

REPORT OF GENERAL MANAGER

NO. 04-125

DATE April 22, 2004

C.D. 08

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: MARTIN LUTHER KING, JUNIOR - THERAPEUTIC CENTER EXPANSION (#1648B) (W.O. E170140F) - FINAL ACCEPTANCE

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

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Approve a change order in the amount of \$60,000.00 to Contract No. 2896 for the work outlined in the body of this report;
2. Approve final acceptance of the work performed under Contract No.2896 as outlined in the body of this report;
3. Authorize the Department's Chief Accounting Employee to release all retention monies held under Contract No.2896, 35 calendar days after acceptance by the Board of Recreation and Parks; and,
4. Authorize the Board Secretary to furnish Curtom Building and Development Corp., with a letter of completion.

SUMMARY:

On June 3, 1999, the Board of Recreation and Park Commissioners (Board) awarded a construction contract to S.H.E. Construction Group (S.H.E.), Inc., for the construction of the Martin Luther King, Jr. Therapeutic Center – Expansion (#1648B) (W.O. E170140F). On November 1, 2000, the Board, in accordance with Section 51 of the General Provisions, cancelled the construction contract with S.H.E. The contractor had failed to comply with the Department's orders to proceed to make progress on construction activities and, failure to comply with various contract requirements.

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On June 6, 2001, the Board approved the execution of a Tender Agreement with First National Insurance Company of America (Surety), the surety for S.H.E., which clarified the obligations of both the City and Surety to complete the project. The Tender Agreement also identified Curtom Building and Development Corp., (Curtom) as the replacement contractor recommended by the Surety.

On September 21, 2001, a construction contract for \$1,197,129.00 was executed with Curtom for the construction of Martin Luther King Therapeutic Jr. Center – Expansion (#1648B) (W.O. E170140F) project. Construction began on December 3, 2001. The work involved the renovation and expansion of existing structures from 5,500 square feet to a two story 13,000 square foot facility with new toilets, crafts rooms, and a new elevator. The facility has a community room with adjacent kitchen, office, and storage space for park maintenance staff. The project was completed on January 16, 2004.

The Bureau of Engineering, Construction Management Group (BOE), completed the contract administration of the project under the Proposition K Program. The Department has been advised that the project is complete and the contractor has furnished the required permits, drawings, operation, and maintenance manuals and guarantees.

The Department has been advised that the Construction Management Group has completed this project with 65 Change Orders issued in the amount of \$499,457.56, including a final change order for \$60,000.00 for the remediation of contaminated soil encountered during the foundation excavation phase. It should be noted that the project was delayed due to this unforeseen condition. BOE has recommended the approval of the final change order for the additional work required to remediate contaminated soil on a portion of the project site. Therefore, it is appropriate for the Board to approve the addition of \$60,000.00 to the contract at this time in order to completely close out the contract. The total funds expended on this project are \$1,696,586.56.

Department staff has consulted with the Office of Contract Compliance (OCC) concerning the status of labor compliance and Affirmative Action requirements on this project. There are no outstanding wage violations and Curtom is in compliance.

This report was prepared by Cid Macaraeg, Senior Management Analyst I.