

REPORT OF GENERAL MANAGER

NO. 03-25

DATE January 22, 2003

C.D. 7

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: BRAND PARK RESTROOM BUILDING EARTHQUAKE REPAIR (#1839A) -
CONTRACT NO. 2881 - FINAL ACCEPTANCE AND FINAL SETTLEMENT
WITH SURETY

L. Barth _____
J. Combs _____
A. Corrales _____
J. Duggan _____

H. Fujita _____
*B. Lukehart PLF
L. Barth _____

John Duggan
General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

It is recommended that the Board:

1. Accept the work performed by the Department of General Services under the Memorandum of Understanding (MOU) approved by Board Report No. 01-83;
2. Deduct \$32,703.23 from the unpaid retention monies, under Contract No. 2881, for outstanding Labor Compliance violations by Gamma Constructors, Inc. This amount consists of \$22,803.23 for failure to pay the proper prevailing wage, and \$9,900.00 in City Penalties incurred for this violation;
3. Instruct the Director, Bureau of Accounting, to prepare a draft in the amount of \$22,803.23, under Contract No. 2881, payable to the California Labor Commission for the unpaid wage restitution, and forward the draft to the Bureau of Contract Administration, Office of Contract Compliance, Attention: Manny Perez, for processing to the California Labor Commission;
4. Instruct the Director, Bureau of Accounting, to transfer funds in the amount of \$9,900.00, under Contract No. 2881, to Revenue Account 4331 - Penalties and Forfeitures for Fund 100, Department 76 of the City's General Fund, and notify Chris Jenson of the Bureau of Contract Administration, Office of Contract Compliance by memorandum of this action; and,
5. Authorize the Board Secretary to furnish the surety, American Motorist Insurance Company, with a letter of completion.

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6. Accept the offer of American Motorist Insurance Company (Surety) \$102,390.30 as full and final amount to settle the City's claim on Surety's Bond Number 3SM 956 581 00 for the work performed under Contract No. 2881 as outlined in the body of this report; and,
7. Authorize the General Manager to execute the attached General Release of Claim and Exoneration of Bond, subject to approval of the City Attorney as to form.

SUMMARY:

On June 21, 2000, Contract No. 2881 with Gamma Constructors, Inc., for the Brand Park Restroom Building Earthquake Repair was cancelled by the Report of the General Manager (No. 00-246). Construction was about 40% completed at the time. On April 18, 2001, the Board approved a (MOU) with the Department of General Services (GSD) for \$130,293.00 to complete the remaining work on the project (Board Report No. 01-83). GSD completed the work on September 25, 2001, at a final cost of \$188,673.00

The project consisted of repairing the existing restroom building in Brand Park, damaged by the Northridge earthquake, and to replace and/or repair other damages to the building brought about by deterioration due to its old age. The building also required ADA improvements to meet the current accessibility code.

On April 17, 2002, the Department requested Federal Emergency Management Agency (FEMA) reimbursement under Damage Survey Report (DSR) 87760 for the remaining portion of \$127,145.00 for the project. FEMA previously approved and paid \$58,473.00 on June 2, 1998. The balance of \$68,672.00 has been submitted for reimbursement. The \$127,145.00 amount, together with surety's offer of \$102,390.30 will be adequate to reimburse GSD's cost of \$188,673.00 for the project.

Report prepared by William Tseng, Contract Administrator.

GENERAL RELEASE OF CLAIM & EXONERATION OF BOND

Upon receipt of payment of One Hundred Two Thousand, Three Hundred Ninety Dollars and 30/100ths (\$102,390.30), receipt of which is hereby acknowledged, City of Los Angeles hereby fully and generally release AMERICAN MOTORISTS INSURANCE COMPANY, and its Managing General Agent, LOU JONES & ASSOCIATES, from any and all claims as previously presented against its bond number 3SM 956 581 00 naming Gamma Constructors, Inc., as Principal, and further, fully releasing AMERICAN MOTORISTS INSURANCE COMPANY from any and all future liability, thereby exonerating the above bond

Under penalty of perjury under the laws of the State of California, the undersigned represents and warrants that he/she has the undisputed authority to execute this General Release of Claim & Exoneration of Bond on behalf of the City of Los Angeles.

City of Los Angeles

Date: _____, 2002 By: _____