

APPROVED
APR 16 2008

REPORT OF GENERAL MANAGER

NO. 08-94

DATE April 16, 2008

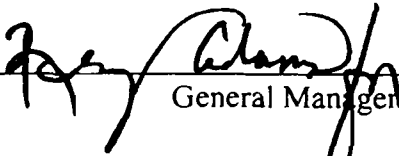
**BOARD OF RECREATION
and PARK COMMISSIONERS**

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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: VAN NUYS SHERMAN OAKS - GYMNASIUM (W.O. #E170268F) -
CONTRACT NO. 3092 - RELEASE AND SETTLEMENT AGREEMENT

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



 General Manager

Approved ms _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approved the attached Release and Settlement Agreement (Agreement) with the contractor, Houalla Enterprises Ltd., dba Metro Builders & Engineers Group, Ltd., in accordance with the terms contained in the body of this report;
2. Authorize the Chief Accounting Employee to encumber funds in the amount of \$98,612 from Quimby Fund 302 Dept. 89, Account 460K (sub-acct VS), under the authority of this Board Report;
3. Direct the Board Secretary to transmit forthwith the attached Agreement to the Mayor for expedited review in accordance with Executive Directive No. 3 and the City Attorney for review as to form; and
4. Upon receipt of the necessary approvals, authorize the President and Secretary of the Board to execute the agreement.

SUMMARY:

On June 4, 2003, the construction contract for the Van Nuys Sherman Oaks - Gymnasium (W.O. #E170268F) project was awarded to Houalla Enterprises Ltd., dba Metro Builders & Engineers Group, Ltd., in the amount of \$2,922,711 (Board Report No. 03-185). The project located

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at 14201 Huston Street, Van Nuys, California, started construction on September 5, 2003 and was completed on December 5, 2005. The scope of work included the demolition of the existing gymnasium in the recreation center and the construction of a modern full size gymnasium. The facility was opened to the public in January 2006.

On April 19, 2007, the Board accepted the work performed by Houalla Enterprises Ltd., dba Metro Builders & Engineers Group, Ltd., (Board Report No. 07-89). Bureau of Engineering informed the Department that the project was completed with 58 Change Orders issued in the amount of ~~\$482,487.24~~ or 16.52 percent of the base contract. The final contract amount including the change orders is ~~\$3,405,198.24~~. The City has released all retention to this contract. As of June 2007, the remaining retention in the amount of ~~\$170,454.05~~ was released to the contractor.

482,488.03

\$3,405,199.13

\$170,259.95

The contractor submitted seven (7) additional change order requests for the additional work and for the delay caused by the extra work including extended overhead, supervision, and contract time that were not sufficiently addressed in the previously processed change orders. It should also be noted that portions of the facility sustained fire damage during construction and was repaired under this contract.

The seven (7) change order requests total \$140,716. Staff has reviewed the project record and finds that the contractor is entitled to \$98,612 for legitimate unpaid project costs.

The Agreement is drafted to address these change orders and release both the City and Houalla Enterprises Ltd., dba Metro Builders & Engineers Group, Ltd., from future liability toward each other.

FISCAL IMPACT STATEMENT:

The project was completed with no impact to the Department's General Fund. The facility has been open since January 2006 and its operational costs are included in the Department's current budget.

This report was prepared by Cathie Santo Domingo, Project Manager, Recreational and Cultural Facilities Program, Bureau of Engineering. Reviewed by Neil Drucker, Program Manager, Recreational and Cultural Facilities Program; Deborah Weintraub, Acting Chief Deputy City Engineer, Bureau of Engineering; and Michael A. Shull, Superintendent, Planning and Development Division, Department of Recreation and Parks.