

REPORT OF GENERAL MANAGER

NO. 02-18

DATE January 9, 2002

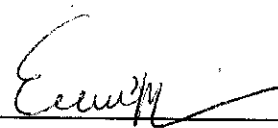
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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: DOWNEY RECREATION CENTER - CHILDCARE CENTER (#1633D) - APPROVAL OF TENDER AGREEMENT

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Withdrawn \_\_\_\_\_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. Rescind approval of the Takeover Agreement approved by the Board on March 7, 2001;
2. Approve execution of a Tender Agreement with Fidelity and Guaranty Insurance Company for the completion of the work at Downey Recreation Center - Childcare Center (#1633D) in substantially the same form as attached herewith;
3. Approve a completion contract with Hayward Construction Company in substantially the same form as the attached herewith;
4. Direct the Board Secretary to forward this report, the proposed Tender Agreement, and Completion Contract forthwith to the Mayor in accordance with Executive Directive 16 and concurrently to the City Attorney for review as to form; and,
5. Authorize the Board President and Secretary to execute the Tender Agreement and Completion Contract upon receipt of the necessary approvals.

SUMMARY:

On March 7, 2001, the Board approved a Takeover Agreement between the Department and Fidelity and Guaranty Insurance Company (Board Report No. 01-61). After several months of work to finalize the Takeover Agreement, staff has not been able to reach agreement with the Bonding Company. Fidelity and Guaranty Insurance Company believes that a Tender Agreement would best achieve the result that we are seeking, that is to complete construction of the project. Therefore, staff recommends that the Board rescind the approval of the Takeover Agreement and approve the execution of a Tender Agreement with Fidelity and Guaranty Insurance Company.

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The project is approximately 5% complete. On the original \$1,091,453.00 contract, the Department has paid \$120,843.82. The remaining funds are \$970,609.46. Fidelity and Guarantee Insurance Company has rebid the project with Hayward Construction Company submitting a low bid of \$1,386,460.00. Fidelity and Guarantee Insurance will pay the difference between \$1,386,460.00 and \$970,609.46 or \$415,850.54 plus stop notices and wage violations in the amount of \$186,889.19 for a total of \$602,739.73.

Report prepared by Richard Klink, Contract Administrator.