

Office of School Board Attorney  
Johnny Brown, Board Attorney

**SUBJECT: SETTLEMENT AGREEMENT**  
**ROMA CONSTRUCTION, INC. and FIREMAN'S INSURANCE COMPANY**  
**OF NEWARK, NEW JERSEY v. THE SCHOOL BOARD OF MIAMI-DADE**  
**COUNTY, FLORIDA - (Paul Bell Middle School) - Circuit Court, 11th Judicial**  
**Circuit, Case No. 97-05265 CA 27**

In March 1997, Roma Construction, Inc., Contractor, (Roma) filed a lawsuit against the School Board seeking damages as a result of Roma's alleged claims for delay, unpaid contract funds, extra work and lost profits, wrongful termination from the project, failure to make payments in full, failure to grant time extensions, interference with Roma's performance and other claims including the Project Architect's failure to properly coordinate the plans for the construction of Paul Bell Middle School. The total of Roma's claims against the Board was calculated to be approximately \$11 million dollars. In response to the Complaint, the Board, through outside counsel, counterclaimed against Roma and filed a Third Party Complaint against Fireman's Insurance Company of Newark, New Jersey (Surety) for liquidated damages, expenses in excess of the contract amount to effect non-performing work and to complete the project, additional architect and engineering fees, additional security, additional testing and inspection. The total amount for the Board's claims was estimated to be \$7.2 million dollars.

During the pendency of this litigation, the Contractor declared bankruptcy, which resulted in the Board having to proceed against the Surety. In keeping with the requirements of the Court, the parties entered into formal mediation, which has resulted in the settlement offer being recommended to the Board. The Surety has agreed to the proposed settlement, subject to Board approval, for an amount of approximately \$4,497,809.20 to be paid to the Board, consisting of cash payment of \$1,625,000.00 from the Surety, and the Board receiving the retainage and unpaid contract balance of \$2,872,809.20.

The settlement is recommended as advantageous to the School Board, considering the evaluation of the claims as set forth in a supplemental Memorandum submitted to the Board under separate cover. The administrative staff and School Board Attorney are in agreement with the recommendation.

**RECOMMENDED:** That the School Board of Miami-Dade County, Florida, approve the Settlement Agreement and acceptance of the payment of \$4,497,809.20 as set forth above, in the case of Roma Construction, Inc. and Fireman's Insurance Company of Newark, New Jersey v. The School Board of Miami-Dade County, Florida, Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida, Case No. 97-05265 CA 27.