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OFFICE OF ECONOMIC AND SMALL BUSINESS DEVELOPMENT

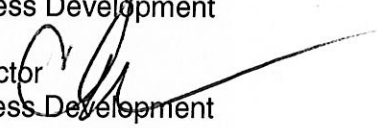
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MEMORANDUM

DATE: September 22, 2017

TO: Carlos Hernandez, Construction Project Management Supervisor
Aviation Department

THRU: Sandy-Michael McDonald, Director 
Office of Economic and Small Business Development

FROM: Christopher Atkinson, Assistant Director 
Office of Economic and Small Business Development

SUBJECT: Contract No. Z1145017C1 – Terminal 4 Apron Expansion
Compliance Evaluation – Increase to Allowance Accounts

This memorandum supercedes the memorandum dated September 5, 2017.

The Office of Economic & Small Business Development (OESBD) has evaluated Tutor-Perini Fort Lauderdale-Hollywood Venture's (Tutor Perini) (prime) utilization of DBE subcontracted firms. An overview of the evaluation follows:

The DBE Goal for this project was 22.00%.
The Prime has committed to 22.09% DBE participation.

Participation Performance

<u>DBE Subcontractor</u>	<u>Committed Percentage</u>	<u>Revised Percentage</u>	<u>Reported Amount</u>	<u>Verified Amount Paid</u>
Sorrel Enterprises, Inc. d/b/a Sorrel Development	4.33%	0.19%	\$ 93,124.93	\$ 93,124.93
Southern Florida Paving Group, LLC d/b/a Charlie Frymyer Paving*	17.76%	11.45%	\$ 4,372,670.29	\$ 4,372,670.29
RAM-TECH Construction, Inc.**	0.00%	0.38%	\$ 143,500.17	\$ 143,500.17
A1A Sod Sand & Soil	0.00%	0.12%	\$ 16,698.37	\$ 16,698.37
Cherokee Enterprises	0.00%	7.71%	\$ 2,636,290.29	\$ 2,636,290.29
Roberts Traffic Markings	0.00%	0.80%	\$ 208,488.48	\$ 208,488.48
Landscape Service Professionals	<u>0.00%</u>	<u>0.45%</u>	<u>\$ 153,061.10</u>	<u>\$ 153,061.10</u>
Total Participation	22.09%	21.10%	\$ 7,623,833.63	\$ 7,623,833.63

*Charlie Frymyer Paving's subcontract agreement was terminated effective October 2, 2015. Payments in the amount of \$4,269,070.50 were made directly to Southern Florida Paving Group (SFPG) by TPLHV. The remaining \$103,599.80 in payments were made to SFPG's suppliers after the company's termination. The "Revised percentage" is calculated by dividing

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total payments to SFPG and its suppliers by the prime's total contract value of \$38,195,968.00, which excludes Allowance Account increases.

*** Ram-Tech was utilized by TPFLHV to complete work that was to have been performed under SFPG's subcontract agreement. Ram-Tech was paid \$143,500.17, including retainage. Based on the current contract value of \$38,195,968.00, which excludes Allowance Account increases, Ram-Tech's participation accounts for 0.38% DBE participation.*

- Original Contract Amount: \$37,964,000.00
- Change Order No. 1: \$74,319.00
- Change Order No. 2: \$33,749.00
- Change Order No. 3: \$0.00 (*cancelled*)
- Change Order No. 4: \$123,900.00
- Change Order No. 5: \$0.00 (*deleted*)
- Change Order No. 6: \$0.00 (*re-allocated available allowance account balances*)
- Allowance Account Increase No. 1: \$4,000,000.00
- Allowance Account Increase No. 2: \$5,800,000.00
- Revised Contract Amount: \$47,995,968.00
- Total Payments to Prime: \$33,377,702.43
(*Allowance for Unsuitable Subsurface Material, funded by Allowance Account Increase No. 1, excluded from goal*)
- Total Payments to Prime for Unsuitable Subsurface Material: \$1,759,844.58
- Total Payments to Prime Used in DBE Participation Calculations: \$31,617,857.85 (\$33,377,702.43 – \$1,759,844.58)
- Total Prime Payments to DBE Subcontractors: \$7,623,833.63
- Total DBE Participation to Date: 24.11% (\$7,767,333.80/ \$31,617,857.85)

Proposed Allowance Account Increase No. 3 – The prime's DBE commitment remains 22.09%. The purpose of the Proposed Increase to the Allowance Accounts is to add funding to the budget lines for the various allowance accounts. The amount of the proposed increase is \$6,000,000.00. Total Revised contract amount through the proposed Allowance Account Increase No. 3 is \$53,995,968.00.

DBE Compliance Comments:

There was an insufficient number of DBE firms certified to perform the scope of work for Unsuitable Surface Material to include it for consideration under the overall DBE project goal. As a result, the final value of payments made for work performed under this allowance account will be excluded when calculating DBE participation on this project.

BCAD's allowance accounts are released by the Contract Administrator and/or Project Manager on an as-needed basis. Per BCAD's Project Manager, these allowance accounts are a tool used by BCAD to enable continued funding of the project; but the Prime is not automatically entitled to the increase. Any new scopes of work or changes to existing scopes of work to the Prime's agreement, not previously approved at the time of contract award, will be addressed via change orders. OESBD will review all such change orders to determine whether there are additional opportunities for DBE participation. TPFLHV's 22.09% DBE participation commitment is based on the total contract amount, which currently is the awarded contract amount of \$37,964,000 plus \$231,968 in change orders (Change Orders No. 1 - 6) for a total contract value of \$38,195,968.00.

The termination of TPFLHV's DBE subcontractor, Charlie Frymyer, and the reduction in anticipated services to be performed by Sorrel Enterprises, Inc., the other DBE subcontractor on TPFLHV's original DBE team, required the prime to add the participation of five (5) new DBE subcontractors (RAM-TECH Construction, Inc.; A1A Sod Sand & Soil; Cherokee Enterprises; Roberts Traffic Markings; Landscape Service Professionals) in order to try to meet its 22.09% DBE participation commitment on this project. The addition of these five (5) DBE subcontractors accounts for 21.10% of the prime's 22.09% commitment on this project. The exclusion of Allowance Account Increase No. 1 and 2 from the contract value have resulted in actual DBE participation of 24.11%, which exceeded the prime's overall commitment by 2.02%. Participation

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was verified through an independent payment verification process. The OESBD will continue to monitor the level of DBE participation throughout this agreement.

cc: Donna-Ann Knapp, Small Business Development Specialist, BCAD/OESBD
Freddy Castillo, Small Business Development Manager, OESBD