

APPROVED
MAR 15 2010

REPORT OF GENERAL MANAGER

NO. 10-048

DATE March 3, 2010

BOARD OF RECREATION
and PARK COMMISSIONERS

C.D. 1

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: LINCOLN HEIGHTS YOUTH CENTER PROJECT - LINCOLN HEIGHTS YOUTH CENTER (W.O. #E170232F), LINCOLN HEIGHTS JUNIOR ARTS CENTER (W.O. #E170231F), NORTHEAST ROLLER HOCKEY RINK (W.O. #E170235F) AND LINCOLN HEIGHTS BOXING GYMNASIUM (W.O. #E170226F) - CHANGE IN PROJECT BUDGET AND FUNDING; AMENDMENT NO. 3 TO MEMORANDUM OF UNDERSTANDING BETWEEN DEPARTMENT OF RECREATION AND PARKS, DEPARTMENT OF PUBLIC WORKS, BUREAU OF ENGINEERING, GENERAL SERVICES DEPARTMENT AND CULTURAL AFFAIRS DEPARTMENT

R. Adams	_____	J. Kolb	_____
H. Fujita	_____	F. Mok	_____
S. Huntley	_____	K. Regan	_____
V. Israel	_____	*M. Shull	<u>Shull</u>

[Signature]
General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve Amendment No. 3 to the Memorandum of Understanding (MOU), substantially in the form on file in the Board Office, between the Department of Recreation and Parks (RAP), the Department of Public Works, Bureau of Engineering (BOE), the General Services Department (GSD) and the Cultural Affairs Department (CAD), to increase the total construction funding by an amount not-to-exceed \$300,000, for a total not-to-exceed construction cost of \$7,200,000, for the Lincoln Heights Youth Center project, which includes the Lincoln Heights Youth Center (W.O. #E170231F), Lincoln Heights Junior Arts Center (W.O. #E1702232F), Northeast Roller Hockey Rink (W.O. #E170235F) and Lincoln Heights Boxing Gymnasium (W.O. #E170226F) referred to herein as the Lincoln Heights Youth Center Project;

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2. Authorize the Department's Chief Accounting Employee, subject to City Council and Mayor approval, to request the City Administrative Officer (CAO) to include in the first Construction Project Report (CPR) of 2009-10, to the City Council a transfer of the following appropriations, in the amount of \$300,000, in construction funds to GSD, as follows:

From:

<u>Project</u>	<u>Fund/Dept/Acct</u>	<u>Proposition K Appropriation</u>
Northeast Roller Hockey Rink	43K/10/C464	\$ 96,157
Northeast Roller Hockey Rink	43K/10/A464	\$ 78,114
Northeast Roller Hockey Rink	43K/10/T464	\$ 43,344
Northeast Roller Hockey Rink	43K/10/F464	<u>\$ 82,385*</u>
Total:		\$300,000

* Availability of funding is subject to City Council approval of the Engineer's Reports for Fiscal Year 2009-2010.

To:

1101 - Construction Hiring Hall:	\$ 130,435
1121 - Construction Hiring Hall Fringe Benefits:	\$ 49,565
3180 - Construction Materials and Supplies:	<u>\$ 120,000</u>
TOTAL:	\$ 300,000

and transfer cash to GSD on an as-needed basis, upon review and approval of expenditure reports submitted by GSD and approval of these reports by the BOE Project Manager;

3. Direct the Board Secretary to transmit Amendment No. 3 to the MOU to the City Attorney for expedited review and approval as to form;
4. Approve fourteen (14) change orders, for an amount not to exceed \$794,016, as listed below; and,
5. Authorize the General Manager to execute Amendment No. 3 to the MOU, subject to approval as to form by the City Attorney.

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SUMMARY:

The Lincoln Heights Youth Center Project is located at 2500 Griffin Avenue (also known as 211 Altura Street). The property consists of a 17,746 square foot, two-story former church and school building. The overall Lincoln Heights Youth Center project includes four specified Proposition K projects as follows:

1. Lincoln Heights Youth Center (W.O. #E170232F)
2. Lincoln Heights Junior Arts Center (W.O. #E170231F)
3. Northeast Roller Hockey Rink (W.O. #E170235F)
4. Lincoln Heights Boxing Gymnasium (W.O. #E170226F)

The overall project is currently 95% complete in construction. Remaining construction work includes final inspections and punch list item corrections on the building and roller hockey rink and pad, as well as completion of the parking lot and landscaping.

On June 18, 2008 the Board (Report No. 08-171) approved Amendment No. 2 to the MOU to include Phase III of the project. For the Phase III construction work, based on GSD's \$5,840,000 base estimate and the addition of the Roller Hockey Rink, the estimated cost to complete the entire project would be \$6,000,000, plus a \$900,000 contingency.

On June 10, 2009, BOE and GSD met to discuss the project's projected cost to complete. GSD, at the time had only submitted change order requests for about \$364,000 in approved and pending change orders, against the \$900,000 contingency agreed upon in the MOU Amendment No. 2. In addition to the \$364,000 in requested change orders, GSD estimated that they would expend about \$258,000 above the allowed MOU budget for this project, due to various increases in cost of materials and/or labor. BOE had requested GSD to formally submit change order requests to reflect their total expenditures for this project. As shown in the table below, GSD has submitted the following change order requests, the approval of some of which will exceed the \$100,000 in Change Orders, which, under the current RAP Board Change Order Policy requires Board approval. Based on the original \$6,000,000 estimate, the requested \$794,016 in change orders would result in a change order percentage of 13.2%.

<u>CO#</u>	<u>DESCRIPTIONS</u>	<u>Proposed Date</u>	<u>BOE Approved Amount</u>	<u>Approved Date</u>
47	Install New Lexan	05/12/09	\$ 21,045	08/12/09
53	Annunciator	06/16/09	\$ 9,867	08/12/09
56	R-19 insulation @ steep roof	06/16/09	\$ 9,178	08/12/09
57	Additional Drywalls	06/16/09	\$ 54,169	08/12/09
58	Additional Plywood for Shear walls	06/17/09	\$ 58,000	08/12/09
59	Hockey Rink	06/29/09	\$ 36,196	08/12/09

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CO#	DESCRIPTIONS	Proposed Date	BOE Approved Amount	Approved Date
63	Equipment Rental	07/14/09	\$ 65,518	08/12/09
64	Sheet metal variance	07/14/09	\$ 17,874	08/12/09
65	Ceiling Variance	07/14/09	\$ 43,518	08/12/09
66	Flooring/ Ceramic Tile	07/14/09	\$ 30,895	08/12/09
67	Elevator	07/14/09	\$ 66,905	08/12/09
68	Framing	07/14/09	\$131,298	08/12/09
69	Hazmat	07/14/09	\$ 49,040	08/12/09
70	Seismic Retrofit	07/14/09	\$200,513	08/12/09
Total			\$794,016	

On June 30, 2009, at the direction of the Proposition K – L.A. for Kids Steering Committee, CAO and RAP staff identified \$300,000 within the existing Proposition K budget for these four projects that could be made available to the project to fully fund construction, as shown below.

Funding Sources by Project	Fund/Dept/ Acct	Funding for Initial MOU	Funding for MOU Amendment #1	Funding for MOU Amendment #2	Funding for MOU Amendment #3	Total Project Funding
<u>Lincoln Heights Youth Center</u>						
Prop K - Yr 8	43K/10/W562	\$75,000		\$4,644		\$79,644
Prop K - Yr 9	43K/10/Y562	\$225,000	\$100,000	\$44,000		\$369,000
Prop K - Yr 10	43K/10/A562		\$325,000	\$436,916		\$761,916
Subtotal		\$300,000	\$425,000	\$485,560		\$1,210,560
<u>Lincoln Heights Junior Arts Center</u>						
Prop K - Yr 8	43K/10/W561	\$75,000		\$12,000		\$87,000
Prop K - Yr 9	43K/10/Y561	\$225,000	\$100,000	\$44,000		\$369,000
Prop K - Yr 10	43K/10/A561		\$325,000	\$450,000		\$775,000
Subtotal		\$300,000	\$425,000	\$506,000		\$1,231,000
<u>Lincoln Heights Boxing Gymnasium</u>						
Prop K - Yr 8	43K/10/W544		\$120,000	\$39,090		\$159,090
Prop K - Yr 9	43K/10/Y544		\$410,000	\$89,350		\$499,350
Prop K - Yr 10	43K/10/A544		\$730,000	\$1,000,000		\$1,730,000
Subtotal			\$1,260,000	\$1,128,440		\$2,388,440

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Funding Sources by Project	Fund/Dept/ Acct	Funding for Initial MOU	Funding for MOU Amendment #1	Funding for MOU Amendment #2	Funding for MOU Amendment #3	Total Project Funding
<u>Northeast Roller Hockey Rink</u>						
Prop K - Yr 7	43K/10/V464		\$80,000	\$64,480		\$144,480
Prop K - Yr 9	43K/10/Y464		\$80,000	\$10,000		\$90,000
Prop K - Yr 10	43K/10/A464		\$230,000	\$55,520		\$285,520
Prop K - Yr 11	43K/10/C464			\$770,000		\$770,000
Prop K - Yr 11	43K/10/C464			<u>\$780,000</u>		<u>\$780,000</u>
Subtotal			\$390,000	\$1,680,000		\$2,070,000
 <u>Northeast Roller Hockey Rink</u>						
Prop K - Yr 7	43K/10/C464				\$96,157	
Prop K - Yr 9	43K/10/A464				\$78,114	
Prop K - Yr 10	43K/10/T464				\$43,344	
Prop K - Yr 11	43K/10/F464				<u>\$82,385*</u>	
Subtotal					\$300,000	
Total		\$600,000	\$2,500,000	\$3,800,000	\$300,000	\$7,200,000

* Availability of funding is subject to City Council approval of the Engineer's Reports for Fiscal Year 2009-2010

In compliance with the California Environmental Quality Act (CEQA), an Initial Study/Mitigated Negative Declaration (IS/MND) and associated Mitigation Monitoring Plan (MMP) were prepared by the Bureau of Engineering for all four projects. The Board of Recreation and Park Commissioners reviewed and approved these documents at the November 19, 2003, Board Meeting (Report No. 03-366). A Notice of Determination was filed with the Los Angeles City Clerk's office on December 4, 2003, and posted by the County Clerk's office on December 5, 2003.

FISCAL IMPACT STATEMENT:

The future operation and maintenance costs as a result of the completion of this project have yet to be determined. Adequate funds are available within the existing project budget to fully fund the remainder of construction and other project costs.

This report was prepared by Ray Araujo, Project Manager, BOE, Recreational and Cultural Facilities Program. Reviewed by Neil Drucker, Program Manager, Recreational and Cultural Facilities Program; Deborah Weintraub, BOE, Chief Deputy City Engineer; and Michael A. Shull, Superintendent, Planning and Construction Division, Recreation and Parks.