

Office of School Facilities
Jaime G. Torrens, Chief Facilities Officer

SUBJECT: AUTHORIZE THE SUPERINTENDENT TO TERMINATE FOR CAUSE THE EMPLOYMENT OF THE CONTRACTOR, ZURQUI CONSTRUCTION SERVICES, INC. AND PURSUE ALL REMEDIES AVAILABLE UNDER THE CONTRACT AND SURETY BONDS FOR THE NEW THREE-STORY ADDITION CLASSROOM BUILDING AT BOB GRAHAM EDUCATION CENTER, PROJECT NO. 00731700, AWARDED BY THE SCHOOL BOARD TO ZURQUI CONSTRUCTION SERVICES, INC. ON MAY 11, 2011

REVISED

COMMITTEE: FACILITIES AND CONSTRUCTION REFORM

**LINK TO
STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY**

Background:

ADDED

The construction contract for this project was awarded to the lowest bidder, Zurqui Construction Services, Inc. (Contractor) on May 11, 2011. The Contractor was notified (with copy to Contractor's Surety, Great American Insurance Company) on February 6, 2012 that the Contractor was in default of the Contract and was given seven (7) calendar days to cure its default or termination of the contract would be recommended to the School Board. The items of default include but are not limited to Contractor's failure to: 1) adhere to the project construction schedule, 2) submit a mitigation schedule for the timely completion of the work, and 3) increase manpower, equipment and working hours as needed to mitigate delay in completing the project.

Despite being given sufficient time to cure, the Contractor has continued to fall farther behind schedule, rather than recovering lost time as it had previously committed to do. On March 30, 2012, the Contractor was notified that it had failed to cure the aforementioned defaults and that the District would be recommending termination for cause of employment of the Contractor for approval by the School Board at its next meeting on April 18, 2012. That notification also called upon the Surety, pursuant to the Performance and Guarantee Bond, to immediately remedy the breach and default of the Contractor or take charge of the Project and complete the Contract or any remedial work required under the Contract at its own expense. The Project Architect/Engineer has certified that sufficient cause exists for termination. In addition, the Board's scheduling consultant has confirmed that the Contractor is substantially behind the construction schedule, has not provided the resources needed to mitigate the schedule and is not entitled to extensions of time sufficient to reconcile the delay.

REVISED 2

DELETED

Status:

On April 12, 2012, staff from School Facilities and the Board Attorney's office met with representatives of the Contractor, Surety and their respective legal counsels. The Contractor and Surety have represented that the new classroom building can be substantially completed by June 30, 2012 and that the balance of the work can be substantially completed by July 31, 2012. The Contractor and Surety committed to provide staff with a revised schedule that reflects the manpower, construction sequencing and resources necessary to meet the deadlines proposed by the Contractor and Surety. Staff anticipates that this schedule will be submitted by the Contractor and Surety this week for staff's review, consideration and possible approval. Effective immediately, the Surety will provide on-site supervision and oversight of the Project, and the Contractor committed to increasing its daily manpower to at least 40 workers. Based on these representations and commitments made by the Contractor and its Surety, it is recommended that the Contractor and Surety be provided the opportunity to demonstrate that the work can be completed in accordance with their proposed completion schedule and for staff's consideration of the Contractor's and Surety's proposed revised schedule.

ADDED

In the event that the Contractor fails to maintain the progress of the work in accordance with a new, acceptable completion schedule, it is recommended that the Superintendent be authorized to terminate with cause the employment of the Contractor under Article 14.2.2 of the general conditions of the contract and pursue all remedies available under the Contract and Surety Bonds.

RECOMMENDED: That The School Board of Miami-Dade County, Florida authorize the Superintendent to terminate for cause the employment of the Contractor, Zurqui Construction Services, Inc. and pursue all remedies available under the Contract and Surety Bonds for the New Three-Story Addition Classroom Building at Bob Graham Education Center, Project No., 00731700.

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JGT:NB