

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

Agenda Item:

5A-1

AGENDA ITEM SUMMARY

mcB LGW 6-0
mGM abs
R2024 1268

Meeting Date: September 17, 2024

☐ []
☐ []

Consent
Workshop

☒ [X] Regular
☐ [] Public Hearing

Submitted By: Department of Airports

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to:

- (A) **approve** Term Contract #24-059/DJ for Maintenance of Airport Facilities and Systems (JSM Contract) at Palm Beach International Airport (PBI) with JSM Airport Services, LLC (JSM), commencing on October 1, 2024 and expiring on September 30, 2026, with the option to renew for three (3) additional one (1) year periods, in an amount not to exceed \$6,620,728 for the initial two (2) year term;
- (B) **authorize** the Purchasing Director to terminate Term Contract #21-070/CC, for Maintenance of Airport Facilities and Systems (ERMC Contract) at PBI with ERMC Aviation LLC (ERMC) effective September 30, 2024; and
- (C) **approve** a Budget Transfer in the amount of \$69,352 in the Airport's Operations Fund to provide budget for the operating cost of the JSM Contract, including a transfer from reserves in the amount of \$69,352.

Summary: ERMC currently maintains passenger boarding bridges, 400 Hertz ground power, cabin air systems, and facility systems (Airport Facilities and Systems) at PBI pursuant to the ERMC Contract, which is scheduled to expire on December 5, 2024. On April 3, 2024, the Purchasing Department issued Request for Proposals No. 24-059/DJ for the maintenance of the Airport Facilities and Systems at PBI, and the selection committee recommended award to JSM. The ERMC Contract allows the County to terminate for convenience upon five (5) days prior written notice to ERMC. The Department of Airports is recommending the termination of the ERMC Contract to provide for the orderly transition of services to JSM during October (i.e., prior to the start of peak travel demand in November) to minimize any unanticipated airline impacts that may occur due to the criticality of the Airport Facilities and Systems to airline operations. This item authorizes the Purchasing Director to terminate the ERMC Contract effective September 30, 2024. The JSM Contract will become effective on October 1, 2024, and provides for an initial term of two (2) years with the option to renew for three (3) additional one (1) year periods. The total not to exceed amount for the JSM Contract is \$6,620,728, which includes funding for routine maintenance and repair as well as special project work. Airlines operating at PBI will pay the full cost of the JSM Contract through rates and charges established annually in accordance with the Signatory Airline Agreement (R2019-1155). JSM's principal place of business is in Apopka, Florida. The project was presented to the Goal Setting Committee (Committee) on December 20, 2023, and the Committee established an Affirmative Procurement Initiative (API) of Small Business Enterprise (SBE) Evaluation Preference for SBE Participation up to 15%. JSM committed to 0.62% participation and received zero Evaluation Preference Points. The proposed SBE participation for the JSM Contract is 0.62%. Pursuant to changes to Chapter 332, Florida Statutes, effective July 1, 2023, a governing body of a medium hub commercial service airport may not approve purchases of contractual services in excess of \$1,000,000 on a consent agenda. The JSM Contract exceeds the threshold amount and is required to be considered on the regular agenda. **Countywide (AH)**

Background and Policy Issues: The passenger boarding bridges provide direct all-weather dry access for passengers to board and deplane aircraft quickly and safely from the terminal at PBI. 400-Hertz frequency converters are required to provide power to the aircraft parked at passenger boarding bridges, because aircraft cannot use domestic 50 or 60 Hertz power to operate. The cabin air system provides air and cooling for parked aircraft and passenger loading bridges. The facility system is comprised of two grinders, which reduce wastewater solids from the aircraft lavatory to allow waste to enter the sewer system.

Attachments:

1. JSM Contract (Contract No. 24-059/DJ) (3)
2. Budget Transfer

Recommended By: _____

Department Director

8/28/24
Date

Approved By: _____

County Administrator

Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2024	2025	2026	2027	2028
Capital Expenditures		\$940,000			
Operating Costs		\$2,824,992	\$2,855,736		
External Revenues (Grants)					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT		\$3,764,992	\$2,855,736		

ADDITIONAL FTE
POSITIONS (Cumulative)

Is Item Included in the Proposed Budget? Yes ☐ No ☒

Does this item include the use of federal funds? Yes ☐ No ☒

Does this item include the use of state funds? Yes ☐ No ☒

Budget Account No: Fund 4100 Department 120 Unit 2540/2541/2542 Object 4620

Fund 4100 Department 121 Unit A212/A035 Object 6401/6211

Reporting Category _____

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

The fiscal impact for the initial two (2) year term includes operating costs in the amount of \$5,680,728 for labor and reimbursable parts, materials, equipment, supplies, software and other similar costs, and \$940,000 in capital expenditures for special project work. Capital expenditures have been fully allocated to FY2025; however, portions of the work may be completed in FY2026. The timing of the capital expenditures during the initial term cannot be determined at this time.

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

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

Shirley M. [Signature] 8/29/2024
OFMB QA 8/29/24
8/29/24

Theresa [Signature] 9/4/24
Contract Dev. and Control
9/4/24

B. Legal Sufficiency:

Anne [Signature] 9/4/24
Assistant County Attorney

C. Other Department Review:

[Signature]
Department Director

REVISED 11/17

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)

DP-0

BGEX 120-082324*1816

ACCOUNT NUMBER	ACCOUNT NAME	UNIT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED as of 08/23/24	REMAINING BALANCE
<u>EXPENDITURES</u>									
120-2540-4620	Rep/Maint-Equipment	400 Hz System Maintenance	468,640	468,640	17,338	0	485,978		485,978
120-2541-4620	Rep/Maint-Equipment	Cabin A/C Maintenance	889,000	889,000	20,806	0	909,806		909,806
120-2542-4620	Rep/Maint-Equipment	Loading Bridges Maintenance	1,398,000	1,398,000	31,208	0	1,429,208	0	1,429,208
120-9900-9901	Contingency Reserves	Operating Reserves	58,569,818	58,569,818	0	69,352	58,500,466		58,500,466
Total Expenditures					69,352	69,352			

Updated by OFMB 06/18/2024