

Business Operations
Ofelia San Pedro, Deputy Superintendent

**SUBJECT: TERMINATE AWARD CONTRACT NO. 114-CC10 – APPLICANT –
OUTSIDE AGENCIES QUALIFIED TO OPERATE ALTERNATIVE
PROGRAMS FOR M-DCPS AT-RISK STUDENTS**

COMMITTEE: INSTRUCTIONAL EXCELLENCE & COMMUNITY ENGAGEMENT

This contract was awarded by the Board on June 18, 2003, to provide educational services for students in at-risk alternative education programs, for the Office of Adult/Vocational, Alternative and Community Education. Subsequent to the award, the awardee, James E. Scott Community Association, Inc. (JESCA), of Miami, Florida, has failed to perform in accordance with the terms and conditions of the contract, as relates to financial management.

JESCA did not fulfill its obligations under the current contract in a timely manner. The contract required that a certified audit of its financial statements be provided to the District by May 31, 2006. Extensions of time were provided to JESCA through June 30, 2006, and then to July 3, 2006. The financial statements were finally received on Thursday, July 6, 2006, after the School Board Instructional Excellence & Community Engagement Committee meeting had ended.

In addition to the late filing of the report, JESCA's independent external auditors, Watson Rice, LLP, continue to report the same material weaknesses noted in their previous certified audit report. Some of the findings are similar to those included in the May 2006, Audit Report produced by the Office of Management and Compliance Audits and constitute serious breaches of internal financial controls. Accordingly, it would be inadvisable to enter into a new contract for the upcoming year.

REVISED

The agency was advised, in writing, on June 12, 2006, that the contractual requirement of submitting a 2005 year-end audit report must be complied with, in order to make a recommendation to the School Board for a new contract for the 2006-2007 school year. The Agency was further alerted to the fact that failure to meet that contractual requirement could result in their being placed in default.

REVISED

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REPLACEMENT**

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Based upon the failure of this vendor to perform on the current contract, it is recommended that the award of this contract be terminated and that the vendor, James E. Scott Community Association, Inc. (JESCA), lose eligibility to transact new business with the Board for a period of fourteen (14) months, pursuant to Board Rule 6Gx13- 3C-1.08 -- Performance and Payment Security, Declining a Bid Award, and Bonding Company Qualifications.

This recommendation is based in part on the fact that the certified audit was not provided to the District, as required, as well as significant management issues reported by both JESCA's independent external auditors and the report from the Office of Management and Compliance Audits. The date of the termination of the contract and ineligibility period will be effective July 21, 2006, in order to provide continuity of services to students through the conclusion of the summer-school session.

ADDED

Fund Source
0100 - General

M/WBE Eligibility
None

RECOMMENDED: That The School Board of Miami-Dade County, Florida:

1. **TERMINATE** Contract No. 114-CC10 – APPLICANT – OUTSIDE AGENCIES QUALIFIED TO OPERATE ALTERNATIVE PROGRAMS FOR M-DCPS AT-RISK STUDENTS, effective July 21, 2006; and
2. Require that James E. Scott Community Association, Inc. (JESCA), lose eligibility to transact new business with the Board for a period of fourteen (14) months, pursuant to Board Rule 6Gx13- 3C-1.08 – Performance and Payment Security, Declining a Bid Award, and Bonding Company Qualifications, effective July 21, 2006.

OSP/lja