

Office of School Board Attorney
JulieAnn Rico, Board Attorney

SUBJECT: REQUEST APPROVAL OF SETTLEMENT AGREEMENT RELATING TO CASE KNOWN AS COLLAGE DESIGN & CONSTRUCTION GROUP, INC., D/B/A THE COLLAGE COMPANIES vs. THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, CASE NO. 07-26516-CA-40 [ASSOCIATED WITH SCHOOL BOARD PROJECT NO. A-0637 (STATE SCHOOL "Z-1" AT MIAMI HEIGHTS ELEMENTARY) AND SCHOOL BOARD PROJECT NO. A-0715 (STATE SCHOOL "TT" AT BOB GRAHAM EDUCATION CENTER), INCLUSIVE OF ANY CLAIMS RELATED TO SCHOOL BOARD PROJECT NO. A0816 (NEW GYMNASIUM ADDITION, REMODELING AND RENOVATION, MIAMI-NORLAND SENIOR HIGH SCHOOL)]

On August 16, 2007, Plaintiff, Collage Design & Construction Group, Inc., filed a lawsuit against the School Board with respect to the Design-Build projects for State Schools Z-1 and TT. A tentative settlement has been reached between the parties, that if approved, will resolve all claims related to these two projects. In addition, this settlement will also include any claims for which litigation has been threatened by Plaintiff, but not yet filed, involving the capital construction project at Miami Norland Senior High School.

The significant terms of the settlement agreement are as follows: With respect to State School "Z-1," of the remaining contract balance of \$89,808.00, the School Board will retain \$20,000.00 as a settlement of its claims for defective and/or uncompleted work, and the Design-Builder will receive the remaining balance of \$69,808.00. With regard to State School "TT," of the remaining contract balance of \$283,481.35, the School Board will retain \$70,000 as a settlement of its claims for defective and/or uncompleted work, and the Design-Builder will receive the remaining balance of \$213,481.35. As to the claims concerning the Miami Norland Senior High School project, a change order in the amount of \$115,927 is being presented for the Board's approval by the Facilities Department. As a result of that change order, the contract balance will be increased to \$348,958.69. The School Board will retain \$40,000.00 of the contract balance as a settlement of its claims for defective and/or uncompleted work and the Plaintiff will receive the remaining balance of \$308,958.69.

G-2

Pursuant to the terms of the proposed settlement agreement, the School Board will give Collage a limited release that will release Collage for all claims that were or could have been raised by the School Board in this case, and which relate to Miami Norland Senior High School (exclusive of any claims arising from latent defects not presently discoverable by reasonable inspection and for any third party claims that may, in the future, be filed against the School Board with respect to construction defects).

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

Authorize the Superintendent to enter into the Settlement Agreement with Collage Design & Construction Group, Inc., d/b/a The Collage Companies, in the case of Collage Design & Construction Group, Inc., d/b/a The Collage Companies vs. The School Board of Miami-Dade County, Florida, Circuit Court Case No. 07-26516-CA-40, as described hereinabove, and more specifically in the proposed Settlement Agreement.