

Executive Summary

Second Amendment to Modular Classroom Agreement

In order to accommodate for the increase in students in the City of Parkland (City) from the planned residential development of various properties in the City, the City and The School Board of Broward County, Florida (School Board) entered into the original Modular Classroom Agreement. The Modular Classroom Agreement stated that in exchange for payment of funds in the amount of \$2,025,000 from the City to the School Board, the School Board would construct, maintain, and operate eight (8) modular classrooms at one or more public schools located within the corporate limits of the City, and remove eight (8) portable classrooms located within the North School Impact Fee Service Area, which also includes the corporate limits of the City. The Modular Classroom Agreement also included a Modular Classroom Schedule that required payments to be made in three installments: 1) upon execution of the Agreement by the School Board, 2) by May 15, 2014, and 3) by February 15, 2015, to fund the completion of three modular classrooms by September 29, 2015 and five modular classrooms prior to the opening day of school in the 2016/17 school year.

Subsequently, the School Board received \$1,905,000 (Contribution Payments) from the City. It should be noted that there was a \$120,000 shortfall due to the loss of a contract purchaser to one of the properties originally anticipated to participate towards the Contribution Payments. In accordance with the Modular Classroom Agreement, the School Board utilized \$33,439 of the Contribution Payments to remove eight (8) portable classrooms at Riverglades Elementary School. With regard to the construction of the 8 modular units, the Office of Facilities and Construction staff advertised the construction project three times. The first time, there were no respondents and subsequently, modifications were made to the location of the units. The second time, a single firm successfully qualified for the project but due to a cone of silence violation, the proposal was rejected. With the third request for proposals, the School Board awarded the construction contract to JWR, Construction, Inc.

The First Amendment to Modular Classroom Agreement ("First Amendment") was processed in response to the funding shortfall, increased construction costs and delays. The First Amendment reduced the number of modular classrooms to be constructed to seven (7) modular classrooms and extended the completion date to March 21, 2016. The First Amendment included a provision which allowed the School Board to contract for less than seven (7) modular classrooms by mutual written consent of the parties. At the August 28, 2015, City Commission meeting, the School Board and the City mutually agreed to further reduce the number of modular classrooms to be constructed by the School Board from seven (7) to six (6) modular classrooms due to the continued escalation of costs and extended the date to complete construction of the modular classrooms to July 20, 2016.

The School Board utilized \$196,666.70 of the Contribution Payments for design services provided by the JWR Construction, Inc., leaving a balance of \$1,674,894.30 to complete the Modular Classrooms. After several months of being awarded the construction contract, JWR Construction, Inc. indicated that it would be unable to deliver the six (6) modular classrooms by July 20, 2016 and cited a budget shortfall exceeding Seven Hundred Ninety Six Thousand Dollars (\$796,000) as the reasons for failure to fulfill the contract provisions. Therefore, in order to still provide the needed modular classrooms, the District is proposing the Second Amendment to Modular Classroom Agreement to reflect the intent to relocate six (6) existing modular classrooms (from Martin Luther King Elementary School and place three (3) classrooms at Heron Heights Elementary School and three (3) classrooms at Park Trails Elementary School) with a new completion date of December 31, 2016. It should be noted that the Second Amendment to Modular Classroom Agreement states that if the six (6) modular classrooms are not installed, completed and in operation in accordance with the Modular Classroom Schedule contained in the Agreement, as amended, if after receipt of seven (7) days' written notice and opportunity to cure the School Board fails to correct such delay, the Agreement may be terminated by the City after an additional three (3) days' written notice, and the School Board shall return the balance, if any, of the unused or unapplied payments to the City within one month of the termination date.