

Mr. Danny Espino, Board Member

SUBJECT: ENHANCEMENT OF CAPITAL IMPROVEMENT POLICIES AND PROCEDURES BASED ON REVIEW OF THE CONSTRUCTION TASK FORCE REPORT

COMMITTEE: FACILITIES & CONSTRUCTION

LINK TO STRATEGIC PLAN: EFFECTIVE & SUSTAINABLE OPERATIONAL PRACTICES

Miami-Dade County Public Schools (M-DCPS) remains committed to providing all students with safe and modern learning environments. To achieve this goal, the District has undertaken numerous school construction projects, including new schools, facility renovations, and the installation of modern technology and equipment. The Office of Capital Improvement oversees all M-DCPS construction projects, ensuring they are completed safely, responsibly, and in compliance with the State requirements for educational facilities.

In July 2023, School Board Member Danny Espino proposed Agenda Item H-5, establishing the School Construction Task Force. This task force was responsible for reviewing and recommending improvements to construction management. The Task Force identified key areas to streamline processes, enhance accountability, and ensure compliance with Florida State Statutes and best industry practices. These recommendations aim to improve efficiency, reduce delays, and optimize financial management within M-DCPS construction projects. Below are the areas of improvement identified by the task force, along with recommendations for policy changes, the rationale behind these changes, and their potential impact on contractors and the District. These proposed modifications address issues, promote transparency, and foster a more effective working relationship between M-DCPS and its construction partners.

1. Construction Time Commencement

- **Policy Change:** Amend appropriate School Board policies and M-DCPS processes to establish construction on the 31st day after Board award. Contractors must submit all required documentation, including bonds and insurance, within 20 days of contract issuance.
- **Rationale:** Aligns with Florida statutes, providing contractors with a clearly defined timeline, minimizing delays associated with document submission. NTP serves as the formal authorization for contractors to begin work, marking the official start of the project timeline.
- **Impact:** Ensures project scheduling consistency and minimizes administrative delays.

2. Maximizing Tax Savings on Direct Purchase Orders (DPOs)

- **Policy Change:** Establish standardized DPO procedures within M-DCPS processes. Require contractor training on DPO implementation and compliance. Include the listing of deductive alternates on bid documents providing an incentive to bidders to maximize guaranteed sales tax savings to deduct from their base bid.
- **Rationale:** Implement new procedures to maximize tax savings on DPOs for hard-bid projects.
- **Impact:** Ensures consistent tax savings and accountability.

3. Change Order Processing

- **Policy Change:** Amend appropriate School Board policies and M-DCPS processes to hold biweekly review meetings and allow project managers to recommend approval of changes up to \$200,000 or 5% of contract value, with final approval by the District, without full committee review. Denial by the District will require committee review.

- **Rationale:** Aligns with Florida statutes, reducing bottlenecks in project progress by allowing quicker approvals for minor changes. Delegating authority for smaller adjustments enables swift resolutions while maintaining oversight for larger changes.
 - **Impact:** Expedites approval processes while maintaining oversight.
4. **Critical Change Order Directives**
- **Policy Change:** Introduce a policy requiring conditional approval of critical change orders, on a time-and-material basis, provided fully compiled and detailed accountability logs, with purchase orders or tickets showing direct connection of expenditures to requested change are maintained, if a directive is required prior to the change order being approved.
 - **Rationale:** Allow contractors to proceed with critical change order work on a time-and-material basis before formal approval. Management prefers that all change orders undergo full approval processes to ensure budgetary and procedural compliance before implementation.
 - **Impact:** Ensures timely responses to urgent project needs, even when formal approval processes are pending.
5. **Compensable Delays**
- **Policy Change:** Establish clear definitions and dispute resolution procedures for compensable delays within M-DCPS processes, ensuring contractors can recover costs due to delays caused by the District or external agencies. Introduce a mediation process to resolve disputes efficiently.
 - **Rationale:** Promotes fairness by recognizing contractor costs associated with delays outside their control.
 - **Impact:** Clarifies contractor compensation for delays beyond their control.
6. **Punch List Deadlines**
- **Policy Change:** Amend appropriate School Board policies and M-DCPS processes to require punch lists to be issued within 15 business days of substantial completion and implement tracking software for compliance.
 - **Rationale:** Enforces a firm deadline for issuing final punch lists to prevent delays in final payments.
 - **Impact:** Streamlines project closeout and ensures timely final payments.
7. **Inspection Timeliness**
- **Policy Change:** Require all final inspections to be completed within 15 business days of substantial completion within M-DCPS processes. Implement accountability measures for delayed inspections. Develop a digital platform to track inspection progress.
 - **Rationale:** Mandate final inspections within 15 business days of substantial completion to streamline project closeout.
 - **Impact:** Reduces closeout delays and enhances compliance tracking.
8. **Retainage Reduction for Punch List Completion**
- **Policy Change:** Reduce retainage to 1.5 times the value of outstanding punch list items upon substantial completion.
 - **Rationale:** Aligns with Florida statutes, balancing contractor cash flow needs with the District's interests in ensuring project completion.
 - **Impact:** Supports contractor cash flow while maintaining project completion incentives.
9. **Warranty Item Processing**
- **Policy Change:** Amend appropriate School Board policies and M-DCPS processes to ensure warranty issues do not delay final payments. Establish a dedicated tracking system for warranty claims.
 - **Rationale:** Aligns with Florida statutes, ensuring prompt contractor payments while maintaining accountability for warranty obligations.
 - **Impact:** Maintains financial fairness while ensuring contractor accountability.
10. **Consent of Surety for Final Payment**
- **Policy Change:** Amend appropriate School Board policies and M-DCPS processes to accept Consent of Surety in place of subcontractor final releases. Develop documentation standards to ensure compliance with this new policy.
 - **Rationale:** Align procedures to other partnership protocols and maintain financial protection.
 - **Impact:** Creates a standardized process for expediting final payments while ensuring financial protections.

11. Subcontractor Bond Costs

- **Policy Change:** Allow subcontractor bond costs to be included in GMP, provided proof of payment is submitted.
- **Rationale:** Aligns with Florida statutes, ensuring subcontractor bond costs are transparently addressed.
- **Impact:** Supports small subcontractors and enhances financial transparency.

12. Contractor Training and Resources

- **Policy Change:** Establish an online repository for contractor training within M-DCPS processes, with periodic updates and compliance tracking.
- **Rationale:** Enhance transparency of contractor onboarding procedures and streamline understanding of requirements necessary in working with M-DCPS.
- **Impact:** Enhances contractor understanding of certification, compliance, and documentation requirements.

After months of diligent work, the task force has now completed its mandate and has compiled a comprehensive list of recommendations for the District. The Superintendent's Office provided the Task Force's report along with the District's responses to the Task Force's recommendations. To ensure that the concerns and solutions identified by the task force are addressed, this item calls for the Superintendent of Schools to review the recommendations, develop action steps to implement them where feasible and determined to be appropriate, provide a timeline for addressing these issues, and initiate rule-making procedures to codify and update School Board policy, where necessary and appropriate, to reflect those actions and the District's commitment to exceptional educational facilities for all students.

The task force has made significant progress in promoting transparency, efficiency, and effectiveness within the District's school construction process. As such, we would like to recognize the contributions of all members, including the Facilities Construction Committee, who provided valuable input throughout the process.

This item has been reviewed and approved by the General Counsel's Office as to form and legal sufficiency.

ACTION PROPOSED BY MR. DANNY ESPINO:

That the School Board of Miami-Dade County, Florida, request that the Superintendent of School

1. in collaboration with appropriate District staff and the General Counsel, review the recommendations of the School Construction Task Force;
2. provide a structured approach and timeline for implementing those Task Force recommendations determined to be feasible and appropriate, or addressing their concerns; and
3. initiate rule-making procedures, where necessary and appropriate, to codify and update School Board policy;
4. report determinations and any proposed policy updates to the Board at the Facilities & Construction Committee Meeting on May 7, 2025.