

REPORT OF GENERAL MANAGER

NO. 02-389

DATE November 20, 2002

C.D. All

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PROPOSITION K TRANSITION - DELEGATION OF CHANGE ORDER AUTHORITY TO THE BUREAU OF ENGINEERING AND INCREASE LEVEL OF CHANGE ORDERS NEEDING APPROVAL ON GRIFFITH OBSERVATORY PROJECT

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

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATION:

It is recommended that the Board:

1. Delegate change order authority from the Board of Recreation and Parks Commission to the Bureau of Engineering (BOE), to a maximum of \$25,000.00 per change order for the projects being managed by the Prop K Program Manager as long as the scope of the change does not impact the ability to provide recreational programs to the community or reduce the scope of the project below the requirements of the grant; and,
2. Delegate change order authority from the Board of Recreation and Parks Commission to the BOE Prop K Program to a maximum of \$100,000.00 per change order for the Griffith Observatory project.

SUMMARY:

On November 7, 2001, the Board approved a Memorandum of Understanding (MOU) between the Department of Recreation and Parks and the Bureau of Engineering (BOE) for construction management services for seven projects, (Board Report No.01-416). In the MOU the Board delegated change order authority to execute change orders up to \$25,000.00 to BOE.

On January 9, 2002, the Board approved a recommendation (Board Report No. 02-17) directing the preparation of the another MOU to codify the roles and responsibilities of each agency in the administration of the Prop K program. The report delegated change order authority to BOE in an amount up to 25% of the allotted contingency on each project.

In April 2002, the City Council transferred responsibility for the program management of Prop K to the BOE. The Council Action will require the creation of a Governance Document, an umbrella document, that will be supported by follow up MOUs as required between Departments to address

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specific roles and responsibilities. The Governance Document is currently being prepared by staff of both agencies and will be forwarded to the Board for review and approval in the near future.

In the interim, the City Attorney to the Prop K program has determined that the actions taken by the Board previously on November 7, 2001 and January 9, 2002, need to be clarified for the purpose of the administration of the program. Therefore, Prop K program staff and Department staff have met and agreed the program management will be greatly expedited if the Board uniformly delegates change order authority to the BOE, Prop K program for up to \$25,000.00 per change order for each specified and competitive project. The amount requested is standard to the Department of Public Works, Bureau of Engineering for construction administration.

Because the Griffith Observatory project is extraordinarily large, staff is requesting an exception to this policy. It is requested that the authority be delegated up to \$100,000.00 per change order in order to assure that the project moves as quickly as possible during construction. On a project the size of the Observatory, requiring Board approval for all change orders over \$25,000.00 could slow the project down unnecessarily.

Therefore, staff recommends the Board delegate the change order authority for the Prop K Program Manager as outlined in this report.

Report prepared by Kathleen Chan, Prop K Coordinator.