continue to escalate if the procurement is terminated and the process starts all over again. MCM has spent a great deal of time and money to attempt to meet the County's needs on this project.

Thank you for your kind consideration.

Very truly yours,

A handwritten signature in black ink, appearing to read "George I. Platt", is written over the typed name. The signature is stylized with large loops and a long horizontal stroke.

George I. Platt

Cc: Andrew Meyers, County Attorney
Alex Williams, Assistant County Attorney
Fernando Amuchastegui, Assistant County Attorney
Richard Welch, BCAD Project Manager
Lashonne Williams, County Purchasing
Salustio Jaramillo, County Purchasing
Pedro Munilla, MCM
Pete Munilla, MCM
Daniel Munilla, MCM
JM Gonzalez, MCM
Sheryl Dickey, Dickey Consulting
Josh Freeman, LSN