

AGENDA REQUEST FORM
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Meeting Date 07/23/13	Open Agenda <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Special Order Request <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Agenda Item Number HH-2
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TITLE:	Settlement Proposal from U.S. Security Associates, Inc. concerning services provided under the contract awarded under Bid 27-013T – Security Guard Services.
REQUESTED ACTION:	To approve the Settlement Proposal from U.S. Security Associates, Inc. concerning services provided under the contract awarded under Bid 27-013T – Security Guard Services and authorize the Superintendent to execute any related settlement documents.
SUMMARY EXPLANATION AND BACKGROUND:	U.S. Security Associates, Inc. (“U.S. Security”) contacted the Supply Management & Logistics Department demanding the payment of pending invoices in the amount of \$66,931.48. A district internal audit determined that \$42,583.37 was due and owing under the invoices, but disputed \$24,348.11 of the pending charges. In addition, the audit asserted that \$129,043.55 in overcharges should be refunded to the district for invoices that had earlier been approved and paid that were not in compliance with contract terms or were paid without supporting documentation furnished to SBBC worksites, such as security guard time logs, as required by contract. The Office of the General Counsel sent a demand letter to U.S. Security (Exhibit 1) seeking a reduction in the amounts of the pending invoices and a net refund of \$86,460.18. U.S. Security has responded (Exhibit 2) stating that the earlier invoices had been approved and paid by the district and cited legal authority for a defense that the school district waived any claims under the prior invoices. It also cited district audit findings that the contract “was not properly managed by District Administration” and that the Board had “inadequate internal controls.” U.S. Security has offered to settle all disputes under the contract upon the payment by the school district to U.S. Security of \$42,583.37 (the amount found in the internal audit to be billable under the pending invoices) and an exchange of releases. Unlike current district bidding documents and contract templates, the contract was based upon earlier versions of bidding documents which did not preclude waiver defenses and permit an award of attorney’s fees upon default. Approval of the settlement will reduce the sums payable upon the pending invoices by \$24,348.11 (36%), resolve all disputes pending between the parties, and eliminate a potential award of attorney’s fees against the district if litigation were instituted by U.S. Security to recover upon the unpaid invoices. U.S. Security has agreed to extend through July 31, 2013 the period within which The School Board may accept the settlement proposal. If its settlement offer is not accepted, U.S. Security states that it will institute suit against The School Board for its full invoiced amount of \$66,931.48, pre-judgment interest and attorney’s fees.
SCHOOL BOARD GOALS:	<input type="checkbox"/> • Goal 1: High Quality Instruction. <input checked="" type="checkbox"/> • Goal 2: Continuous Improvement. <input type="checkbox"/> • Goal 3: Effective Communication.
FINANCIAL IMPACT:	If approved, the settlement proposal would result in an expense to the school district in the amount of \$42,583.37.
EXHIBITS: (List)	<ol style="list-style-type: none">1. Demand letter to U.S. Security Associates, Inc. dated February 27, 20132. Settlement offer from U.S. Security Associates, Inc. dated June 17, 20133. Audit Report – Review of U.S. Security Associates, Inc. Invoices pertaining to Bid 27-013T – Security Guard Services for the Period from July 1, 2009 through December 31, 2012
BOARD ACTION:	WITHDRAWN
SOURCE OF ADDITIONAL INFORMATION:	
David Golt, Chief of Police	754-321-0735
Robert Paul Vignola, Esq.	754-321-2050
Name	Phone

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

J. Paul Carland, II, General Counsel
Office of the General Counsel

JUL 23 2013

Approved in Open Board Meeting on: _____

By: _____

School Board Chair