

REPORT OF GENERAL MANAGER

PG 2

NO. 05-145

SUMMARY:

Proposition K is a Los Angeles City approved proposition which assesses owners of residential property \$25,000,000.00 per year for 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 encumbered, by way of an executed contract, prior to the end of the fiscal year. The program is in Year 8 (FY 04/05) and the deadline is June 30, 2005. If the funds are not encumbered, they are no longer available after that date.

The South Park Band Shell Rehabilitation Project is a Prop K Year 8 project that must have funds obligated prior to the end of this fiscal (FY 04/05) year. In addition, staff believes awarding this project to GSD in lieu of conducting a competitive construction bid process is the best option due to the experience GSD has in successfully completing similar Recreation and Parks projects and due to the possibility of discovering many unforeseen conditions during construction. Due to the age of the band shell, accurate field/existing building conditions were difficult to determine. Damaged structural wood members uncovered during construction can be replaced by GSD for direct cost as opposed to mark-up costs assessed by an outside contractor.

The scope of this project consists of constructing a new disabled access ramp, making seismic improvements and general repairs to the structure, installation of a new stage security gate, new seating area and landscaping. GSD has submitted an estimate in the amount of \$756,000.00 to complete this work. This construction cost estimate is comparable to the cost estimate prepared by the Bureau's Construction Management Division.

Currently, a total of \$892,106.00 in funding is available in Prop K Specified funds as listed below.

<u>Project</u>	<u>Funding Source</u>	<u>Appropriation</u>	<u>Fund/Dept/Acct</u>	<u>Available Balance</u>
South Park	Prop K - Yr 7	\$ 149,875.00	43K/10/V461	\$ 42,481.00
	Prop K - Yr 8	\$ 849,625.00	43K/10/W461	\$ 849,625.00
Total		\$ 999,500.00		\$ 892,106.00

Sufficient funds for construction are available for the proposed improvements within the Proposition K funds.

In compliance with the California Environmental Quality Act (CEQA), staff has determined that the proposed improvements will not have a significant impact on the environment. This project has been determined to be Categorical Exempt per City CEQA guidelines Article VII, Section 1a (existing facilities), 1b (replacement or reconstruction), and 1k (accessory structures). A Notice of

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PG 3

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Exemption was filed with the Los Angeles City Clerk's office on May 26, 1998, and posted by the County Clerk's office on May 27, 1998.

The City Attorney's office has reviewed the plans and specifications for the project.

FISCAL IMPACT STATEMENT:

There is no anticipated fiscal impact to the Department's budget. The assessments of the future operations and maintenance cost have yet to be determined.

Prepared by Mike Shull and reviewed by Neil L Drucker, Program Manager, Bureau of Engineering, Recreational and Cultural Facilities Program and reviewed by Bradley M Smith, P.E., Chief Deputy City Engineer, Bureau of Engineering.

ATTACHMENT A

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE DEPARTMENT OF RECREATION AND PARKS

**THE BUREAU OF ENGINEERING
OF
THE DEPARTMENT OF PUBLIC WORKS**

AND

**THE DEPARTMENT OF GENERAL SERVICES
OF THE CITY OF LOS ANGELES**

**FOR THE CONSTRUCTION
OF THE**

SOUTH PARK BAND SHELL REHABILITATION PROJECT

**345 E. 51st Street
Los Angeles, California 90011**

TABLE OF CONTENTS

ARTICLE	PAGE
ARTICLE I – THE MOU	5
A. PURPOSE OF THE MOU	5
B. TERM OF THE MOU	5
C. REPRESENTATIVE OF THE PARTIES OF THIS MOU	5
ARTICLE II – SERVICES TO BE PERFORMED BY THE RAP.....	6
ARTICLE III – SERVICES TO BE PERFORMED BY THE BOE	7
ARTICLE IV – SERVICES TO BE PERFORMED BY THE GSD.....	8
ARTICLE V – RECORD DRAWINGS.....	9
ARTICLE VI – TIME PERIODS	10
ARTICLE VII – PAYMENT.....	10
A. COMPENSATION	10
B. METHOD AND TIME OF PAYMENT	11
ARTICLE VIII – MODIFICATIONS.....	11

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is made and entered into by and between the Department of Recreation and Parks, hereinafter referred to as RAP, the Bureau of Engineering of the Department of Public Works, hereinafter referred to as the BOE and Construction Forces of the Department of General Services, hereinafter referred to as GSD.

WITNESSETH

WHEREAS, on November 5, 1996, the voters of Los Angeles approved Proposition K: The Los Angeles for Kids Program, which included specified improvements for South Park; and

WHEREAS, using the rehabilitation and construction services of the to the GSD to perform the South Park – Band Shell Rehabilitation Project, is in the best interest of the City as unforeseen conditions associated with the rehabilitation of an existing structure is too difficult to bid and will be more costly with a private contractor; and

WHEREAS, the GSD has successfully completed numerous rehabilitation/addition/new construction projects, most recently the Hollenbeck Park Band Shell Rehabilitation Project; and

WHEREAS, the BOE will provide construction management services for the GSD in the rehabilitation and construction of the Band Shell project; and

WHEREAS, the RAP, the GSD, and the BOE wish to memorialize their understanding in an MOU regarding the terms and conditions of the services to be

provided.

NOW, THEREFORE, the RAP, the GSD, and the BOE agree to enter into and abide by the terms and conditions of this MOU.

ARTICLE I – THE MOU

A. PURPOSE OF THE MOU

To establish the responsibility of the GSD to provide construction services for the South Park Band Shell Rehabilitation Project located at 345 E. 51st Street, Los Angeles, 90011.

To establish the responsibility of the BOE to provide construction management services and coordinate with the GSD and the RAP.

To memorialize how the BOE will pay the GSD for construction services of the South Park - Band Shell Rehabilitation of Project

B. TERM OF THE MOU

This MOU will commence upon execution by the authorized representatives of the RAP, GSD, and the BOE, and will expire twenty-four (24) months thereafter unless extended by amendment.

C. REPRESENTATIVE OF THE PARTIES OF THIS MOU

The representatives of the respective parties are authorized to administer this MOU and to whom formal notices, demands, requests and communications shall be given are as follows:

1. For the RAP:

Jon Kirk Mukri, General Manager
Department of Recreation and Parks

Attn: Susan Huntley, Chief Management Analyst
Planning and Development
1200 W. 7th Street, Suite 700
Los Angeles, CA 90017

2. For the BOE:

Gary Lee Moore, P.E., City Engineer
Bureau of Engineering
Department of Public Works

Attn.: Neil Drucker, Recreational and Cultural Facilities Program Manager
250 E. 1st Street
Los Angeles, CA 90012

3. For the GSD:

Alvin Y. Blain, General Manager
Department of General Services

Attn.: Thomas Bylard, Director of Construction
555 Ramirez Street, Space 150
Los Angeles, CA 90012

ARTICLE II – SERVICES TO BE PERFORMED BY THE RAP

- A. Consider and approve the Construction documents and specifications before construction commences.**

- B. Provide GSD unrestricted access to the project site through mutually agreed upon working hours and working days.
- C. Respond to GSD's Request(s) for Information when owner review and approval is required. Such responses shall be forwarded to BOE for processing.
- D. Review all applicable Shop Drawings and Submittals and approve within 7 working days when owner approval is required. Comments shall be forwarded to BOE for processing.
- E. Notify BOE in writing of any owner requested changes to the construction documents and if such changes are outside the current scope of work, RAP shall provide adequate funding for such changes.

ARTICLE III – SERVICES TO BE PERFORMED BY THE BOE

- A. Obtain full construction budget appropriation to GSD through actions by the L.A. for Kids Steering Committee and City Council prior to the start of construction.
- B. Review and authorize GSD expenditures, submitted on a quarterly basis, for labor, equipment and material costs incurred by GSD.
- C. Provide a complete permitted set of construction documents and specifications as approved by RAP.
- D. Provide overall Project Management and Construction Management activities, which shall include expenditures vs. budget review, schedule review and weekly meetings with GSD to review budget, design and construction issues.
- E. Respond and approve all of GSD's Request(s) for Information in a timely manner.

- F. Review and approve all mutually agreed upon Change Orders that fall within the budgeted 15% contingency amount.
- G. Approve and process all GSD invoices for all authorized completed work.
- H. Review and approve all submittals and service contracts forwarded by the GSD, including shop drawings and product data and samples, for this project in a timely manner.
- I. Advise the RAP of any changes that may change the intended function or overall design characteristics of the project.
- J. Participate and prepare the final acceptance inspections of the project in conjunction with the RAP. Once all noted items have been corrected, transmit final status report to the RAP.
- K. After the end of construction, the BOE shall review in consultation with RAP and approve the "Operational and Maintenance" manuals provided by the GSD prior to forwarding the information to the RAP.

ARTICLE IV – SERVICES TO BE PERFORMED BY THE GSD

- A. Upon receipt of final plans from the BOE, the GSD shall conduct a Class "A" estimate to determine final costs of the project. If necessary, adjustments shall be made to the construction costs per Article VII.A.2.
- B. The GSD shall perform all required work to improve the site per the final Construction Documents and Specifications in compliance with applicable Federal, State and City codes and regulations.

- C. The GSD shall coordinate with the BOE to establish a construction schedule. The schedule shall be subject to the approval of the BOE.
- D. The GSD shall immediately notify the BOE in writing of issues or barriers that impede or delay the completion of the work, including changes to cost estimates and to the construction schedule.
- E. The GSD shall immediately notify the BOE of the need for modifications by way of a change order. All change orders are subject to the approval of the BOE.
- F. The GSD shall provide a monthly report, to the BOE within fourteen (14) days of the end of each month, covering all expenditures on the project during construction. The report shall include all costs for labor, equipment and materials incurred through that period.

ARTICLE V – RECORD DRAWINGS

- A. After completion of construction, the GSD shall revise and correct the final Construction Documents indicating all changes made during construction based on the construction records including, but not limited to, change orders, plan clarification/corrections and addenda. Each drawing sheet shall be prominently marked "AS-BUILT". These drawings shall be reviewed and approved by the BOE.
- B. When the "AS-BUILT" drawings are approved, GSD shall deliver two (2) copies of the Record Drawings to the BOE to be forwarded to the RAP for its use.
- C. In addition to the Record Drawings above, BOE will deliver to the RAP, one (1) updated electronic file and one (1) updated set of Mylar drawings or as required

per the designer's contract.

ARTICLE VI – TIME PERIODS

- A. It is understood and agreed in this MOU that time is of the essence. The construction phases will be completed within 275 calendar days after receipt of, by the GSD, of a notice to proceed from the BOE.
- B. The time during which the GSD is delayed in its work by the BOE or any other agency whose approval is required, shall be added to the time period for completion. Delays due to unforeseen circumstances, which are not the fault or negligence of the GSD, shall also be added to the time period for completion.

ARTICLE VII – PAYMENT

A. COMPENSATION

1. Upon approval of the City Council and the Mayor, the BOE shall authorize the expenditure of an amount not to exceed seven hundred fifty six thousand Dollars (\$756,000.00) for the complete and satisfactory performance of the terms of this MOU. These funds are available in the following accounts:

Funding Sources	Appropriation	Fund/Dept./Acct. No.	Available balance
Prop. K - YR 7	\$ 149,875.00	43K/10/V461	\$ 42,481.00
Prop. K – YR 8	\$ 849,625.00	43K/10/W461	\$ 849,625.00
	\$ 999,500.00		\$ 892,106.00

2. The construction cost will be adjusted as necessary after the completion of the Class "A" estimate. The BOE shall approve the cost adjustment after authorization from the Prop K – LA for Kids Steering Committee. An

Amendment to the MOU shall be made to reflect the new cost and processed for approval through the RAP Commission.

3. The GSD shall be responsible for all expenditures in excess of the approved budget unless previously amended through an action of the L.A. for Kids Steering Committee and the RAP Commission.

B. METHOD AND TIME OF PAYMENT

1. Upon execution of this MOU, the BOE shall coordinate with the appropriate City Departments to arrange the appropriation of \$756,000.00 into GSD salary and material accounts for construction services.
2. Scheduled payment reimbursements for the GSD's services shall be made, on a quarterly basis. GSD shall provide a quarterly report detailing the expenses incurred for that quarter. The amount of the quarterly payment will be based on the number of staff hours and purchase orders directly chargeable to the project supported by timesheet records and the current hourly rate and verification of the purchase orders and if requested, the GSD shall provide copies to the BOE.

ARTICLE VIII – MODIFICATIONS

- A. Except as otherwise provided herein, this MOU may be altered, modified or amended only in writing, and executed by the parties hereto.
- B. Modifications or extra work requested during the construction phase shall be documented by a Change Order. The Change Order shall contain a description of the scope change or extra work, any additional costs approved by the BOE and any time extensions approved by BOE. Change Orders exceeding \$25,000.00 shall require approval by the RAP Commission prior to commencement of the work.

C. This MOU contains the full and complete agreement between the RAP, BOE and the GSD. No verbal agreement or conversation with any officer or employee of the parties shall affect or modify any of the terms and conditions of the MOU.

IN WITNESS WHEREOF, the RAP, the GSD, and the BOE have caused this MOU to be executed by their duly authorized representatives.

For: Department of Recreation and Parks

Jon Kirk Mukri, General Manager

Executed this _____ day of _____, 2005

For: Bureau of Engineering, Department of Public Works

Gary Lee Moore, P.E., City Engineer

Executed this _____ day of _____, 2005

For: Department of General Services

Alvin Y. Blain, General Manager

Executed this _____ day of _____, 2005

For: Board of Public Works

_____ day of _____, 2005

For: Office of the City Attorney

Assistant/Deputy City Attorney

Executed this _____ day of _____, 2005