

REPORT OF GENERAL MANAGER

NO. 01-310 Revised

DATE September 5, 2001

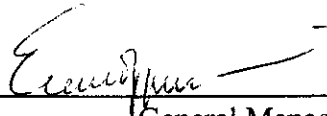
C.D. 01,06,12

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: APPROVE A TAKEOVER AGREEMENT FOR IMPERIAL COURTS RECREATION CENTER

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Withdrawn _____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 approve the execution of a three party takeover agreement in substantially the same form as attached hereto with Washington International Insurance Company and Intercargo Insurance Company for the work at the Imperial Courts Recreation Center.

SUMMARY:

This project was originally awarded to Ed Hodges Construction in September 1998. In January 1999, the Board took an action to terminate the contract due to the non-performance of the General Contractor, and tendered the project to the Surety, Washington International. Washington International preformed it's obligation under the Bond by procuring a new General Contractor, D&M Construction, Inc. The Board approved a tender agreement for the restart of the project in February 1999.

In December 2000, the Board of Recreation and Park Commissioners found the Surety's Contractor, D&M Construction, Inc., in default of their agreement between the Surety, Washington International and the City of Los Angeles and requested their removal from the project. Since that date, the Surety has called upon D&M's Surety, Intercargo, to remedy the default of D&M Construction, Inc., and to complete the work in accordance with their obligations. The surety companies have honored their commitment to the City under the Bond and Agreements, and have rebid the projects to a new General Contractor, P.W. Construction, who they intend to use to complete the work.

The Department has met and reviewed the records and past performance of P.W. Construction, and has no objections to their use on the project. The Department has contacted OCC, who has noted no outstanding labor and wage violations by this Contractor.

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The three party takeover agreement between both sureties and the City have been reviewed by the Department and the City Attorney as to form. The Department and Housing Authority, who will benefit from this gymnasium once completed, look forward to it's imminent restart.

Prepared by Maureen Tamuri, Assistant General Manager.