

APPROVED

OCT 06 2010

REPORT OF GENERAL MANAGER

NO. 10-261

DATE October 6, 2010

BOARD OF RECREATION and PARK COMMISSIONERS

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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: VAN NUYS SHERMAN OAKS PARK – EAST VALLEY MULTIPURPOSE CENTER (PRJ1580A) (W.O. #E1700475) – CONTRACT NO. 3272 – DISCONTINUANCE OF RETENTION

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

[Signature]

 General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve the request of Ford Engineering and Construction, Inc., (Ford E.C., Inc.), to discontinue further retention on the original contract value for all subsequently approved payment claims on the Van Nuys Sherman Oaks Park - East Valley Multipurpose Center (PRJ1580A) (W.O. #E1700475) project, Contract No. 3272; and,
2. Direct the Board Secretary to notify all interested parties regarding said discontinuance of retention.

SUMMARY:

The Department is in receipt of a request from Ford E.C., Inc., contractor for the Van Nuys Sherman Oaks Park – East Valley Multipurpose Center (PRJ1580A) (W.O. #E1700475) project, Contract No. 3272, to discontinue withholding further retention for all subsequently approved payment claims, as the project is more than fifty percent (50%) complete. The current construction contract amount is \$9,551,222. To date, the total retention funds withheld are \$706,954.64. The project is now 74% complete in construction.

Pursuant to Division 01 – General Requirements, Section 20.D.1 and D.2 of the Contract, which states, “D.1 -Retention of ten percent (10%) will be held on the original Contract value of each approved payment claim until the amount paid of the original Contract equals fifty percent

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(50%). The City may then, at its sole discretion discontinue further retention on the original Contract value for all subsequently approved payment claims” and if the project is progressing satisfactorily, that “D.2 - At any time during the course of the Contract, the City may, at its sole discretion, reinstate the ten percent (10%) retention.” This conforms to standard practice on construction contracts.

The contractor has satisfactorily completed 74% of the original contract price, and all further pay requests will be for change orders that have been agreed upon by all the parties. In addition, the Bureau of Engineering (BOE) Project Manager recommends that this request be honored, as Ford E.C., Inc., is in good standing and moving forward with this project.

FISCAL IMPACT STATEMENT:

There is no fiscal impact to the Department’s General Fund as the monies involved are already appropriated to this contract.

This report was prepared by Willis Yip, Project Manager, Architectural Division, Bureau of Engineering. Reviewed by Neil Drucker, Program Manager, Recreation and Cultural Facilities Program, Bureau of Engineering and Michael A. Shull, Superintendent, Planning and Construction Division, Department of Recreation and Parks.