

Office of School Facilities
Rose Diamond, Chief Facilities Officer

**SUBJECT: TERMINATION OF AGREEMENT WITH VEITIA PADRON
INCORPORATED, AS CONSTRUCTION MANAGEMENT AT-
RISK FIRM FOR THE RENOVATIONS AND NEW PE TRACK
(PHASE I & II) AT MIAMI CENTRAL SENIOR HIGH SCHOOL,
PROJECT NO. A01013**

COMMITTEE: FACILITIES AND CONSTRUCTION REFORM

On December 15, 2004, the Board commissioned the firm of Veitia Padron Incorporated (VPI) as Construction Management (CM) at-Risk firm for the Renovations and New PE Track (Phase I & II) at Miami Central Senior High School, Project No. A01013. VPI was commissioned for preconstruction services based, in part, on an estimated construction cost of approximately \$12.8 million. However, major adjustments to the scope of work were incorporated into the 5-year plan approved by the Board in July 2005. The adjusted construction cost estimate for Phase I is \$19 to \$22 million and \$28 to \$30.5 million for Phase II. VPI is concerned that they would not have the resources nor bonding ability required for the adjusted project size and cost estimate. Therefore, in addition to VPI's concerns, M-DCPS staff recommends that the Board terminate the agreement with VPI without cause.

To avoid project delays, the CM at-Risk services have been re-advertised to align the project needs with the new scope (i.e., New Additions, Remodeling and Renovations). Staff will not begin the selection process to short-list CM at-Risk firms until the Board takes action on this item.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, direct the Superintendent to:

- 1) terminate the agreement with Veitia Padron Incorporated, without cause, as Construction Management at-Risk for the Renovations and New PE Track at Miami Central Senior High School, Project No. A01013;
- 2) provide written notification of such action to Veitia Padron Incorporated.

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SUBJECT: COMMISSIONING OF COASTAL CONSTRUCTION COMPANY, ZURQUI CONSTRUCTION SERVICES, INC., AND BDI CONSTRUCTION COMPANY AS CONSTRUCTION MANAGEMENT AT-RISK FIRMS FOR MISCELLANEOUS PROJECTS WITH CONSTRUCTION VALUES UP TO \$1 MILLION EACH FOR UP TO FOUR YEARS

COMMITTEE: FACILITIES AND CONSTRUCTION REFORM

Introduction

Staff has completed the selection process for four (4) firms to provide Construction Management (CM) at-Risk services for a four-year term with the second, third and fourth years at the Board's option. Five (5) firms applied and the firm of Aventura Engineering and Construction withdrew from the interview process. On August 16, 2005, the Selection Committee interviewed and ranked the following four (4) firms:

1. Coastal Construction Company (Miami, FL)
2. Zurqui Construction Services, Inc. (Miami, FL)
3. BDI Construction Company (Miami, FL)
4. H. A. Contracting Corp. (Miami, FL)

The Selection Committee was comprised of the following individuals:

Committee Member

Dr. Bhagwan Gupta
Ivan Gonzalez
Edward Ford
Dennis Arechavala
Kenneth Rogers
Walter Baggesen
Dennis Caserta
Carlton Crawl (non-voting)

Representing:

Office of the Superintendent
Facilities Operations, Maintenance
Capital Improvements Projects
Capital Improvements Projects
Region VI Office
Educational Facilities Compliance
Business Development and Assistance
A/E Selection, Negotiations & Design Management

From the above four firms that were interviewed, staff entered into negotiations with the top three ranked firms and all three were selected for this contract. The following fees, scope of services, and contract terms and conditions, have been negotiated with these firms:

Terms and Conditions

- A. The services include pre-construction services (design review through bidding), development of a Guaranteed Maximum Price (GMP) for construction and upon acceptance of the GMP, the actual construction of the project(s). Upon each project assignment, via work order(s), the Board and the CM at-Risk firms shall agree as to the level of service each project will require.

The firms have agreed to provide the requisite pre-construction services for the miscellaneous projects including, but not limited to, the following:

- Review all design and construction documents prepared by the Project Architect/Engineers as well as any existing on-site and off-site conditions, to ensure constructability of the project(s).
- Provide the District with value engineer analysis, cost saving recommendations and estimates throughout the various phases of design.
- Prepare a master construction schedule to identify potential time saving measures and to facilitate the timely completion of the project(s).
- Coordinate with District staff and Project Architect/Engineers to ensure that all the necessary on-site and off-site testing, permitting applications and regulatory agency reviews are accomplished.
- Identify all the various bid packages needed to successfully execute the project(s), and conduct pre-bid conferences with qualified sub-contractors, material suppliers and equipment vendors. Compensation for those selected services shall be as follows:

B. Fee Schedules

B.1. Coastal Construction Company (Coastal)

	Project Construction Cost				
	50,001- 100,000	100,001- 300,000	300,001- 500,000	500,001- 750,000	750,001- 1,000,000
Design review, constructability & Value Engineering	\$2,000	\$3,500	\$5,000	\$5,000	\$5,500
Review of existing conditions	2,500	3,000	5,000	5,500	6,000
Cost Estimating	1,000	1,500	2,500	3,000	3,000
Scheduling	1,000	1,500	2,000	3,000	3,500
Bidding	1,500	1,700	2,800	3,500	4,000
General Conditions (per diem)	400	500	575	650	700
Bonds, General Liability Insurance, Overhead & Profit	19%	18%	16.5%	15.5%	15%

B.2. Zurqui Construction Services, Inc. (Zurqui)

	Project Construction Cost				
	50,001- 100,000	100,001- 300,000	300,001- 500,000	500,001- 750,000	750,001- 1,000,000
Design review, constructability & Value Engineering	\$2,000	\$3,500	\$4,500	\$5,000	\$5,500
Review of existing conditions	2,560	3,000	5,250	5,600	6,000
Cost Estimating	1,100	1,600	2,600	3,100	3,000
Scheduling	1,000	1,500	2,200	3,000	3,700
Bidding	1,500	1,800	3,000	3,600	4,100
General Conditions (per diem)	395	495	575	625	675
Bonds, General Liability Insurance, Overhead & Profit	19%	18%	16.5%	15.5%	14.5%

B.3. BDI Construction Company (BDI)

	Project Construction Cost				
	50,001- 100,000	100,001- 300,000	300,001- 500,000	500,001- 750,000	750,001- 1,000,000
Design review, constructability & Value Engineering	\$2,000	\$3,500	\$4,500	\$5,000	\$5,500
Review of existing conditions	2,560	3,000	5,250	5,500	6,000
Cost Estimating	1,100	1,600	2,600	2,900	3,100
Scheduling	1,000	1,500	2,000	3,000	3,500
Bidding	1,500	1,800	3,100	3,500	4,000
General Conditions (per diem)	395	495	595	625	675
Bonds, General Liability Insurance, Overhead & Profit	19%	18%	16.5%	15%	14.5%

- C. For projects with a construction cost less than \$50,000, the Board may direct the CM at-Risk firms to perform any specific service on a time and material basis plus a 25% mark-up or on a negotiated lump sum basis, whichever is more beneficial to the Board.
- D. The term of this agreement is for a period of up to four (4) years. The effective date of each term shall be at the end of one year from commissioning or at the point when the maximum value is reached, whichever occurs first. The maximum contract term for each firm shall commence on October 19, 2005, and expire on October 18, 2009.

- E. The work will be assigned on the basis of each firm's workload and successful performance of previous assignments.
- F. The Board does not guarantee any minimum number of project assignments. The total annual construction cost value assigned to each contract shall not exceed \$5,000,000 per term.
- G. Cost for printing, as authorized by M-DCPS, shall be reimbursed by the Board on a direct cost basis.
- H. The CM at-Risk shall provide the required General Liability insurance coverage, and performance and payment bonds, in accordance with the Board approved General Conditions of the contract for construction.
- I. The agreements may be terminated by the Board, with or without cause, upon seven (7) days written notice to the CM at-Risk firms. The CM at-Risk firms may terminate the agreement, with cause only, upon sixty (60) days written notice to the Board.

Principals

- The Principal/Owner of Coastal Construction Company is Daniel D. Whiteman. The firm is located at 790 N W 107th Avenue, Miami, Florida 33172.
- The Principal/Owner of Zurqui Construction Services, Inc., is Eddy Gonzalez, Jr. The firm is located at 9755 S W 40th Terrace, Miami, Florida 33165.
- The Principal/Owner of BDI Construction Company is Teobaldo Rosell, Jr. The firm is located at 7270 N W 12th Street, Miami, Florida 33126.

Prior Commissionings & Performance Evaluations

The Board has commissioned each firm for the following projects or continuing contracts within the last three years:

Coastal

- Contract title: CM at-Risk Firm for One, Two or More Story Prototype Additions at Various Sites as provided in the Facilities Work Program FY 03-04.
Date of Commission: July 13, 2005
- Contract title: CM at-Risk at MAST Academy for Pool and Deck Repairs, Project No. B01009.
Date of Commission: January 19, 2005

The most recent overall performance evaluation score issued by staff to Coastal, was for the quarter ending June 30, 2005. Based on a performance scale of 1-5, the firm received a score of 3.00.

Zurqui

- Contract title: CM at-Risk (Miscellaneous) Services for projects up to \$500,000/ea (2-year term).
Date of Commission: October 23, 2002

The most recent overall performance evaluation score issued by staff to Zurqui, was for the quarter ending June 30, 2005. Based on a performance scale of 1-5, the firm received a score of 3.02.

BDI

- BDI has not been Commissioned for any work in the past three years.

The most recent overall performance evaluation score issued by staff to BDI, was for the quarter ending June 30, 2005. Based on a performance scale of 1-5, the firm received a score of 3.21.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, commission the firms of Coastal Construction Company, Zurqui Construction Service, Inc., and BDI Construction Company as Construction Management at-Risk firms for miscellaneous projects, as follows:

- 1) a negotiated Fee Schedule for miscellaneous projects in a range from \$50,001 up to \$1 million per project construction cost;
- 2) for projects with a construction cost less than \$50,000, the Board may direct the CM at-Risk to perform any specific service on a time and material basis plus a 25% mark-up or on a negotiated lump sum basis, whichever is more beneficial to the Board; and
- 3) other terms and conditions as set forth in the body of the agenda item.