

REPORT OF GENERAL MANAGER

NO. 01-392

DATE: October 17, 2001

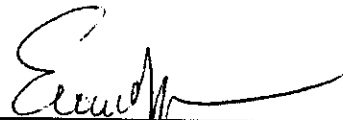
C.D. 06

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: WESTCHESTER RECREATION CENTER COMMUNITY BUILDING (#1539A)
CANCELLATION OF CONSTRUCTION CONTRACT NO. 2950; APPROVAL OF
THREE PARTY TENDER AGREEMENT AND APPROVAL OF COMPLETION
CONTRACT WITH TOBO CONSTRUCTION

J. Combs _____
A. Corrales _____
J. Duggan _____
J. Kolb _____

H. Fujita _____
*M. Tamuri _____
M. Matthews _____



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

It is recommended that the Board:

1. Accept the voluntary default by Stenco Construction for Contract No. 2950;
2. Approve a tender agreement from Washington International Insurance Company (Surety) whereby Stenco Construction is voluntarily removing itself from the contract;
3. Approve a Completion Contract between the City and Tobo Construction in substantially the same form as the agreement attached;
4. Direct the Board Secretary to forward this report and the proposed tender agreement forthwith to the Mayor in accordance with Executive Directive 16 and concurrently to the City Attorney for review as to form; and,
5. Authorized the Board President and Secretary to execute the tender agreement and the completion contract upon receipt of the necessary approvals.

SUMMARY:

The construction of a new community building for Westchester Recreation Center began on July 6, 2000, with a construction completion period of 300 days or on May 2, 2001. A change order has been issued extending the completion date to May 25, 2001. The work consists of building a new 8997 square foot community building with a new lobby, gymnasium, director's office, men's and women's toilets, storage room and electrical room. Construction work is 43% completed presently.

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As of May 25, 2001, construction work was approximately 27% complete, when it should have been completed. The work progress to date is very slow and unsatisfactory due to the lack of construction activities and lack of manpower assigned to this job. At present the contractor is continuing to work on the project with the knowledge that he is going to be assessed liquidated damages. A 30-day notice to correct was issued to the contractor on July 17, 2001, as shown in the attached copy, which required them to complete seven (7) tasks by August 16, 2001. On August 17, 2001 a meeting was held to assess the contractor's progress. The result of the meeting showed that the Contractor had completely complied with Items 1, 2, 4 and 5, partially complied with Items 3 and 7 by completing some non-compliance work and providing a partial list of sub-contractors who will be working on this project. Item No. 6 required them to install the steel joists by August 16, 2001 had not been complied with. Contractor's work has progressed about 15 days in the 30-day notice period from July 17, 2001 through August 16, 2001.

As agreed to, by all parties, in the meeting of July 12, 2001, the Department will initiate proceedings to terminate the contract per Section 51, Division 1 of the General Provisions, if all notice to correct items have not been completed by August 16, 2001.

The last progress payment made on April 25, 2001, identified an unencumbered balance in the amount of \$875,524.31. Upon receipt of the final payment for work done up and through the date of the Board's acceptance of the cancellation of Stenco's Contract No. 2950, the final unencumbered balance will be identified in the final tender agreement.

In addition, the Department received a draft from the Surety company stating that Stenco has voluntarily removed itself from the contract and in order to have a speedy transition, the Surety also proposes that the City enter a contract with Tobo Construction, Inc. Department staff had verified that Tobo's license (#758012) is current as shown in the attached report from the California State License Board.

Prepared by Rey Aficial, Project Manager.