

Business Operations
J.E. Surash, P.E., Chief Business Officer

**SUBJECT: REPORT TO THE BOARD CONCERNING THE
FEASIBILITY OF PROVIDING AN INCENTIVE BONUS
FOR EARLY COMPLETION IN CONNECTION WITH THE
CONSTRUCTION OF DORAL SENIOR HIGH SCHOOL**

COMMITTEE: FACILITIES MANAGEMENT

Background

At its meeting of April 14, 2004, the School Board authorized the Superintendent to explore the feasibility of providing an incentive bonus for early completion in connection with the construction of the Doral Senior High School, as proposed by Mr. Frank J. Bolanos, Board Member. Since the contract for this school was awarded prior to the newly adopted compressed timelines, completion is anticipated to take approximately four months longer than would be the case under the new timeframe.

Additional Information

Staff has conducted pertinent research in this matter and found the following:

- Cursory research of existing Florida Statutes and the State Requirements For Educational Facilities (SREF) by Facilities staff in conjunction with the School Board Attorney's Office, indicates that state law appears to be silent in this area. Additionally, Florida Department of Education staff has also verbally indicated no knowledge of any rule or regulation that would preclude implementation of this type of incentive;
- Despite the above, the fact that the construction contract for Doral Senior High School was awarded in November 2003, and a provision for a bonus for early completion was not included in the bid criteria, the possibility exists that, should such an incentive be included at this stage, the unsuccessful bidders or other potential bidders could seek to challenge the contract award, thereby delaying the project; and
- Preliminary contacts with the contractor for the Doral High School indicate there is some concern and reluctance on his part to pursue this type of incentive, due to its potential impacts on already negotiated agreements with subcontractors as to labor and other related costs, overall project scheduling and other business issues.

Due to the potential for challenges to the already awarded construction contract by other unsuccessful bidders or other potential bidders, and the apparent reluctance by the contractor to amend the current construction contract, for the reasons outlined below, pursuing this matter further does not appear promising at this point. However, staff will continue its discussions with the construction contractor and should conditions change, an amendment to the current contract will be submitted to the Board for consideration at a later date.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, receive the report to the Board concerning the feasibility of providing an incentive bonus for early completion in connection with the construction of the Doral Senior High School, and direct the Superintendent to continue its discussions with the construction contractor. If contract provisions that are deemed appropriate and acceptable can be negotiated, the Superintendent is to bring a proposed contract amendment to the Board for further action.

ARC:aj