




Memorandum



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To: The Hon. Daniella Levine Cava, Mayor, Miami-Dade County
The Hon. Jose “Pepe” Diaz, Board Chairman
The Hon. Keon Hardemon, Chair, Airports & Economic Development Cmte.
and Members, Board of County Commissioners

From: Felix Jimenez, Inspector General 

Date: November 4, 2022

Subject: *OIG Observations Re: Agenda Item 3E on the November 7, 2022, Airports and Economic Development Committee, Recommendation for Approval to Reject All Proposals for RFP-01258 and Award a Bid Waiver Contract: RFP-01258, Non-Exclusive Agreement Baggage Handling System Operation and Maintenance; Ref. IG19-0007-O - Revised*

I. INTRODUCTION

By way of this memorandum, the Office of the Inspector General (OIG) provides you with our observations and supplemental information related to the above-captioned procurement process that has now resulted in the recommended bid waiver award. The new contract is intended to replace the current contract that was awarded in 2015, which was for five years with five 1-year options to renew. At present, the current contract, held by John Bean Technologies Corporation (JBT), has two and one half (2.5) years remaining as options.

This procurement process began in May 2019, when the Miami-Dade Aviation Department (MDAD) decided to initiate a new procurement process in lieu of exercising the options to renew. Delays in the procurement process, which are described later in this memorandum, has necessitated exercising some of those annual options. Proposals, with pricing, were originally received in May 2020—at an extraordinary time as the world entered the third month of a global pandemic. During this time, MDAD was also completing a major \$220+ million overhaul of its baggage handling system for the South and Central terminals. Eventually, a decision to request better offers (RBOs) from the two top-ranked firms was made. Updated prices, which were presumed to be better than those received in May 2020, were received in March 2022. Both firms increased their pricing without any other changes to their proposals (i.e., their staffing plans could not be revised). JBT increased its price proposal by 14.6 percent and the second ranked firm, Oxford Airport Technical Services, increased its price proposal by 15.5 percent. Due to the increase in price, award of this contract based on the procurement process that has taken place must be approved as a bid waiver. Had both or one firm returned the same price and/or a lower price, there would have been no

need for a bid waiver—the contract could have been awarded as a normal result of the RFP process.

In this respect, the OIG observes that this bid waiver recommendation is properly before the Board. With that said, the OIG would like to provide some observations and supplemental information for the benefit of the Board. Our observations fall into three categories

1. Post-advertisement Delays
2. Dual Negotiations, Responsibility Reviews, and a Request for Better Offers
3. Staffing Levels: Current and Proposed

Additional details for each of these three observations follow after a brief background of the BHS O&M Agreement and RFP-01258.

II. BACKGROUND

Predicate for the current procurement RFP-01258

The current BHS O&M agreement (RFP No. MDAD 11-14) was awarded on June 2, 2015. This contract, too, was the result of a prolonged procurement process that began three years earlier in 2012. The first procurement attempt (RFP No. MDAD 06-11) began in June 2012 and ended in May 2014 with a rejection of all proposals with the intent to re-solicit a new RFP. The second RFP (MDAD 11-14) took only seven months, but was fraught with questionable relationships, prohibited communications, and non-compliant practices. The OIG issued an extensive investigative report detailing a corrupt selection process and questionable contract pass-through activities. The investigation found that JBT (as a proposer) was the beneficiary of prohibited inside information received from a voting member of the Selection Committee. This inside information directly pertained to the oral presentation that JBT was about to make before the Selection Committee. JBT's Regional Director and MIA on-site manager, who received the forbidden information, did not report this prohibited contact to anyone. The OIG's report, issued on May 6, 2019, directly resulted in MDAD deciding to re-solicit for a new BHS O&M agreement in lieu of exercising the contract's options to renew, and also in lieu of the OIG's recommendation to consider termination and debarment. (See the OIG's Final Report of Investigation entitled "[Probe of MIA's Baggage Handling System Operation and Maintenance Agreement, Ref. IG15-0027-I.](#)") Less than two months after the OIG issued its report, on July 26, 2019, RFP-01258 for Baggage Handling Services Operation and Maintenance was advertised.

Specification Development – Inclusion of a Transition Phase

Upon MDAD announcing its intention to re-solicit a new agreement, the OIG's contract oversight personnel began monitoring the procurement process. One of the more

complicated issues to address in the new RFP was the fact that there was an on-going major overhaul to the South and Central terminals checked baggage inspection systems and baggage reconciliation areas.¹ This major project was seen as potentially problematic as it necessarily impacted daily BHS operations.

All parties recognized there would be an increased demand for labor to accomplish the work-around baggage service during the transition phase. The RFP included minimum staffing levels, and, through the bid addenda, information was provided regarding current staffing levels of the incumbent vendor. However, the bid did not provide an opportunity to adjust the staffing levels for different years of the 7-year term. Proposers were left to smooth out the expected staffing over the life of the agreement. The transition phase was of such importance that 150 out of the 800 total technical criteria points (18.75 percent) per CSC member involved the proposers' transition plan to the new BHS system.

The other components of the technical criteria were:

1. Approach to Providing Services	300
2. Key Personnel and Subcontractors	200
3. Experience and Qualifications	150
4. Transition Plan to new BHS System	150
Total Technical Criteria	800

Pricing proposals were worth 20 percent of the total evaluation (200 points per each Competitive Selection Committee (CSC) member). The awarding of points for pricing was based on a best value proposition; it was not determined by a pre-set formula based on the differences in price between the proposers. As noted above, while the RFP specification contained a minimum staffing requirement, by position, the proposers were required to set forth their staffing plans in their proposals.

As noted, bids were received by the County on May 15, 2020. Exhibit E of the RFP (issued in July 2019) contained a *New BHS Transition Schedule* that depicted that the final components of the system would be installed and turned over to MDAD by the end of October of 2020. Essentially, due to the prolonged advertisement of the RFP, the Transition Phase would be over before a new contract could be awarded. When the CSC met on August 11, 2020, one of the members noted the irrelevance of the criteria

¹ The project was officially called the South & Central Checked Baggage Inspection Systems (CBIS) / Checked Baggage Reconciliation Areas (CBRA) / Baggage Handling System (BHS) Program. The program scope consisted of the replacement of the in-line security screening portion of the South Terminal BHS and the installation of an automated sortation system for the Central Terminal. The project also entailed the construction of a four-story, 60,000 square foot facility that would be integrated into the existing Central Terminal structure at MIA. The new building would house both a new state of the art CBIS and CBRA. The overall program had three distinct phases: the building, the South Terminal BHS upgrade, and the new Central Terminal BHS system. The construction contract (a CM at-risk agreement) was awarded to Parsons Odebrecht Joint Venture in July 2016 for \$184 million. Due to deferred scope that was later added back to the project, a contract amendment was approved in July 2018 adding and additional \$46.3 to the contact.

and assigned the maximum points (150) for the Proposer’s Transition Plan to the New BHS across the board to each firm.

As stated above, the RFP was released on July 26, 2019. The original due date for proposals was September 6, 2019. There were 24 addenda issued; proposals were finally due and received on May 15, 2020. (See **OIG Schedule A** for a complete chronology of procurement dates and events, including correspondences received from proposers and their representatives, and other memoranda/correspondence prepared by the county staff.)

Evaluation of Proposals Received on RFP-01258

On August 11, 2020, the 6-member CSC met to evaluate and score the four proposals submitted pursuant to the RFP. Proposals were submitted by: JSM & Associates, Ltd (JSM), John Bean Technologies Corporation (JBT), Oxford Electronics Inc. (Oxford), and Daifuku Airport Technologies, JV (Daifuku). The combined results of the committee’s scoring are illustrated in Table 1. As the CSC consisted of six members, the total available points per proposer was 6000 points. The OIG examined the point differences between the highest cumulative scoring proposal and each of the other proposals, and then calculated the points and percentage difference between the cumulative scoring points (as shown in red in Table 1 below).

The Technical Criteria with a maximum cumulative score of 4,800 points accounted for 80% of the total maximum of 6,000 points. Daifuku received the highest score in the Technical Criteria with 4,376.5 points. In second place was JBT with 4,350 points; a difference of 26.5 points, or 0.6%, less that the top ranked Daifuku. The point differences and percentages for remaining proposers are also shown.

Table 1 – Competitive Selection Committee – Composite Score Sheet

Technical Criteria	Max. Points	JSM	JBT	Oxford	Daifuku
1. Approach to Providing Services	1,800	1,584	1,624	1,573	1,643
2. Key Personnel and Subcontractors	1,200	1,035	1,086	1,091	1,087
3. Experience and Qualifications	900	782.5	837	799.5	817.5
4. Transition Plan to new BHS System	900	804.5	803	801.5	829
Total Technical Criteria	4,800	4,206	4,350	4,265	4,376.5
Ordinal Rank		4	2	3	1
Point Difference from Highest Ranked		-170.5	-26.5	-111.5	
Percent Difference from Highest Ranked		-3.9%	-0.6%	-2.5%	
5. Price Proposal	1,200	989	1,145	1,090	909
Ordinal Rank		3	1	2	4
Points Difference from Highest Ranked		-156		-55	-236
Percent Difference from Highest Ranked		-13.6%		-4.8%	-20.6%
Total Maximum Evaluation Points	6,000	5,195	5,495	5,355	5,285.5
Ordinal Rank		4	1	2	3
Points Difference from Highest Ranked		-300		-140	-209.5
Percent Difference from Highest Ranked		-5.5%		-2.5%	-3.8%

Note: Data taken from Competitive Selection Committee Composite Score Sheet, August 11, 2020, provided to the OIG by ISD.

In the Price Proposal Category, which accounted for 20% of the total maximum score, JBT received the highest score of 1,145 points and ranked first place. In second place with a score of 1,090 points was Oxford; a difference of 55 points, or 4.8%, less than the highest score. The point differences and percentages for the remaining proposers are also shown in Table 1.

Adding together the Technical Criteria and Price Proposal scores resulted in JBT receiving the highest score of 5,495 points. Oxford received the second highest score of 5,355 points; a difference of 140 points, or 2.5%, less than the highest score. Daifuku received a total of 5,285.5 points; a difference of 209.5 points, or 3.8%, less than the highest score. JSM received a total of 5,195 points; a difference of 300 points, or 5.5%, less than the highest score.

Following their discussion on the resulting scores, the CSC decided to forego having oral presentations and recommended dual-negotiations with the two top-ranked proposers, JBT and Oxford.²

III. OIG OBSERVATIONS REGARDING THE CHALLENGES IN RFP-01258

1. Post-advertisement Delays

The terms of this solicitation evolved throughout the ten months that lapsed between the date of advertisement (July 26, 2019) and the date bids were due (May 15, 2020). There were 24 Addenda issued to address vendor inquiries, modify the terms of the bid proposal, and extend the due date. The licensing and certification requirements were repeatedly challenged by the vendors and there was confusion about the wage rate policies that had to be addressed.

Licensing and Certification

On September 30, 2019, two months after the advertisement of the bid, an attorney for Holland & Knight, representing JBT, registered strong objection to the County regarding the provisions of RFP-01258 relating to licensing and certifications. Noting the requirements included in this solicitation were a departure from the requirements of the previous RFP No. 11-14, the JBT representative asserted that requiring these new certifications might be considered an “arbitrary and capricious” limitation. Whereas RFP No. 11-14 only required a State of Florida Certified General Contractor License and the Transportation Assembly Install License, RFP-01258 heightened the licensing standards.

² For analytical purposes, since the new BHS was completed in late 2020, and the Transition Phase had effectively ended, the OIG eliminated “Criteria 4. Transition Plan to new BHS” to see what the impact would have on the final scores. This reduced the total maximum evaluation points by 900 to 5,1000. The analysis indicated that the over-all ranking would not change. However, the difference in the Total Technical Criteria total score between first (Daifuku) and second (JBT) places would be a mere ½ point, or one hundredth of one percent (0.01%). Total Maximum Evaluation Points between first and second places would decrease by one and one half (1½) points from 140 points to 138.5 point.

MDAD officials, with assistance from the Office of the County Attorney, consulted with the building officials of the Resources and Economic Development Department and issued Addendum No. 14 on January 7, 2020, clarifying the County's position as it related to the proposer holding a Florida General Contractor license and allowing a subcontractor to qualify for the Miami-Dade County Transporting Assembly Installation Contractor license. This revision provoked an objection from Oxford in a letter, dated February 14, 2020, received from its attorney from the firm of Bilzin Sumberg.

On February 28, 2020, the County issued Addendum No. 17 further revising the Minimum Qualification Requirements to require the proposer to hold the General Contractor license. Oxford's representative introduced a second letter of objection on March 4, 2020. This correspondence objected to the revised language on the grounds that there was insufficient time available to meet the requirements. On March 18, 2020, the OIG received correspondence from Bilzin Sumberg on this topic of Minimum Requirements outlining an argument that the revisions to date and the time extensions appeared to favor the interest of JBT.

On March 25, 2020, a teleconference was requested by the OIG to discuss this licensing issue with senior MDAD staff, the County Attorney's Office and the Director of the Strategic Procurement Division. MDAD explained its operational needs and why the General Contractor requirement was necessary, even if not needed often. The OIG asked if a Subcontractor, engaged prior to bid submission and participating throughout the term, could satisfy the licensing and certification requirements. A consensus emerged that this would be an acceptable arrangement.

The final revision to the Minimum Requirements, Section 2.2 of the RFP, was introduced through Addendum No. 23 on April 29, 2020. The section was revised to clarify that "Proposers, including through a Subcontractor" had to hold the General Contractor license and the Miami-Dade County Transporting Assembly Installation Contractor license. The OIG suggestion to require a contractual relationship with a qualifying Subcontractor at the time of bid submission, and that there be no lapse in these requirements throughout the term of the Agreement, were incorporated in the Addendum. We note that after this last and final clarification, proposals were due only two weeks later.

Wages

When RFP-01258 was advertised on July 26, 2019, the only direct reference to Responsible Wage policies was found in Article 4 of the attached Draft Agreement (page 55/1693). Proposers were advised the Contractor would be required to submit "as attachments to each invoice Certified Payroll forms for all employees on the job, at every tier, for job classifications identified with the applicable Responsible Wages and Benefits - Building." There was also included in the RFP Packet an Exhibit N, which included Administrative Order 3-30: Living Wages Requirement for County Service

Contracts, Ordinance 16-87 and County Code Section 2-89, all pertaining to Living Wages.

The interested proposers sought clarification on the application of the Responsible Wage and Living Wage policies. Even after County staff responded to 69 questions in Addendum No. 5 on September 20, 2020, questions about the wage policies remained. Numerous internal meetings among County staff, including Small Business Development officials, were convened to develop an appropriate response.

Addendum No. 9, issued on November 8, 2019, specified the application of County wage policies by adding Section 2.9(K), declaring Living Wage rates were applicable to the staff and Subcontractors providing day to day operation and maintenance services; and Responsible Wage rates were applicable to staff and Subcontractors utilized for any work that required permits and the qualifications of a certified General Contractor. The practical implementation of Addendum No. 9, however, did not anticipate scenarios where service workers might be called upon to assist in maintenance activities involving permits under the supervision of a certified General Contractor.

On February 21, 2020, the County issued Addendum No. 16 to eliminate any confusion on the application of the different wage rate policies for trades and service workers. Addendum No.16 required all workers to be compensated according to the Responsible Wage schedules under the trade classifications of Millwright & Machinery Erectors, Electrical Workers, or Laborers. The OIG participated in these deliberations and found the proposed terms of Addendum No. 16 to be an acceptable solution.

The OIG brings to the Board's attention these two issues requiring significant attention after the RFP was advertised only to highlight some of the causes for the protracted procurement process. The OIG consistently found the County's staff assigned to this undertaking to be diligent in seeking to formulate defensible solutions, all the while endeavoring to ensure a fair and competitive solicitation.

2. Dual Negotiations, Responsibility Reviews, and a Request for Better Offers

As described in section II. Background, the CSC convened on August 11, 2020 to evaluate and score the proposals. The CSC did not find it necessary to request oral presentations from the proposers; instead, it recommended dual negotiations with the top two-ranked firms: JBT and Oxford.

The Procurement Coordinator began this process on November 20, 2020 with letters sent to both JBT and Oxford requesting information relevant to a responsibility review (e.g., disclosure of litigation, etc.). The OIG notes that, based on our past procurement monitoring, the responsibility review is typically conducted when there is one firm/proposer recommended for award and conducted after negotiations have been completed. In this procurement, in light of the correspondence received from the proposers questioning the other proposers qualifications and/or responsibility, the

Strategic Procurement Department³ (SPD) decided that it would conduct responsibility reviews of the top two firms prior to actually negotiating with the proposers.

Responsibility review meetings were scheduled with the two firms for January 22, 2021. The OIG attended (via Zoom) both meetings. In Oxford's review, the allegations that Oxford had misrepresented the qualifications of key personnel and had referenced invalid experience were both determined to be unfounded. During JBT's review, the allegation that JBT had inflated the experience and qualifications of key personnel and staff was addressed. JBT acknowledged a drafting error in the proposal and noted the personnel in question would not be among the direct staff assigned to this project, but available if needed. The SPD Procurement Coordinator found that since this staff member was among the "corporate team and is available as support as needed . . . the concerns raised are not material to John Bean's experience and performance of the services." In response to the OIG report, JBT indicated measures had been taken to educate employees about ethical business practices and compliance with contract terms.

On April 8, 2021, during the second responsibility hearing with JBT, the SPD Procurement Coordinator made specific inquiry about the employee (identified in the OIG report) who had knowledge of the corrupt scheme to award the prior RFP to JBT – and did not disclose the prohibited contact and receipt of inside information. Representatives of JBT noted the individual was enrolled in several training sessions about ethics, anti-corruption policies, and conflicts of interest. It was also reported during the session that the Regional Director, as of a few days prior, no longer maintained an office at MIA even though he continues to oversee the BHS O&M contract at MIA.

During April and July 2021, there were two drafts of the CSC report prepared for signature that included an option to declare JBT non-responsible and, thus, only approve negotiations with Oxford. On May 5, 2021, a stand-alone draft memorandum declaring JBT non-responsible was also circulated for signature. All three draft memoranda referencing JBT as non-responsible were based upon the findings in the May 2019 OIG report. No County officials with authority signed these documents.

On June 16, 2021, a Supplemental Agreement extending JBT's current BHS O&M agreement for an additional six months was executed. The County's decision on the responsibility of JBT as a vendor was now a matter of record based on this 6-month extension and the two prior exercises by the County to extend the agreement for a year. On August 4, 2021, a letter from Holland & Knight emphasized the responsibility of the firm had been demonstrated by the Supplement Agreement and by the prior exercises of the options to renew the agreement.

³ Formerly a division of the Internal Services Department, Strategic Procurement is now its own department.

On October 15, 2021, the Report of the CSC, recommending dual negotiations with JBT and Oxford was finally signed and transmitted to the ISD Director. The Negotiating Team then began its work.

Requests for Better Offers

On November 3, 2021, the Negotiating Team held its first internal negotiation strategy session. The Team was not inclined to entertain oral presentations, nor allow any modifications to the staffing levels originally proposed on May 15, 2020, even though the new BHS construction (i.e., the Transition Phase) had been completed by this time. Instead, the Team narrowed the decision to the maximum compensation amount. On January 4, 2022, during the second internal negotiation strategy session, the Team recommended a Request for Better Offer (RBO) from JBT and Oxford.

On February 14, 2022, the CSC re-convened to consider the aforementioned May 6, 2019 OIG report. At that meeting, the CSC members reviewed the OIG Report and determined that it did not impact their prior evaluation and scoring.⁴

The RBO was issued on March 10, 2022, with a due date of March 18, 2022. The only information requested was a completed Excel form with the firm’s Negotiated Operation & Maintenance Fees for the seven years of the agreement with the total amount, along with the previously submitted proposal. Table 2, shown below, illustrates a comparison of the current contract, the original price proposals and the RBO prices.

Table 2 – Price Comparison: Current Contract vs. Original Bid vs. RBO

	JBT	JBT		Oxford	
Year	Current Contract (Years 8-10)	Original 05/15/2020	RBO 03/18/2022	Original 05/15/2020	RBO 03/18/2022
1	\$10,320,650.00	\$9,852,537.65	\$10,808,739.68	\$11,121,136.60	\$12,146,230.59
2	\$10,588,868.00	\$10,021,154.77	\$11,241,089.27	\$11,232,347.96	\$12,493,271.58
3	\$10,893,390.00	\$10,221,577.87	\$11,690,732.84	\$11,344,671.44	\$12,850,723.79
4		\$10,426,009.42	\$12,041,454.82	\$11,458,118.16	\$13,218,899.58
5		\$10,634,529.61	\$12,402,698.47	\$11,572,699.34	\$13,598,120.64
6		\$10,847,220.20	\$12,650,752.44	\$11,688,426.33	\$13,988,718.33
7		\$11,064,164.61	\$12,903,767.48	\$11,805,310.59	\$14,391,033.95
Total		\$73,067,194.13	\$83,739,234.99	\$80,222,710.42	\$92,686,998.44
Increase in RBO			\$10,672,040.86		\$12,464,288.02
Percent Increase			14.6%		15.5%

⁴ The re-convening of the CSC was necessitated by the Board’s adoption of R-62-22 on January 19, 2022, which amended Implementing Order 3-34, to require certain reports and findings of the Inspector General and Miami-Dade Commission on Ethics and Public Trust to be provided to Selection Committees.

While it is not possible to align the current contract pricing with the proposed schedule as the award date and commencement of the recommended bid waiver award is unknown, JBT is now being compensated according to Year 8 of the rate schedule found in the existing agreement. It should also be noted, the current compensation for the additional 23 employees paid through the General Allowance Account (an annualized amount of \$1,916,040⁵) is not included in Table 2.

Customarily, the County requests a Best and Final Offer, or RBO in this instance, with the expectation of seeing lower prices than originally proposed. However, given the significant lapse in time between submissions, almost two full years, both RBOs were returned with higher prices. As Table 2 illustrates, JBT submitted pricing within the range of its current compensation (see Years 8-10). This compensation schedule, however, does not reflect the actual compensation JBT is receiving—and MDAD is paying—due to increased staffing levels approved by MDAD and paid through an allowance account available under the current contract. As will be further described in the next section, MDAD is currently paying JBT \$159,670 per month for additional staffing. Annualized, MDAD is currently paying JBT \$12,336,670 (\$10,320,650 + \$1,916,040 = \$12,336,670).

3. Staffing Levels – Current and Proposed

The OIG observes that staffing levels, which has always been an issue of contention even prior to the 2015 contract award may require clarification here and further enforcement by MDAD staff. RFP No. 01528 Section 2.9 sets forth the staffing requirements under the agreement. Section 2.9(B) establishes the minimum staffing levels (see Table 3 on the next page).

The OIG has learned that under the current contract, JBT is utilizing 110 positions. These consists of 87 positions funded from the Operations and Maintenance budget and 23 additional positions funded from the General Allowance Account. MDAD authorized the 23 positions in June 2020 as necessary to provide enough resources to work through the transition to the new BHS for South and Central terminals. From invoicing data, these 23 positions are still being utilized by JBT although the transition to the new system is considered complete.

The proposed contract recommended for award includes a \$7 million dedicated Allowance Account for Parts and a \$3.5 million General Allowance Account. By comparison, the current incumbent contract contains allowance accounts totaling \$66,306,705, which includes a \$5 million dedicated Allowance for Additional Services and a \$14,806,705 General Allowance Account. To date, \$5,716,570.61 has been expended from the General Allowance Account to cover the costs for the 23 additional positions.

⁵ Due to a transcription error, this amount has been revised from the original memorandum. As such, it also affects the current payment amount, which now totals \$12,336,670.

Article 3 – General Allowance Account of the proposed agreement defines the purpose of this account for “*Certain portions of work which may be required to be performed by the Contractor under this Contract are either unforeseeable or have not yet been designed, and the value of such work, if any, is included in the Contract as a specific line item(s). The County may, at its sole discretion, utilize the General Allowance Account (GAA), to pay for additional or extra work, inclusive of modifications/ enhancements of the BHS system and/or repairs outside the normal maintenance of the BHS system.*”

In other words, the General Allowance Account may not be used for providing services under the Operations and Maintenance portions of the contract. RFP Section 2.9(C) pertains to staffing deficiencies. It will be incumbent on JBT to provide the requisite minimum staffing required by the contract. Additionally staffing expenses to cover deficiencies shall be borne by JBT. Failure to do so may result in a decrease in the monthly O&M fee.

In its proposal, JBT submitted a staffing headcount of 99 positions as shown below:

Table 3: Staffing Comparison: Proposed vs. Minimum RFP Requirements

Staff Position/Title	Qty	Hrs per week available		Min staff required per shift	Hours per week required
Project Manager	1	40			40
Administrative Support	1	40			40
Shift Supervisor*	4	160		1	168
Parts Supervisor	1	40			40
Control Room Operator/ Work Order Coordinator*	8	320		2	336
Mechanic - MRT1*	36	1,440		9	1,512
Mechanic - MRT2*	8	320		2	336
General Laborer*	40	1,600		10	1,680
Total Headcount	99	3,960			4,152

*Indicates shift position for staffing round-the-clock.

OIG analysis of the JBT Staffing Headcount indicate a potential for not having sufficient budgeted personnel to meet the minimum staffing requirements specified in the RFP. As a result, the potential to operate below the minimum staffing requirements or incur built-in overtime occurs every week for every shift position! For example, the Mechanic-MRT2 position requires a minimum of 2 persons per shift; as a result, JBT proposed eight (8) positions to be able to provide two (2) per shift around the clock (24 hours per day, 7 days per week); i.e. 4 shifts per position.

The OIG notes that the 8 Mechanics-MRT2 would be available for 8x40hrs = 320 hours per week. However, staffing that position requires 2 positions x 24 hours per day x 7 days per week equals 336 hours per week. This would indicate that there would be 16

hours that would either be uncovered or covered by overtime pay. In summary, the Table above indicates that JBT would be underbudgeted by 192 hours each week (4,152-3,960) that would go unstaffed or covered by overtime. This is equivalent to approximately five (5) positions without any allowances for employee absences. Thus, the OIG believes that it is incumbent on MDAD to ensure that the General Allowance Account will not be used to cover deficiencies in the Operating and Maintenance Account. Deficiencies must be made up by JBT at the risk of having its monthly O&M fee reduced.

IV. CONCLUSION

The decision of the former MDAD Director to initiate a new solicitation for the critical BHS O&M agreement for MIA was intended to acquire the services without the taint of corruption. The OIG can assure the Board, this process has not been plagued by unethical conduct or malfeasance. Instead, this process revealed a host of issues that warranted in-depth review by a multitude of professionals. The issues of licensing and certifications, along with the determination that Responsible Wage should apply to all workers engaged in the delivery of these services, were difficult choices that have now been made. And, of course, the Transition Phase is no longer an issue, and the global pandemic may have run its course. For all that has transpired over the past three years, the OIG believes that the County is in a better place to manage this complex agreement.

V. RESPONSE FROM COUNTY ADMINISTRATION

This memorandum, as a draft was provided to SPD and MDAD for their review. The OIG received an email from MDAD acknowledging receipt and review of the draft memorandum with no other comments other than clarifying some expenditure figures.

The OIG also received an email response from SPD stating: *Thank you for providing us the opportunity to review the draft memorandum regarding RFP-01258, Baggage Handling System Operation and Maintenance for Miami International Airport. We value your guidance and appreciate all the support you provided us on this complex and important solicitation. We look forward to our continued collaboration in ensuring our processes are conducted in a fair and transparent manner while getting the best deal for the County.*

The OIG wishes to express our appreciation and thanks to the SPD and MDAD staffs for the cooperation and courtesies extended to us throughout this procurement process.

Cc: Edward Marquez, Chief Financial Officer, Office of the Mayor
Jimmy Morales, Chief Operating Officer, Office of the Mayor
Namita Uppal, Director, Strategic Procurement Department
Ralph Cutié, Director, Miami-Dade Aviation Department
Cathy Jackson, Director, Audit and Management Services Department
Yinka Majekodunmi, Commission Auditor, Office of Commission Auditor
Jennifer Moon, Chief, Office of Policy and Budgetary Affairs