

APPROVED
OCT 06 2010

REPORT OF GENERAL MANAGER

NO. 10-256

DATE October 6, 2010

**BOARD OF RECREATION
and PARK COMMISSIONERS**

C.D. 7

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: BRAND PARK – COMMUNITY BUILDING (#2800N) (W.O. #E170935F) --
CONTRACT NO. 3212 – FINAL ACCEPTANCE

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

[Signature]
General Manager

Approved *[Signature]* Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve the final acceptance of work performed under Contract No. 3212 as outlined in the Summary of this report;
2. Assess liquidated damages in the amount of \$235,500 against Tek-Up Construction, Inc.;
3. Authorize the Department's Chief Accounting Employee to withhold all retention monies held under Contract No. 3212 to Tek-Up Construction, Inc., until outstanding labor violations are resolved; and,
4. Authorize the Board Secretary to furnish Tek-Up Construction, Inc., with a letter of completion.

SUMMARY:

The construction contract for Brand Park – Community Building (#2800N) (W.O. #E170935F) project was awarded to Tek-Up Construction, Inc., on April 19, 2007 (Board Report No. 07-98), in the amount of \$1,452,971. The statement of completion for the project, located at 15121 S. Brand Boulevard, Mission Hills, CA 91345, was issued on October 19, 2009.

REPORT OF GENERAL MANAGER

PG. 2 NO. 10-256

The project scope of work consisted of the construction of a single-story wood-framed 3,050 square-foot community building which included an assembly room, small office, small serving/warming kitchen, restrooms, storage, and mechanical spaces. Landscaping improvements included a courtyard with a gazebo, trellis, paving, and irrigation work.

Plans for the project were prepared by Miralles Associates, Inc. The Bureau of Engineering, Construction Management Group completed the construction management of the project under the Recreational and Cultural Facilities Program (RCFP).

The RCFP Program Manager has informed the Department that the project is complete and that the contractor has furnished the required permits, drawings, operation and maintenance manuals, and guarantees. There were 22 Change Orders issued on this project in the amount of \$302,976 or 21% of the base contract amount. The final construction contract amount, including change orders, is \$1,755,947.

It is recommended that the Board assess liquidated damages against Tek-Up Construction, Inc. The contract end date, including all compensable and non-compensable time extensions, was on May 15, 2009. However, the contractor failed to complete the work until October 19, 2009, a difference of 157 days, when the Department of Public Works, Bureau of Contract Administration issued the Statement of Completion. The contract stipulated a liquidated damage rate of \$1,500 per day. The total liquidated damages amounts to \$235,500.

Department staff consulted with the Office of Contract Compliance concerning the status of the labor compliance requirements and the Affirmative Action requirements on the project. There are still outstanding prevailing wage violations against Tek-Up Construction, Inc., with both the Office of Contract Compliance and the City Attorney's Office involved in litigation. It is recommended that the Board withhold all retention monies until a resolution is reached concerning the prevailing wage violations of Tek-Up Construction, Inc.

FISCAL IMPACT STATEMENT:

The construction project was funded by Proposition K, Proposition A, Proposition 40 PC, Proposition 12 MH, Quimby, and Sites & Facilities funds. There is no fiscal impact to the Department's General Fund.

This report was prepared by Gary Lam, Project Manager, Recreational and Cultural Facilities Program, Bureau of Engineering. Reviewed by Neil Drucker, Program Manager, Recreational and Cultural Facilities Program, Bureau of Engineering; Deborah Weintraub, Chief Deputy City Engineer, Bureau of Engineering; and Michael A. Shull, Superintendent of Planning and Construction, Department of Recreation and Parks.