Memorandum

MIAMI-DADE COUNTY

Date: October 29, 2012

To: Honorable Jean Monestime
Commissioner, District 2

From: Carlos A. Gimenez
Mayor

Subject: Request for Information on Construction Delays for Various Projects in District 2

This report is in response to your October 4, 2012 request for information on the Arcola Head Start Facility and Arcola Northside Police Station construction projects, as well as the status of other projects that were awarded to Miami Skyline Construction Corp. (Miami Skyline).

Arcola Head Start Project

This project was awarded to Miami Skyline on January 4, 2011. Staff has been closely monitoring this project since its inception and has documented a history of deficiencies by Miami Skyline. Due to the significant problems encountered with the performance and timeliness of the contractor, the County, in consultation with the County Attorney's Office, terminated the contract for default on October 1, 2012. The reasons for termination included the following:

- Failure to maintain satisfactory work progress which resulted in a delay of over eight months to the project (100 percent of the project duration has elapsed and only 43 percent of the work had been completed to date);
- Failure to provide the adequate resources and staffing necessary to maintain the progress of the work;
- Failure to maintain a full-time project superintendent on-site, as required by the contract; and
- Failure to submit a satisfactory proposed recovery schedule and written plan of action detailing how plans on recovering the numerous documented delays, and completing the project in a timely fashion.

As a result of the termination, the County is in communications with Western Surety Company, who is responsible for completing the project under the payment and performance bond for this project. Once the surety is fully engaged, a plan of action and revised schedule will be developed and reviewed for completion of this project. We will keep your office informed as we complete this process.

Arcola Northside Police Station

This contract was awarded to Miami Skyline on February 24, 2010. The current contract completion date is July 31, 2012. The contractor has experienced multiple delays and performance issues, and liquidated damages have been assessed. The project is approximately 80 percent complete, but has experienced over five months of delays, which are attributed to the contractor's ongoing disputes with sub-contractors. Various deficiency notices have been issued for inadequate progress on the contract schedule, non-compliant work, as well as lack of appropriate supervision and staffing on the site. Items pending to be completed on the project include:

- Installation of the feed from FPL to power the facility;
- Installation of the elevator;

- Activation of building mechanical systems;
- Interior finishes; and
- Completion of site work.

The contractor submitted a time extension request for an additional 225 calendar days to complete the project. This request was denied as there are no sound business reasons offered to support the extension. The latest schedule the contractor submitted reflects a completion date of April 2013. Staff has performed an analysis of this schedule and is projecting the contractor may be able to complete the project by January 2013 if adequate staffing is provided, and the issues with the sub-contractors are resolved. Staff is employing all available options to compel the contractor to complete the project by this projected date.

Other County Projects Awarded to Miami Skyline

- Miami Skyline was awarded the Arcola Library on June 23, 2009. This project was completed on July 18, 2011 within budget but not on-schedule. The contractor's performance on this project was average. The County is responsible for some delays as a result of design changes. The contractor also caused some of the delays. The project was completed approximately three months beyond its originally scheduled completion date.

- Miami Skyline was awarded the Northeast Library in Aventura on December 19, 2011. This project is underway; however, work has been delayed by two months due to the discovery of a previously installed building foundation from the library that use to exist on the site. A demand letter was issued to the contractor of record that was hired to remove this foundation, Paragon Construction Unlimited Inc., in order to recover the cost of the additional time and expenses associated with removal of the foundation under the current construction contract. Given the current delays, we anticipate project completion by November 2013, which is approximately two months beyond the original project completion date of September 6, 2013. To date, the contractor's overall performance on this project has been average.

We continue to monitor ongoing projects for this and all firms. Our goal is to provide projects to the residents that are built to a high standard and within budgetary and time requirements.

If you have questions or concerns, please feel free to contact Lester Sola, Director of Internal Services Department, at 305-375-2363.

c: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners
R. A. Cuevas, Jr., County Attorney
Office of the Mayor Senior Staff
Lester Sola, Director, Internal Services Department
Lucia Davis-Raiford, Director, Community Action and Human Services
Raymond Santiago, Director, Miami-Dade Public Library System
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