

The City of Pembroke Pines

Background for the Assignment of Operation, Maintenance, and Management of the City's Rights of Ways



Why the Abrupt Change?

- DBi Services unexpectedly shut their doors without advanced notice on 10/22/21
- DBi was a \$400-450MM dollar company with over 2,500 employees
- DBi Services noted that macroeconomic forces as a result of the COVID-19 pandemic had a significant impact on DBi's operating environment and its ability to execute and finance contracts
- This action left The City of Pembroke Pines without a provider for the mission critical services covered by this contract



DeAngelo Contracting Services (DCS)

- Met in person with Mr. Buckland, Mr. Gayeski and Mr. Rotstein on 10/25/21 to see how DCS could help in filling the hole left by DBi
- Began pursuing the contract assignment route with DBi Services and the City of Pembroke Pines
- Made a definitive deal with DBi Services to purchase substantially all of their assets
- Moved to secure DBi Services' key personnel, including 6 of the 8 employees serving the City of Pembroke Pines
- Began working at risk to provide the contract services, which are critical to the safety of the residents and visitors of the City and the aesthetics of the City



Contract Cost/Pricing

- The contract is a lump sum fixed price contract – DCS will need to determine and provide the resources necessary to meet the contractual requirements
- Labor does not make up the majority of the direct costs. Other major costs include:
 - Subcontractors (lighting, sweeping, storm drains, artistic concrete)
 - Trucks and Equipment
 - Materials
 - Indirect costs such as overhead and insurance



Contract Performance

- This contract is a performance-based contract, where the city has specified the desired conditions in the contract
- Contractor performance is measured by a formal Maintenance Rating Program (MRP) evaluation
 - Pass is a score of 80
 - Most recent MRP score (from September 2021) was 85.2
- DCS commits to keeping the conditions of the covered City assets at or above required levels for the duration of the contract
- As part of the contract, DCS indemnifies the City of any claims, damages, losses, obligations, penalties, fines, liabilities and expenses arising from DCS' services and obligations under the agreement



The City of Pembroke Pines Is A Leader In This Space

- Asset Maintenance Contracting started in the late 1990's
- The majority of Florida's State-Owned Interstates and Primary Roadways are maintained under Asset Maintenance Contracts
- Cities such as Pembroke Pines and Washington D.C. have embraced this effective model for performing their essential maintenance
- The City of Pembroke Pines is a leader in this field and a great example for other cities across America



DCS and the DeAngelo Family

- DCS is owned by Paul DeAngelo and the DeAngelo Family
- Paul is a local resident of Fort Lauderdale
- Paul and his brother founded DBi Services in 1978 and grew it into a large and successful company before selling the company to Private Equity in 2016 – Paul was not involved with DBi Services at the time of the shutdown
- The DeAngelo Family formed DCS in 2020 to provide maintenance services to key local, state and commercial customers



Why Approve the Assignment to DCS?

- Continue to have the **same local manager and core team of employees** and equipment provide the same critical services
 - Quentin Williams and his team know the City, the infrastructure, and the priorities
- **Lock in the same price** for 2 more years of service in a market experiencing high inflation in labor, trucks, fuel, and materials
- **Reduce risk** - Under this contract, DCS takes the risk of providing the contract requirements instead of the City taking the risk
- **Get the services of a local owner** who cares about his customers, his employees and his supplier/subcontractor partners

