

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

**SUBJECT: TERMINATION FOR CAUSE OF NAC CONSTRUCTION, INC.,
AS CONSTRUCTION MANAGEMENT AT-RISK FIRM FOR
DEFERRED MAINTENANCE PACKAGE #11 (RENOVATIONS,
MAINTENANCE AND REPAIRS) AT MORNINGSIDE K-8
ACADEMY - PROJECT NO. 00261500, THENA C. CROWDER
EARLY CHILDHOOD DIAGNOSTIC & SPECIAL EDUCATION
CENTER - PROJECT NO. 00261800, AND TOUSSAINT
L'OUVERTURE ELEMENTARY SCHOOL - PROJECT NO.
00266500**

COMMITTEE: FACILITIES AND CONSTRUCTION REFORM

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

NAC Construction, Inc. (NAC) was previously commissioned by the Board as the Construction Management at-Risk firm for renovation and repair projects at Morningside K-8 Academy, Thena C. Crowder Early Childhood Diagnostic & Special Education Center, and Toussaint L'Ouverture Elementary School, all under a single contract. The projects at Thena C. Crowder and Toussaint L'Ouverture School did not proceed beyond the pre-construction phase due to funding constraints, however, the Board awarded a Guaranteed Maximum Price (GMP) contract to NAC on December 14, 2011, for construction of the Morningside K-8 Academy project and work commenced shortly thereafter.

On January 31, 2013, NAC notified staff in writing that it had closed its business, that it would no longer continue to perform work under its Agreement with the Board and that the Commonwealth Court of Pennsylvania had issued an Order of Liquidation for First Sealord Surety, Inc. (First Sealord) the performance bond surety for NAC on the Morningside K-8 Academy project.

In accordance with Article 14.2 of the Board's General Conditions of Contract for Construction, the Board may terminate its Agreement with NAC for cause. Ordinarily, the contractor would be given notice of the Board's intent to terminate and an opportunity to cure any performance-related deficiencies within seven (7) days. NAC, however, has waived this notice and cure period by representing that it is no longer in business and that it would no longer continue to perform work under its Agreement with the Board.

Although First Sealord is also out of business and the Board can no longer pursue its bond rights, a replacement contractor has been engaged using the remaining contract funds to complete the scope of work at Morningside K-8 Academy. Staff anticipates that the available funds are sufficient to finish the project at no additional cost to the Board.

RECOMMENDED: That the School Board of Miami-Dade County, Florida terminate for cause NAC Construction, Inc., as the Construction Management at-Risk firm for the Deferred Maintenance Package #11 projects at Morningside K-8 Academy - Project 00261500, Thena C. Crowder Early Childhood Diagnostic & Special Education Center- Project 00261800, and Toussaint L'Ouverture Elementary School - Project 00266500.

NB:ad