

REPORT OF GENERAL MANAGER

NO. 03-69

DATE March 5, 2003

C.D. 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: ESCROW AGREEMENT FOR SECURITY DEPOSITS IN LIEU OF RETENTION  
- GRIFFITH OBSERVATORY - RENOVATION AND EXPANSION (#1504C),  
CONTRACT NO. 3068

J. Combs \_\_\_  
A. Coroalles \_\_\_  
J. Duggan \_\_\_

H. Fujita \_\_\_  
J. Kolb \_\_\_  
\*B. Lukehart B.L.

  
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATION:

It is recommended that the Board:

1. Approve the request of S. J. Amoroso Construction Co., Inc. to enter into an Escrow Agreement, on file in the Board Office, with the City of Los Angeles for Security Deposits in Lieu of Retention for the Griffith Observatory - Renovation and Expansion (#1504C), Contract No. 3068; and,
2. Direct the Board Secretary to execute said Escrow Agreement upon approval as to form by the City Attorney.

SUMMARY:

The Department is in receipt of a request from S. J. Amoroso Construction Co., Inc., general contractor for the Griffith Observatory - Renovation and Expansion (#1504C), Contract No. 3068, to enter into an Escrow Agreement for Security Deposits in Lieu of Retention.

Pursuant to Section 22300 of the Public Contract Code of the State of California, the Contractor has the option to deposit securities with an Escrow Agent as a substitute for retention earnings required to be withheld by the City as Owner, pursuant to the Construction Contract entered for the Griffith

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Observatory - Renovation and Expansion (#1504C) in the amount of \$41,790,000.00 dated October 16, 2002.

When Contractor deposits the securities as a substitute for contract earnings, the Escrow Agent will notify the Owner within ten days of the deposit. The market value of the securities at the time of the substitution shall be at least equal to the cash amount then required to be withheld as retention under the terms of the contract between the Owner and Contractor. Securities shall be held in the name of the City of Los Angeles, Board of Recreation and Park Commissioners, and shall designate the Contractor as the beneficial owner.

Upon approval of the Escrow Agreement, and notification from the Escrow Agent to the City of the deposit of Securities by the Contractor, the Owner shall make progress payments to the Contractor for such funds which otherwise would be withheld from progress payments pursuant to the Contract provisions, provided that the Escrow Agent holds securities and amount specified.

Prepared by Petrona Johnson