

REPORT OF GENERAL MANAGER

NO. 01-260

DATE July 11, 2001

C.D. 15

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF RECREATION AND PARKS AND THE DEPARTMENT OF GENERAL SERVICES FOR THE CONSTRUCTION OF THE SEPULVEDA BASIN WOODLEY GOLF CLUBHOUSE (#1554A)

J. Combs
A. Corrales
J. Duggan
J. Koib

H. Fujita
*M. Tamuri
M. Matthews

E. Eppenheim
General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

It is recommended that the Board:

1. Authorize the General Manager to enter into an Memorandum of Understanding (MOU) between the Department of Recreation and Parks and the Department of General Services, to provide construction services for the Sepulveda Basin - Woodley Golf Clubhouse (#1554A); and,
2. Authorize the Director of Finance to transfer funds in the amount of \$237,464.00 from Fund 302, Account 932AD, to the Department of General Services as payment for construction services associated with the Sepulveda Basin Woodley Golf Clubhouse (#1554A).

SUMMARY:

On November 15, 2000, the Board canceled Contract No. 2850 with Sabzerou Inc, dba Target Construction for the construction of the Sepulveda Basin - Woodley Golf Clubhouse (#1554A). In accordance to the contract documents, the surety, Travelers Property Casualty, was notified of the cancellation of the contract and was given notice to complete the work. Staff, City Attorney, and surety representatives are currently negotiating a tender offer, however, a final agreement has not yet been reached.

In order to resume the work without further delays, the Department of General Services (DGS) was asked to provide a cost estimate for completion of the work. A cost estimate in the amount of \$803,466.02 was submitted by DGS on April 5, 2001. Follow up discussions with DGS, in conjunction with the Surety, further reduced this figure to \$687,347. It is the intent of the Department to have DGS commence construction upon approval of this agreement at the current

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funding level. At the next meeting of the Golf Advisory Board (GAC), scheduled for July 23, 2001, staff will recommend an allocation of additional funds to this project as required to complete the work outlined in the DGS proposal. Upon approval by the GAC, staff will return to the Board at its August 8, 2001 meeting with a supplement to this MOU, requesting authorization to transfer the balance of funds to DGS.

Concurrent with the aforementioned activities, staff will continue negotiations with the surety on a tender agreement. Upon completion of negotiations and approval by the Board of a tender agreement, funds received from the surety will be used to reimburse to the Golf Surcharge account.

The City's liability under this contract shall only be to the extent of \$237,464.00 the current City appropriation to fund the contract. If the City appropriates additional funds, the City's liability shall be extended to the extent of such appropriation, subject to the terms and conditions of this contract. Department of General Services is not required to do any work in excess of the amount of the funds appropriated by the City for this contract.

Prepared by Armando De La O, Contract Administrator.

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE DEPARTMENT OF RECREATION AND PARKS
AND
THE DEPARTMENT OF GENERAL SERVICES

The Department of Recreation and Parks (DRP) and the Department of General Services (DGS) desire to enter into a Memorandum of Understanding for the Sepulveda Basin - Woodley Golf Clubhouse (#1554A) located at 6331 Woodley Avenue, Van Nuys. The purpose of this MOU is to establish a working relationship between the parties for the successful completion of this project within budget and within schedule.

The parties agree to the following:

I) Parties to the Agreement

Ellen Oppenheim, General Manager
Department of Recreation and Parks
200 N. Main St., Room 1330
Los Angeles, CA 90012

Jon Kirk Mukri, General Manager
Department of General Services
Room 701, City Hall South
Los Angeles, CA 90012

II) The Project

The project includes completion of the construction work, from the level of completion left by the previous private contractor upon cancellation of his contract by the Department of Recreation Parks. All work shall be completed in accordance to the contract documents, designated as the Woodley Golf Clubhouse, Project No. 1554A, File No. 807. The project is scheduled to commence upon execution of this agreement and to be completed within twelve weeks. The estimated cost of completing the work is \$687,347. The cost estimate is a Class C estimate developed by DGS based on the original bid documents. In lieu of the standard 15% contingency included in all DSG cost estimates, it is agreed that all work above and beyond the bid documents; or discovered to be defective; or unforeseen; or unknown conditions at the time the cost estimate was conducted will be reimbursed by DRP to DSG on a time and material basis.

Currently, a total of \$237,464.00 is available for this project from the Recreation and Parks Golf Surcharge Fund. Additional funds will become available for this project at a future date. DSG agrees to perform as much of the work as possible for the available funding, but will stop work when and if the funding is exhausted. DRP agrees to provide additional funding to DSG to complete the scope of the work.

III) Responsibilities of the Parties

DRP shall:

1. Provide funding to DGS for the completion of the Sepulveda Basin Woodley Golf Clubhouse.
2. Approve billings, submitted on a monthly basis, for labor and material costs incurred by DGS in a timely manner.
3. Provide completed, permitted construction documents and specifications.
4. Provide overall project management activities which shall include budget control and meeting regularly with DGS to review design and construction issues.
5. Establish jointly with DGS a time frame to respond to RFI's and Change Orders.
6. If the project budget will be exceeded, secure additional funding or reduce the scope of work.

DGS shall:

1. Review and comment on all documents provided by DRP.
2. Provide a construction schedule and submit monthly construction schedules for a joint review with DRP.
3. Construct or cause to construct the completion of the Sepulveda Basin Woodley Golf Club house per the permitted construction documents.
4. Prepare RFIs and Change Order Requests in a timely manner. The parties understand and agree that change orders or other unforeseen costs may increase the original construction budget. If the construction budget exceeds the available funds, the parties agree to either secure additional funding or reduce the scope of work.
5. Prepare monthly expenditure reports for DRP and invoice DRP when necessary.
6. Prepare and submit a complete breakdown of costs for the entire project. The breakdown shall itemize costs based on the trades indicated in the specifications.
7. Establish jointly with DRP work orders which break up the project into specific activities that will simplify auditing and control of project activities.

IV) METHOD AND TIME OF PAYMENT

Prior to the commencement of construction, DRP shall provide an advance appropriation to DGS in the amount of \$237,464.00 for the completion of the Sepulveda Basin Woodley Golf Clubhouse. The appropriation provides authority to DGS to expend cash from the General Fund. DGS will submit monthly billings to DRP for construction work performed. DRP will prepare Journal Vouchers to transfer cash from the Recreation and Parks Golf Surcharge Funds to the General Fund.

V) COST REPORTING

On a monthly basis, DGS shall provide expenditure reports for the above project which will itemize all labor and material costs. Work order numbers will be assigned to the project so that costs can be tracked via the specific assigned numbers.

IN WITNESS WHEREOF, the Department of Recreation and Parks and the Department of General Services have caused this MOU to be executed by their duly authorized representatives:

For: DEPARTMENT OF RECREATION AND PARKS

ELLEN OPPENHEIM, GENERAL MANAGER

Executed this _____ day of _____, 2001

For: THE DEPARTMENT OF GENERAL SERVICES

JON KIRK MUKRI, General Manager

Executed this _____ day of _____, 2001