

APPROVED

SEP 21 2011

REPORT OF GENERAL MANAGER

NO. 11-255

DATE September 21, 2011

BOARD OF RECREATION
AND PARK COMMISSIONERS

C.D. 3

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: RESEDA PARK - POOL REPLACEMENT AND BATHHOUSE RENOVATION (W.O. #E1907292F) PROJECT - ESCROW AGREEMENT FOR SECURITY DEPOSITS IN LIEU OF RETENTION

R. Adams	_____	K. Regan	_____
H. Fujita	_____	*M. Shull	<u><i>ms</i></u>
V. Israel	_____	N. Williams	_____

[Signature]
General Manager

Approved *[Signature]*

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve the request of Morillo Construction, Inc., to enter into an Escrow Agreement, substantially in the form on file in the Board Office, with the City of Los Angeles for Security Deposits in Lieu of Retention for the Reseda Park - Pool Replacement and Bathhouse Renovation (W.O. #E1907292F) project, Contract No. 3354;
2. Direct the Board Secretary to transmit the Escrow Agreement to the City Attorney for review and approval as to form; and,
3. Direct the Board Secretary to execute said Escrow Agreement upon the City Attorney approval as to form.

SUMMARY:

The Department is in receipt of a request from Morillo Construction, Inc., (Contractor) general contractor for the Reseda Park - Pool Replacement and Bathhouse Renovation (W.O. #E1907292F) project, Contract No. 3354, 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

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the Reseda Park - Pool Replacement and Bathhouse Renovation (W.O. #E1907292F) project in the amount of \$2,467,000.00, dated June 27, 2011. Alternatively, on written request of the Contractor, the City can make payments of the retention earnings directly to the Escrow Agent.

When the City makes payment of retentions earned directly to the Escrow Agent, the Escrow Agent shall hold them for the benefit of the Contractor until such time as the escrow created under the contract is terminated. The Contractor may direct the investment of the payments into securities. All terms and conditions of the Escrow Agreement and the rights and responsibilities of the parties shall be equally applicable and binding when the City pays the Escrow Agent directly.

FISCAL IMPACT STATEMENT:

There is no fiscal impact on the Department's General Fund.

This report was prepared by LaTonya D. Dean, Commission Executive Assistant.