



Public Works Department

Facilities Management Division

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TO: Brenda Billingsley, Director
Purchasing Division

FROM: Scott Campbell, Director
Facilities Management Division

DATE: May 20, 2019

SUBJECT: Recommendation to Terminate Agreement with
Pioneer Construction Management Services, Inc.
Bid / Contract No.: T1144108B1_1
JOC Work Order No.: 2015D1579
Purchase Order No.: SEA0000088
Project Title: Port Everglades Administration Building Interior Office
Modifications
Project Location: 1850 Eller Drive
Ft. Lauderdale, FL. 33316

Pursuant to the above-referenced contract ("Contract") between Broward County (the "County") and Pioneer Construction Management Services, Inc. ("Pioneer"), Pioneer has failed to suitably perform work required by the Contract documents for the Port Everglades Administration Building Interior Office Modifications Project ("Project"). Accordingly, in accordance with General Conditions, Section 12(b) of the Contract, a Notice to Cure letter was sent to Pioneer via certified mail dated April 9, 2019 detailing a list of breaches of the Contract documents described herein and Pioneer's obligation to cure said breaches. Pioneer was advised that the County would consider all of its options and remedies under the Contract for the above-referenced Project if the following breaches of the Contract documents were not cured within ten (10) business days from the receipt of the letter.

The breaches of the Contract documents pre-dating the Notice to Cure are as follows:

- **Pioneer repeatedly failed to complete the Project within the Project terms and within a reasonable time:**

Pioneer started construction on August 4, 2017 at 6:39 pm. Since this start date, Pioneer has submitted six (6) revised schedules each one asking for more time, each of which the County, in good faith, approved in order to assist Pioneer in completing the Project. None of the revised schedules have been met by Pioneer. The County met with Pioneer several times to help them complete the Project. On the advice of Pioneer, the County reluctantly made several concessions to speed up the Project, such as allowing Pioneer to work during "Normal Working Hours", accepted carpet tile and ceiling light fixtures that were not part of the original design. These concessions were agreed to by the County to make up for the deadlines already missed and to speed up and complete the Project.

During the months of March and April 2019, Pioneer met with Seaport Engineering and Facilities Maintenance staff and with staff from the Facilities Management Division to discuss unfinished and/or unsatisfactory work by Pioneer and completion of pending scope. While Pioneer completed a few items on the punch list, many items remain. The work is not complete, and the balance of the scope remains to be done.

- **Pioneer's work performed on the completed portions and partially completed portions of the Project do not comply with industry standards:**

The quality and workmanship of approximately fifty percent (50%) of Pioneer's work on the Project is unacceptable. Specifically, the Contract Administrator has determined the following work by Pioneer to be unacceptable: installation of metal studs; installation of drywall; application of tape and joint compound; wall sanding of drywall; paint finish; carpet installation; cove base installation; installation of electrical and low voltage junction boxes; installation of electrical cover boxes; and overall neatness of the jobsite within working office areas.

- **Pioneer has not constructed the project in accordance with the design team's "Permit Drawings":**
As witnessed by site visits and noted in the design team's "Punch List," ceiling tile grids have not been installed per the drawings. Additionally, existing ceiling tiles and ceiling tile grids have not been removed and replaced with new ones, as required per the drawings. There are thermostats missing and thermostats in locations not specified per the drawings. Ventilation devices have been installed that do not comply with the drawings. An independent "Test & Balance" of all mechanical systems has not been performed. This has been documented in letters, emails, and in the punch list.
- **The County has been made aware of subcontractors to Pioneer that have not been paid:**
On February 13, 2018, Seaport Engineering and Facilities Maintenance was contacted by LMS Construction Inc. and informed of nonpayment. Within the same month, on February 21, 2018, Seaport Engineering and Facilities Maintenance was contacted by ASAP Fire Sprinkler Protection LLC and informed of nonpayment. However, Pioneer's first payment application was submitted and released for payment by Seaport Engineering and Facilities Maintenance on December 12, 2017. No other payment applications had been received or approved.

On September 27, 2018, Seaport Engineering and Facilities Maintenance was contacted by Lotspeich Co. of FL., Inc. and informed of nonpayment. On May 25, 2018, Pioneer's second payment application was submitted. After several revisions to the pay application, the County received an acceptable application on November 2, 2018.

On October 3, 2018 Seaport Engineering and Facilities Maintenance was contacted by Wind Chill LLC. and informed of nonpayment.

The County is currently not aware if any of the above sub-contractors have been paid and what payments, if any, are outstanding.

- **Violations found by Hollywood Fire Rescue & Beach Safety Department Division during a routine inspection of 1850 Eller Drive (Project location):**
On July 24, 2018, the City of Hollywood Fire Rescue & Beach Safety Department Division conducted a routine inspection of the Project and found several Fire Prevention and Life Safety violations caused by the work performed by Pioneer. These Fire Prevention and Life Safety violations put all occupants within the building at risk. The County will now need to correct violations caused by Pioneer in order to maintain the building's life safety. This has been documented in letters, emails, and in the punch list.

Additionally, on October 4, 2018, email correspondence and telephone conversations took place with the surety company for the Project, Crum & Foster. The contact person at Crum & Foster is Melissa Rice. At her request, background information on the items listed and discussed above were provided via email.

Due to the above concerns, the Notice to Cure letter specified that Pioneer must complete all of the following items related to the Project within ten (10) business days from the receipt of the letter. Pioneer Construction received the letter on April 16, 2019 and as of April 29, 2019 had not completed all pending items noted below:

- Automatic Shades Adjustment
- Conference Room Acoustical Ceiling Replacement
- Dry Wall Finish in the Conference Room
- Paint Conference Room Walls

- Flow Bar Lineal Diffusers Installation
- Fire Sprinkler Cover Plates Installation
- Light Switch 4th Floor Office
- Replace Electrical Cover Plates
- Dry Wall Repair on 3rd Floor Office
- Paint 3rd Floor Office
- Show proof of payment to the above-referenced subcontractors
- Complete any other remaining punch list work

Therefore, the Facilities Management Division recommends terminating the agreement with Pioneer Construction for cause. If the recommendation to terminate is approved, the Facilities Management Division ("FMD") will submit to the Board of County Commissioners for termination for cause. FMD with the assistance of the County Attorney's Office will pursue Pioneer's performance bond to complete and/or correct all remaining work.

cc: Bertha Henry, County Administrator, County Administration
John Foglesong, PE, Director of Seaport Engineering & Facility Management Division
Israel L. Rozental, AIA, CSI, Assistant Director
Mike Kerr, Deputy County Attorney, County Attorney
Russell Morrison, Senior Assistant County Attorney, County Attorney
Fernando Amuchastegui, Assistant County Attorney, County Attorney
Claudja Henry, Contracts/Grants Administrator, Senior, Facilities Management Division