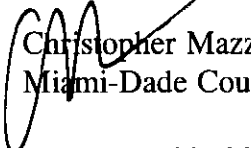




Memorandum

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visit our website at www.miamidadeig.org

To: Jose Abreu, Director
Miami-Dade County Aviation Department

From:  Christopher Mazzella, Inspector General
Miami-Dade County

Date: September 30, 2008

Subject: Baggage Wrapping Services at Miami International Airport

As I am sure you are aware, Miami-Dade County Aviation Department (MDAD) Agreement No. Z-89 for baggage wrapping services will expire in less than one year. Given the length of time, historically, for airport concessions, leases, and other ancillary services agreements to be awarded, the OIG urges your department to immediately begin initiating a new Request for Proposal (RFP) or an Invitation to Bid (ITB) process.

It has come to our attention that MDAD may be hesitant to engage in a new selection and award process for baggage wrapping services. However, the current agreement, initially awarded in 2001 and extended in August 2004, will have provided the current vendor with 8 years of business opportunity at Miami International Airport (MIA). The current contract contains no more extensions. The Office of the Inspector General (OIG) strongly believes, as with all public contracts, that opportunities for participation must be maximized. This premise resonates even more now as business opportunities diminish daily with the tightening of the economy. As purchasers of goods and services, or more specifically, in this case, as a landlord providing a concessionaire with business opportunities on public premises, the public entity—MDAD—should be making these business opportunities available for all interested companies. Not only is competition key to securing excellent services, but it also ensures that MDAD's financial return is based upon sound market assessment and not dictated by only one party's interest.

The OIG is aware that MDAD's reluctance to put this service out for "bid" may be based upon the local Transportation Security Administration (TSA) Security Director's inclination not to extend another company the security arrangements currently in place with the incumbent provider. (See letter dated June 9, 2008, Attachment A.) However, the arrangement that is in place with the incumbent vendor, relies upon

MDAD—not TSA—assuming regulatory responsibility over that company which is under contract with MDAD. According to a letter setting forth such an agreement (Attachment B), which was approved by TSA, MDAD states:

We will continue to enforce the provisions of our existing contract with Secure Wrap and all federal, state, and local regulations relating to security and business conduct. This includes, but is not limited to, TSA required background investigations of personnel, placement of machines, professional demeanor, and ethical conduct.

The MDAD is willing to assume regulatory responsibility for this security measure, and will submit appropriate amendments to the Miami International Airport, Airport Security Program, as required by the TSA.

However, to rest on the plain fact that the incumbent vendor was TSA approved in 2003 (due to MDAD's assumption of responsibility and MDAD's inclusion of the vendor's security plan into its master plan) does not mean that it is the only company that can be TSA approved.

This arrangement—assumption of regulatory responsibility over the vendor—is not addressed by the local TSA Security Director, and the OIG cannot fathom why such an arrangement would not be entertained with a new vendor under contract with the airport. To suggest otherwise, we believe, would be to engrave the status quo in stone and preclude the addition of new permittees, lessees, concessionaires and others from business opportunities at this public facility.

It is not within the province of TSA's authorities to decide whom permits, leases, and concessions are awarded to. Instead, it is clearly TSA's authority to ensure that personnel of all permittees, lessees, and concessionaires are properly backgrounded and screened and that all businesses provide an acceptable security plan. Whichever company receives the contract to provide baggage wrapping services to the traveling public at MIA, will be required some form/level of authorization approved by the TSA. In fact, the ability to work at the airport—especially here as part of that work will be in the secure area—is conditioned on this basic premise, and the next RFP/ITB should make sure that this condition is expressly and unambiguously stated.

The OIG is cognizant of the amount of time that is needed to conduct a fair, open, and transparent procurement process. The time to begin is now.

The new contract's terms and conditions must be mutually beneficial to both parties and ensure that baggage wrap customers will be getting excellent services for a fair and

reasonable price. As previously mentioned, the contract should expressly state that as a condition of award, the recommended vendor secure its approval from the TSA. The procurement and award process should allow the successful vendor(s) an ample amount of time to secure such approvals.

The OIG is reminded by your assessment last year in denying the incumbent vendor its request for another five-year extension to the agreement. In a letter, dated December 5, 2007 (Attachment C) you noted:

MDAD is also aware of other vendors in Secure Wrap's industry who expect MDAD to allow the opportunity to participate in a public solicitation to provide bag wrapping services to the traveling public at Miami International Airport

The OIG recommends that the department begin preparing a new RFP, ITB, or some other form of public solicitation to award a new baggage wrap services agreement for execution upon expiration of the current agreement, which will be in August 2009.

The OIG requests that you provide us with a response in 30 days, on or before October 31, 2008, reporting on the course of action that MDAD intends to take. The OIG makes this request pursuant to Section 2-1076(d)(2) of the Code of Miami-Dade County. In the meanwhile, please do not hesitate to contact me should you desire to discuss this issue further.

cc: Hon. Carlos Alvarez, Mayor, Miami-Dade County
Hon. Bruno A. Barreiro, Chairperson, Miami-Dade Board of County Commissioners
Hon. Jose "Pepe" Diaz, Chairperson, Airport and Tourism Committee
Ms. Ysela Llort, Assistant County Manager
Clerk of the Board (copy filed)

U.S. Department of Homeland Security
8400 NW 36th Street; Suite 300
Miami, Florida 33166



Transportation
Security
Administration

June 9, 2008

Miguel Southwell
Assistant Director
Business Retention & Development
Miami Dade Aviation Department
P. O. Box 025504
Miami, Florida 33102

Dear Mr. Southwell:

I am in receipt of your letter of April 18 seeking guidance as to TSA's requirements concerning vendors initiating baggage wrapping services on airport property. Thank you for recognizing the direct and inescapable impact that the baggage wrapping industry has on TSA baggage security.

As you are aware, the agreement with the current vendor at MIA dates back to 2003 and was handled by TSA Headquarters prior to my arrival at MIA. While TSA issued policy in this area in 2005, I have asked Headquarters for additional guidance as to my regulatory authority in this area. I am pleased that we have found a set of workable arrangements as to the current vendor that allows TSA to accomplish our mission at MIA. However, in the absence of additional guidance as to my authority in this area, I am not inclined to continue similar arrangements with a new vendor.

I recently learned that the Florida Congressional Delegation has asked TSA to review and provide uniform national guidelines for the baggage wrapping industry to operate at airports. This hopefully will pave the way to facilitate your prospective Request for Proposals, and provide me with clarification as to my authority that would allow me to address all of your questions.

I am hopeful that with this new event this process will move swiftly to completion.

Very best,

A handwritten signature in black ink, appearing to read "Mark Hatfield, Jr.", written in a cursive style.

Mark O. Hatfield, Jr.
Federal Security Director



July 30, 2003

Mr. Ed Guevara
Federal Security Director
Transportation Security Administration
8600 NW 36 St., Suite 503
Miami, Florida 33166

Dear Mr. Guevarra:

Based on conversations and meetings with you and other agents of the Transportation Security Administration (TSA), the Miami Dade Aviation Department (MDAD) will assume regulatory responsibility for the vendor known as SECURE WRAP while they are under contract to Miami Dade County to provide bag-wrapping service at Miami International Airport (MIA).

We will continue to enforce the provisions of our existing contract with Secure Wrap and all federal, state, and local regulations relating to security and business conduct. This includes, but is not limited to, TSA required background investigations of personnel, placement of machines, professional demeanor, and ethical conduct.

The MDAD is willing to assume regulatory responsibility for this security measure, and will submit appropriate amendments to the Miami International Airport, Airport Security Program, as required by the TSA.

We believe that such an innovative approach to security will establish a precedent others will follow. Thank you for your support with this initiative.

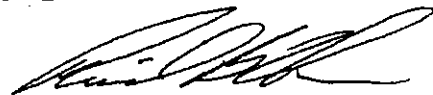
Sincerely,


Angela Gittens
Aviation Director

OFFICE OF THE DIRECTOR ♦ MIAMI-DADE AVIATION DEPARTMENT
P.O. BOX 592075 AMF ♦ MIAMI, FLORIDA 33159 TSA - MIA Approved
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Federal Security Director
SEP 04 2003

09/29/2008 14:27 FAX



ATTACHMENT C
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Commercial Airport:
Miami International Airport

General Aviation Airports:
Dade-Collier Training & Transition
Homestead General
Kendall-Tamiami Executive
Opa-locka
Opa-locka West

miamidade.gov

December 5, 2007

Miguel Diaz de la Portilla, Esq.
Becker & Poliakoff
121 Alhambra Plaza, 10th
Coral Gables, Florida 33134

Re: Request for Five Year Extension of Secure Wrap of Miami, Inc.'s Agreement with the
County

Dear Mr. Diaz de la Portilla:

The Miami-Dade Aviation Department ("MDAD") received your letter on behalf of Secure Wrap of Miami, Inc. ("Secure Wrap") dated November 21, 2007 on November 27, 2007 wherein you are requesting a five year extension to the existing agreement. In essence, your letter outlines the negative impacts which affected your client's business by the enhanced security measures introduced by our Federal Government in response to the terrorist attacks perpetrated on the United States on September 11, 2001.

As your letter points out, the County has been sensitive to and has accommodated Secure Wrap's post 9/11 business model by reducing the compensation due to the Department, granting all four one-year extensions in advance, and extending the original term an additional year.

MDAD is also aware of other vendors in Secure Wraps' industry who expect MDAD to allow the opportunity to participate in a public solicitation to provide bag wrapping services to the traveling public at Miami International Airport.

We will continue to review your request and determine the best course of action. We appreciate your services and are happy to have you as a business partner.

Sincerely,


Jose Abreu, P.E.
Aviation Director

Delivering Excellence Every Day