



POLICY 7.11

5-C I recommend the Board approve development of the proposed **revised** Policy 7.11, entitled "Liquidated Damages."

[Contact: Joseph Sanches, PX 47573.]

Development

CONSENT ITEM

- This proposed revised policy was reviewed in conjunction with other construction-related policies and to meet the statutory requirement for Board review as provided in Sec. 120.74, FS.
- Section 1013.47, FS, provides that the Board's contract with a contractor for the construction of public facilities must contain a time limit in which construction is to be completed and consequences for failure to fulfill the time requirement.
- The Construction Oversight and Review Committee (CORC) reviewed the proposed revised policy at its February 9, 2012 meeting. Changes requested by the committee are indicated by blue underlining for additions; and blue strikeovers for deletions. The draft policy was not reviewed by the Audit Committee, as it was unrelated to the 2011 construction audit reviewed and approved by the Audit Committee.

POLICY 7.11

LIQUIDATED DAMAGES

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3 1. **Purpose**

4 This policy authorizes liquidated damages to be assessed against contractors for
5 delays caused by the failure to fulfill any of the terms and conditions of a
6 construction contract.~~which the provides guidelines for determining liquidated~~
7 ~~damages for delays in the schedule and for change orders related to construction.~~

8 2. **Application**

9 This policy applies to all construction contracts of the Board.

10 3. **Policy Statement**

11 The general conditions of the contract for construction of school projects shall
12 include provisions for liquidated damages.

13 a. ~~For the purposes of this policy, liquidated damages mean a contractually~~
14 ~~specified amount to be paid by the contractor for not completing a project~~
15 ~~within the stated contract time. Liquidated damages are tied to estimated real~~
16 ~~costs or lost revenues of the District when it is unable to occupy or use the~~
17 ~~constructed facility after the specified date stated in the construction contract.~~
18 ~~Liquidated damages are not penalties charged simply to impose a penalty on~~
19 ~~the contractor.~~

20 4. **Administrative Procedures**

21 The Superintendent, or designee, shall develop administrative procedures and
22 guidelines providing the technical details for the implementation of this policy.

23 STATUTORY AUTHORITY: Fla. Stat. §§ 1001.41, 1001.42(11), (25)

24 LAWS IMPLEMENTED: Fla. Stat. §§ 1013.47

25 HISTORY: April 6, 1983; ___/___/2012

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28 ***Cross References:***

29 Policy **6.14** *Purchasing*

30 Policy **7.10** *Construction Bid Procedures*

31 Policy **7.065** *Errors and Omissions of Construction-Related Professionals*

32 Policy **7.22** *Construction Change Orders*

Legal Signoff:

The Legal Department has reviewed proposed Policy 7.11 and finds it legally sufficient for development by the Board.

Attorney

Date