

REPORT OF GENERAL MANAGER

NO. 02-247

DATE June 19, 2002

C.D. _____

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: AUTHORIZE THE ACTING GENERAL MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING (MOU), FOR PROP K YEAR FIVE A-LIST OR YEAR FIVE REPROGRAMMING FUNDS WHICH HAVE BEEN AWARDED BUT HAVE NOT BEEN CONTRACTUALLY OBLIGATED BEFORE JUNE 28, 2002, BETWEEN THE DEPARTMENT OF RECREATION AND PARKS (RAP) AND THE GENERAL SERVICES DEPARTMENT (GSD)

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

H. Fujita _____
*M. Tamuri _____



Acting General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

It is recommended that the Board:

1. Authorize the Acting General Manager to rescind the award of any Proposition K construction contract if the contractor has not executed a written contract with the City consisting of an executed contract, provision of payment and labor bonds and proof of adequate insurance coverage within ten days after the contract and bond forms are delivered to the contractor, but not later than June 28, 2002; and,
2. After rescision of any such award, execute a MOU on June 28, 2002, for the construction of that project with the General Services Department similar in form to the one listed in Attachment A to construct the Proposition K. project.

SUMMARY:

Proposition K is a Los Angeles City approved proposition which earmarks \$25,000,000.00 per year to be spent on park improvement projects. As a condition of the funding, money for project construction identified in a particular fiscal year must be encumbered by way of an executed contract prior to June 30, 2002. If the funds are not encumbered, they are no longer available after that date.

At its Board meeting in June 2002, the Board of Recreation and Park Commissioners voted to award 11 construction projects to the lowest responsible and responsive bidder. As part of the bid document, the General Contractor is required to provide the Department with bid and performance bonds, proof of issuance and appropriate licensing and execute contract between the City and General Contractor for the work within ten days after receipt of the contract and bond forms by the Board Secretary.

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If the General Contractor is unable to obtain and provide the City with the necessary bid bonds, insurance and execute the contract, within the ten days allotted for this effort, there is insufficient time for another Board meeting to be held to rescind the award and award the contract to another entity.

As a result, the Department believes that a contingency plan is necessary in the unlikely event that one of the General Contractors is unable to timely execute the Contract Agreement. The proposed contingency plan consists of authoring the Acting General Manager to execute a MOU between the Department of Recreation and Parks and the General Services Department (GSD), which would formally encumber the funds and transfer construction of the unexecuted contract for construction by GSD.

A MOU is provided in Attachment A and an updated listing of the Proposition K contracts which remains unexecuted will be provided at the Board meeting.

Prepared by Kathleen Chan, Proposition K Coordinator.

**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 (GSD) desire to enter into a Memorandum of Understanding (MOU) for the Banning Residence Museum - Refurbish Building and Garden (#2801N) located at 401 E. "M" Street, Wilmington, CA.

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

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

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

II) THE PROJECT

The project includes the repair and/or restoration of all exterior wood doors and windows at the historic Banning Residence Museum, and the abatement of lead based paint in areas impacted by the restoration work, all in accordance with the plans and specifications.

The project is scheduled to be completed in 160 days starting in July 2001. The estimated cost to complete all work is approximately \$230,181.00.

Currently, a total of \$230,181.00 is available for construction from the Proposition "K" fund.

Fund 43K, Account R363.

III) RESPONSIBILITIES OF THE PARTIES

DRP shall:

1. Provide funding to GSD for the restoration of Banning Residence Museum.
2. Approve billings, submitted on a monthly basis, for labor and material costs incurred by GSD in a timely manner.
3. Provide complete and approved construction documents and specifications.
4. Provide overall project management activities which shall include budget control and meeting regularly with GSD to review design and construction issues.
5. Establish jointly with GSD 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.

GSD 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 perform restoration work at the Banning Residence Museum per the approved 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 transfer funds in the amount of \$230,181.00 from Fund 43K, Account R363, to GSD as payment for the construction services associated with Banning Residence Museum - Refurbish Building and Garden (#2801N).

GSD will submit monthly billings to DRP for construction work performed.

V) COST REPORTING

On a monthly basis, GSD 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

JOHN KIRK MUKRI, GENERAL MANAGER

Executed this _____ day of _____, 2001