



Department of Public Utilities
Public Utilities Administration
Inter-Office Memorandum

DATE: May 22, 2019 **FILE:** PU-19-10

TO: Mayor and Commissioners

VIA: Dr. Wazir Ishmael
City Manager

VIA: Gus Zambrano
Assistant City Manager

FROM: Francois Domond, P.E. *FD 5/22/19*
Interim Director, Public Utilities

SUBJECT: Termination of Contract with TV Diversified, LLC

Issue:

The Department of Public Utilities is requesting to terminate the contract with TV Diversified, LLC for Lift Station W-27 Bypass and Valve Replacement project.

Explanation:

Lift Station W-27, located at 3145 Arthur Street, is considered the largest sewer re-pumping station within the City's wastewater collection system and this station requires prompt replacement of all isolation valves because the valves are beyond their useful life cycle.

After bidding solicitation process, the City Commission authorized the execution of a contract with TV Diversified, LLC for the Lift Station W-27 Bypass and Valve Replacement project, in the amount of \$568,852.02 on October 3, 2018 via Resolution No. R-2018-315.

After the project's pre-construction meeting in January 15, 2019, the following issues raised significant concern on TV Diversified's abilities to perform the work as specified in the contract documents:

- Failure to sign the Notice to Proceed document during the pre-construction meeting dated January 15, 2019.
- Breach of agreement to submit a project schedule, justifying specific time extensions needed, by February 5, 2019.
- Failure to conduct a survey in accordance with the terms of the contract, despite numerous requests.

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- Inability to demonstrate experience, skills, and meeting of deadlines, which are required to perform the work in the manner and form stipulated by the Contract Documents for this project.
- Verbal statement made by TV Diversified, LLC representatives, during meeting on April 2, 2019, that the design does not work and must be re-designed and rebid.

Considering the critical function of Lift Station W-27 which tolerates no failure during the construction, the Department of Public Utilities requests termination of the contract with TV Diversified, LLC for Lift Station W-27 Bypass and Valve Replacement project.

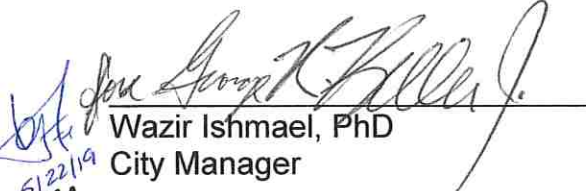
Upon termination of the contract with TV Diversified, and taking in consideration the critical nature of the necessary work at Lift Station W-27, the Department of Public Utilities intends to recommend awarding the contract to the second lowest responsive, responsible bidder, Southeastern Engineering, Inc.

Recommendation:

The Department of Public Utilities requests to terminate the contract with TV Diversified, LLC for Lift Station W-27 Bypass and Valve Replacement project, and to compensate TV Diversified, LLC \$7,999.00 for their direct expense related to purchase of Performance Bond and Payment Bond.

cc: Douglas R. Gonzales, City Attorney
Paul Bassar, Director of Procurement & Contract Compliance

Approved


Wazir Ishmael, PhD
City Manager
5/22/19

R-2018-35

SECTION 00500

CONTRACT

THIS AGREEMENT, made and entered into, this 14 day of Jan, A.D., 2019, by and between the CITY OF HOLLYWOOD, Florida, a municipal corporation of the State of Florida, part of the first part, (hereinafter sometimes called the "CITY"), and

TV DIVERSIFIED, LLC

party of the second part (hereinafter sometimes called the "CONTRACTOR").

WITNESSETH: The parties hereto, for the considerations herein- after set forth, mutually agree as follows:

Article 1. Scope of Work: The CONTRACTOR shall furnish all labor, materials, and equipment and perform all work in the manner and form provided by the Contract Documents, for:

**LIFT STATION W-27 BYPASS AND VALVE REPLACEMENT
Project No.: 18-8064**

Article 2. The Contract Sum: The CITY shall pay to the CONTRACTOR, for the faithful performance of the Contract, in lawful money of the United States of America, and subject to additions and deductions as provided in the Contract Documents, as follows:

Based upon the prices shown in the Proposal heretofore submitted to the CITY by the CONTRACTOR, a copy of said Proposal being a part of these Contract Documents, the aggregate amount of this Contract being the sum of **Five Hundred Sixty Eight Thousand Eight Hundred Fifty-Two and 02/100 Dollars (\$568,852.02)**

Article 3. Partial and Final Payments: In accordance with the provisions fully set forth in the "General Conditions" of the "Specifications", and subject to additions and deductions as provided, the CITY shall pay the CONTRACTOR as follows:

- (a) On the 15th day, or the first business day thereafter, of each calendar month, the CITY shall make partial payments to the CONTRACTOR on the basis of a duly certified and approved estimate of work performed during the preceding calendar month by the CONTRACTOR, less ten percent (10%) of the amount of such estimate which is to be retained by the CITY until all work has been performed strictly in accordance with this Agreement and until such work has been accepted by the CITY; provided, however, that after 50 percent (50%) completion of the work covered by this Agreement, (i) the amount retained from each subsequent progress payment shall be reduced to 5 percent (5%) and (ii) upon presentation by the CONTRACTOR of a payment request for up to one-half of the retainage held by the CITY, the CITY shall promptly make payment to the CONTRACTOR. The parties' rights and obligations regarding retainage are further specified in Florida Statute Section 218.735.

- (b) Upon submission by the CONTRACTOR of evidence satisfactory to the CITY that all payrolls, material bills and other costs incurred by the CONTRACTOR in connection with the construction of the WORK have been paid in full, and also, after all guarantees that may be required in the Specifications have been furnished and are found acceptable by the CITY, final payment on account of this Agreement shall be made within sixty (60) days after completion by the CONTRACTOR of all work covered by this Agreement and acceptance of such work by the ENGINEER and approved by the CITY.

Article 4. Time of Completion: The CONTRACTOR shall commence work to be performed under this Contract within ten (10) consecutive calendar days after date of written Notice To Proceed and shall fully complete the Contract in accordance within the Contract Documents and meet all intermediate milestone completion dates required after said date of written notice as set forth in the Proposal, as may be modified by Instructions to Bidders, and stated in the Notice to Proceed.

It is mutually agreed between the parties hereto, that time is the essence, and in the event that construction of the WORK is not completed within the Contract Time and per intermediate dates, as may have been modified solely in accordance with the General Conditions of this Contract, that from the compensation otherwise to be paid to the CONTRACTOR, the CITY is authorized and shall retain, for each day thereafter, Sundays and holidays included, the sum set forth in the Supplementary General Conditions of this Contract as liquidated damages sustained by the CITY in the event of such default by the CONTRACTOR, or shall withhold such compensation for actual and consequential damages as may be stated therein or contemplated therefrom.

Article 5. Additional Bond: It is further mutually agreed between the parties hereto, that if, at any time after the execution of this Agreement and the Payment and Performance Bonds required herein for the express purpose of assuring the faithful performance of the Contractor's work hereto attached, the CITY shall deem the surety or sureties' to be unsatisfactory, or, if for any reason, said bonds cease to be adequate to cover the performance of the work, the CONTRACTOR shall, at his expense, within five (5) days after receipt of notice from the CITY furnish an additional bond or bonds in such form and amount, and with such surety or sureties as shall be satisfactory to the CITY. In such event, no further payment to the CONTRACTOR shall be deemed to be due under this agreement until such new or additional security for the faithful performance of the work shall be furnished in manner and form satisfactory to the CITY.

Article 6. Contract Documents: All of the documents hereinafter listed form the Contract and they are as fully a part of the Contract as if hereto attached, or repeated in this Agreement:

- | | |
|--------------------------------------|--------------------------------------|
| 1. Notice to Bidders | 9. Contract |
| 2. Instruction to Bidders | 10. Performance Bond |
| 3. Proposal | 11. Payment Bond |
| 4. Proposal Bid Form | 12. General Conditions |
| 5. Bid Bond | 13. Supplementary General Conditions |
| 6. Information Required from Bidders | 14. Addenda |
| 7. Local Preference | 15. Specifications |
| 8. Trench Safety Form (N/A) | 16. Drawings |

Article 7. The rate of wages and fringe benefits, or cash equivalent, for all laborers, mechanics and apprentices employed by any contractor or subcontractor on the work covered by the contract shall be not less than the prevailing rate of wages and fringe benefit payments or cash equivalent for similar skills or classifications of work as established by the General Wage Decision by the United States Department of Labor for Broward County, Florida that is in effect prior to the date the city issues its invitation for bids. If the General Wage Decision fails to provide for a fringe benefit rate for any worker classification, then

the fringe benefit rate applicable to the worker classification shall be the fringe benefit rate applicable to the worker classification with a fringe benefit rate that has a basic hourly wage closest in dollar amount to the worker classification for which no fringe benefit rate has been provided.

Article 8. No additional work or extras shall be performed unless the same be duly authorized by appropriate action of the City.

Article 9. That in the event either party brings suit for enforcement of disagreement, the prevailing party shall be entitled to attorney's fees and court costs in addition to any other remedy afforded by law.

Article 10. The Contractor shall guarantee the complete project against poor workmanship and faulty materials for a period of twelve (12) months after final payment and shall immediately correct any defects which may appear during this period upon notification by the City or the Engineer.

Article 11. The making and acceptance of the final payment shall constitute a waiver of all claims by the Contractor, except those previously made and still unsettled.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the day and date first above written in three (3) counterparts, each of which shall, without proof or accounting for the other counterparts, be deemed an original contract:

THE CITY OF HOLLYWOOD, FLORIDA
Party of the First Part

By:  (SEAL)
JOSH LEVY, MAYOR

ATTEST:


PATRICIA CERNY, MMC, CITY CLERK

CONTRACTOR
Party of the Second Part

WHEN THE CONTRACTOR IS AN INDIVIDUAL:

Signed, sealed and delivered in the presence of:

(Witness) (Signature of Individual) _____ (SEAL)

(Witness) (Signature of Individual) _____

WHEN THE CONTRACTOR IS A SOLE PROPRIETORSHIP OR OPERATES UNDER A TRADE NAME:

Signed, sealed and delivered in the presence of:

(Witness) (Name of Firm) _____


(Witness) (Signature of Individual) _____ (SEAL)

WHEN THE CONTRACTOR IS A PARTNERSHIP:

(Witness) (Name of Firm) a Partnership _____

(Witness) BY: _____ (SEAL)
(Partner)

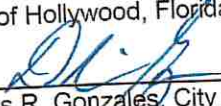
WHEN THE CONTRACTOR IS A CORPORATION:

Attest: 
Secretary

TV Diversified, LLC
(Correct Name of Corporation)

BY:  (SEAL)
President 

APPROVED AS TO FORM AND LEGAL SUFFICIENCY for the use and reliance of the City of Hollywood, Florida only:

By 
Douglas R. Gonzales, City Attorney

APPROVED AS TO FINANCE:

By 
Cintya Ramos
Financial Services Department Director