

REPORT OF GENERAL MANAGER

NO. 03-201

DATE June 18, 2003

C. D. 04

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: APPROVAL OF AN AGREEMENT WITH FRIENDS OF THE OBSERVATORY TO ACCEPT A GIFT OF FUNDS FOR ADDITIVE ALTERNATE NO. D FOR THE GRIFFITH OBSERVATORY RENOVATION AND EXPANSION (#1504C)

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

H. Fujita _____
*B. Lukehart BSC
J. Kolb _____



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

It is recommended that the Board:

1. Accept a gift of \$700,000.00 from Friends Of The Observatory (FOTO) for the purposes of awarding Additive Alternate No. D, as outlined in City's Contract No. 3068 with S.J. Amoroso Construction Co., Inc., to renovate and expand the Griffith Observatory (#1504C), subject to the conditions in the attached Agreement to Accept Gift;
2. Approve the attached Agreement to Accept Gift, and submit the proposed Agreement to the Mayor, in accordance with Executive Directive No. 16, and to the City Attorney for review and approval as to form, and that the Board President and Secretary be authorized to execute the Agreement subsequent to all necessary approvals; and,
3. Direct that upon receipt, the gift funds be deposited in the Griffith Observatory Trust Fund.

SUMMARY:

On September 20, 2002, the Board awarded Contract No. 3068 to S.J. Amoroso Construction Co., Inc., to renovate and expand the Griffith Observatory, which included the Base Bid and one of the Additive Alternates (Board Report No. 02-339). Prior to the award and since construction has started, FOTO has been engaged in a fundraising campaign to supplement the costs of the project. On April 16, 2003, FOTO gifted \$3,300,000.00 to the City for the purposes of awarding additional Additive Alternates Nos. A, B and F. The Board accepted the gift and approved an Agreement to Accept Gift, as outlined in Board Report No. 03-120.

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Due to FOTO's fundraising efforts, the amount of \$700,000.00 from The W.M. Keck Foundation, is now being made available for the purposes of awarding Additive Alternate No. D. The scope of work includes construction of an exterior freestanding bronze and glass wall at the West Terrace. FOTO is prepared to transfer \$700,000.00, to the City for the purposes of awarding Additive Alternate No. D prior to July 16, 2003, which is the deadline for the City to exercise the option to award Additive Alternative D at the price bid by the contractor. The primary condition of this gift is that the funds shall be used solely for the purposes of awarding and constructing Additive Alternate No. D.

Other conditions of the proposed Agreement to Accept Gift include: (1) reporting requirements, by which FOTO can monitor the expenditure of the funds; (2) indemnification of FOTO in regard to the City's application of the gift funds to the project; and, (3) the right of FOTO to release information about the gift to the media. While the City may also release information about the gift, the City is obligated to notify FOTO seven days in advance of any City releases to the media about the gift. The Agreement provides that interest accrued on the gift will be first applied to contingency on Additive Alternate No. D, if needed, or otherwise only to other expenses of the project.

An ordinance establishing the Griffith Observatory Trust Fund was approved by the City Council on April 29, 2003 (C.F. No. 03-0817), and the funds provided by FOTO will be deposited there for expenditure by the City Engineer (Public Works - Bureau of Engineering), who is managing the project and paying invoices on behalf of the City.

Report prepared by Sammy Wong, Project Manager.