

APPROVED
JUN 11 2014

REPORT OF GENERAL MANAGER

NO. 14-132

DATE June 11, 2014

BOARD OF RECREATION
AND PARK COMMISSIONERS

C.D. 12

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: RESCISSION OF AWARD TO CONTRACTOR FOR PROPOSITION K – LA FOR KIDS PROGRAM PROJECTS AND AUTHORIZATION TO THE GENERAL MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF RECREATION AND PARKS, THE DEPARTMENT OF PUBLIC WORKS, BUREAU OF ENGINEERING AND THE DEPARTMENT OF GENERAL SERVICES, CONSTRUCTION FORCES, OR TO AWARD TO THE DEPARTMENT OF RECREATION AND PARKS IN-HOUSE CONSTRUCTION FORCES FOR PROPOSITION K WORK AS-NEEDED TO OBLIGATE FUNDS BEFORE JUNE 30, 2014

R. Adams _____

V. Israel _____

for R. Barajas _____

CSD _____

K. Regan _____

H. Fujita _____

N. Williams _____

[Signature]
General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Authorize the General Manager or designee to rescind the award of any construction contract awarded during the remainder of this fiscal year, funded in whole or in part by Proposition K, if the contractor has not executed a written contract with the City, and provided the required payment and performance bonds and proof of adequate insurance coverage, within ten (10) days of the contract and bond forms being delivered to the contractor, but in no event later than June 23, 2014;
2. After rescission of any such award, authorize the General Manager to either execute a Memorandum of Understanding (MOU) on or before June 30, 2014, for the construction of the Dearborn Park -- Irrigation and Field Improvements (PRJ20830) (W.O. #E170332F) project with the Department of Recreation and Parks (RAP), the Department of General Services (GSD) and with the Department of Public Works, Bureau of Engineering (BOE) for construction management, substantially in the form on

REPORT OF GENERAL MANAGER

PG 2

NO. 14-132

file in the Board Office, to incorporate the scope of the Dearborn Park – Irrigation and Field Improvements (PRJ20830) (W.O. #E170332F) project from the contract for which the award has been rescinded, subject to the approval of the City Attorney as to form, or to award to RAP's in-house construction forces; and,

3. Authorize RAP's in-house construction forces to construct the Dearborn Park – Irrigation and Field Improvements (PRJ20830) (W.O. #E170332F) project if RAP, GSD, and BOE are unable to execute an MOU on or before June 30, 2014.

SUMMARY:

Proposition K is a City of Los Angeles (City) approved proposition, which assesses owners of residential properties, \$25,000,000.00 per year for thirty (30) years to be spent on park improvement projects. One significant condition of this funding requires that money for project construction identified in a particular fiscal year must be obligated by way of an executed contract, prior to the end of the fiscal year. The current fiscal year ends June 30, 2014. If all of the funds are not obligated prior to June 30, 2014, the assessment must be reduced by the amount not obligated, and these funds will be forever lost to the City for any purpose.

On June 11, 2014, the Board of Recreation and Park Commissioners will vote to award one (1) Proposition K funded construction of the Dearborn Park – Irrigation and Field Improvements (PRJ20830) (W.O. #E170332F) project to the lowest responsible and responsive bidder. Per the bid document, the General Contractor will be required to provide RAP with payment and performance bonds, proof of insurance and appropriate licensing, and to execute the contract between the City and the General Contractor for the work within ten (10) days of receipt of the contract and bond forms from the Board Secretary.

If the General Contractor awarded the Proposition K project is unable to obtain and provide the City with the necessary payment and performance bonds, and insurance and to execute the contract, within the ten (10) days allotted for this effort, there would be insufficient time for another Board meeting to be held to rescind the award and award the contract to another entity.

As a result, RAP believes that a contingency plan is necessary in the unlikely event that the General Contractor is unable to timely execute the Contract Agreement. The proposed contingency plan consists of two options.

The first option would be to authorize the General Manager to execute a MOU between RAP, GSD, and BOE which would formally obligate the funds and transfer construction of the Dearborn Park – Irrigation and Field Improvements (PRJ20830) (W.O. #E170332F) project to GSD, whose construction division has successfully completed many projects of varying scope for RAP. This has been done several times in the past with varying degrees of success.

REPORT OF GENERAL MANAGER

PG 3

NO. 14-132

The second option would be to authorize the RAP's in-house construction forces to move forward with the construction of the Dearborn Park – Irrigation and Field Improvements (PRJ20830) (W.O. #E170332F) project. In this case, no MOU would be required, however, the BOE will report such award to the L.A. for Kids Steering Committee at its next meeting, currently scheduled for June 26, 2014.

FISCAL IMPACT STATEMENT:

There is no anticipated fiscal impact to the RAP's General Fund by transferring this Proposition K contract from a private contractor to either GSD or having RAP in-house construction forces, as it is anticipated that either GSD or RAP in-house construction forces could perform the contract for the available funds.

This Report was prepared by Neil Drucker, Program Manager, Recreational and Cultural Facilities Program, BOE. Reviewed by Ted Allen, Acting Deputy City Engineer, BOE; and Cathie Santo Domingo, Superintendent of Planning, Construction and Maintenance Branch, Department of Recreation and Parks.