

REPORT OF GENERAL MANAGER

NO. 02-179 Revised

DATE May 1, 2002

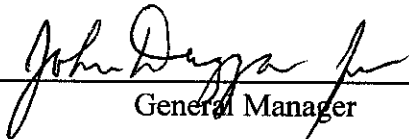
C.D. 12

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: VANALDEN PARK - WILKINSON SENIOR CITIZEN CENTER - BUILDING ADDITION (#1825A) - ASSIGNMENT OF THE CONSTRUCTION WORK TO THE DEPARTMENT'S FACILITIES GROUP

J. Combs \_\_\_\_\_  
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for M. Tamuri MT  
M. Matthews \_\_\_\_\_

  
\_\_\_\_\_  
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATION:

It is recommended that the Board:

1. Authorize the Department of Recreation and Parks Facilities Group to complete the remaining work of the project; and,
2. Direct Department staff to prepare a full and final settlement agreement with the surety, Fidelity and Guaranty Insurance Company, in accordance with the terms contained in the body of this report, to allow the Department to complete this work, said settlement agreement to be returned to the Board for approval.

SUMMARY:

The construction of a free-standing addition to the senior citizen center at Vanalden Park began on June of 1999. The scope of work involved the construction of a new 2,350 square foot annex to the existing senior center. The work was scheduled for six (6) months and scheduled to complete on December 1999. A total of three (3) change order were issued extending the completion date thirty days to January 20, 2000.

In the spring of 2000, Gamma Constructors, Inc. was cited by the Office of Contract Compliance (OCC) of the Department of Public Works for not paying prevailing wages to its employees. The charges apply to four (4) separate contracts Gamma has with the City.

The Department had ordered the contractor back to work; but, because of a freeze being imposed upon his future payments for the amount of back wages in dispute plus related fees and penalties, he was unwilling to proceed. He asked for a release of the hold imposed by OCC so that he could

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pay off stop notices being filed by his sub-contractors and material suppliers. It was the City Attorney's opinion that this could not be done and that the money must be held pending resolution of the wage issues. The Department had contacted OCC and had been assured that the charges were serious, well founded and that they intended to pursue them to a satisfactory conclusion.

On July 31, 2000, The Board approved the cancellation of construction contract with Gamma. On March 2001, the Board approved a draft Takeover Agreement allowing the surety to complete the work. The final Takeover Agreement was delivered to the surety on August 2001. The surety has refused to sign the agreement. Surety has offered to pay the City \$10,000.00 and to complete the project without repairing the roof, the Department has refused the offer.

On April 4, 2002, the surety sent the Department a letter advising the City to complete the work themselves, and the surety will increase the payment to the City to \$25,000.00. The surety will also work with the City for a Settlement Agreement that will cover the \$98,321.00 of unpaid contract balance, and \$18,108.79 of retainage. The surety's offer can now be accepted.

Work to be completed consists of the pre-final inspection punchlist. The Department has reviewed the workscope with the Departments Facility Maintenance Group and, baring the discovery of any major mechanical systems failures, has determined that there are sufficient funds to complete the work identified in the attached pre-final inspection punchlist. The Facility Maintenance Group will complete a full assessment of scope of work in two (2) weeks, and can then proceed with construction.

Report prepared by William H. Tseng, Contract Administrator.