

ADMINISTRATIVE REPORT

DATE: December 14, 2023
TOPIC: #7.3 – Resolution declaring contractor default
PRESENTER: Dan Pyan – Executive Director of Finance and Operations
REFERENCE TO POLICY/STATUTE: 701 – School District Budget

A. PURPOSE OF REPORT

- a. As included in its Long Term Facilities Maintenance plan, new floors were installed at Woodbury High School.
- b. The general contractor of the project was Parkos Construction.
- c. Parkos Construction contracted with Grazzini Brothers Construction for installation of the flooring.
- d. The School Districts' architect for the project, KOMA, has determined that the flooring installation does not meet project specification and requirements.
- e. School District staff and consultants have attempted to work with Parkos and Grazzini to correct the flooring, however no resolution was achieved.
- f. The School District under its agreement with Parkos must declare a contract default to recover damages.

B. RECOMMENDATION

- a. Approve Resolution declaring contractor default and authorize pursuit of claim

C. CONNECTION TO STRATEGIC PRIORITY

- a. Student Experience
- b. Student Pathways and Systemic Supports
- c. Operations, Staffing, and Finance
- d. Engagement and Partnership



School Board Member _____ introduced the following Resolution and moved its adoption:

RESOLUTION DECLARING CONTRACTOR DEFAULT AND AUTHORIZING PURSUIT OF CLAIM

WHEREAS, the District and Parkos Construction are parties to a construction contract (the “Contract”) under which Parkos agreed, among other things, to install new flooring in certain areas of the Woodbury Senior High School;

WHEREAS, Parkos contracted with Grazzini Brothers Construction for installation of the flooring;

WHEREAS, the District’s architect for the project, KOMA, has determined that the flooring installation does not meet project specifications and requirements;

WHEREAS, District staff and consultants have attempted to work with Parkos and Grazzini to effect correction of the flooring work, but these efforts have been unsuccessful;

WHEREAS, the District also put Parkos’ performance bond surety, Granite Re., on notice of the problems, and notified Granite Re. and Parkos that it was considering declaring a default on the Contract due to the unremedied flooring work;

WHEREAS, District staff and consultants met with Parkos, Grazzini, and Granite Re. on October 4, 2023 to discuss the problems, but no resolution was achieved;

WHEREAS, in order to move forward with the effort to effect resolution of the flooring issues and, if necessary, pursue an action to recover damages resulting from the issues, the District, under its agreement with Parkos, must declare a contract default, correct the work itself if Parkos continues to refuse to do so, and pursue recovery of its costs in doing so;

NOW, THEREFORE, BE IT RESOLVED by the School Board of Independent School District No. 833, South Washington County Schools, as follows:

1. The School Board hereby determines and declares Parkos Construction to be in default of its contractual obligation to install flooring at the Woodbury High School that meets the requirements of its contract with the District, and all pertinent project specifications.
2. District staff and consultants are authorized and directed to pursue all avenues for recovery against Parkos and Parkos’ surety, Granite Re. so that the flooring issues are resolved and corrected.

The motion for the adoption of this Resolution was duly seconded by School Board Member _____ and upon a vote being taken, the following School Board members voted in favor of the Resolution:

And the following School Board members voted against the Resolution:

Based on the vote, this Resolution was declared duly passed and adopted.