

APPROVED
SEP 05 2012
**BOARD OF RECREATION
& PARK COMMISSIONERS**

REPORT OF GENERAL MANAGER

NO. 12-245

DATE September 5, 2012

BOARD OF RECREATION
& PARK COMMISSIONERS

C.D. 11

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: LEMON GROVE RECREATION CENTER – OUTDOOR DEVELOPMENT –
PHASE II (#1264C) – FORFEITURE OF MONEY WITHHELD UNDER
CONTRACT NO. 2895

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

Kenneth J. [Signature]
General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve the forfeiture of funds in Contract No. 2895, in the amount of \$6,342.72 for State penalties for underpayment of the prevailing wage by Ecology Construction, Inc. the prime contractor;
2. Direct the Chief Accounting Employee to prepare a draft in the amount of \$5,042.72 payable to the State of California for unpaid wage restitution, and forward the draft to the Bureau of Contract Administration, Office of Contract Compliance, Attention: Chris Jenson, for processing to the California Labor Commission; and,
3. Direct the Chief Accounting Employee to transfer funds in the amount of \$1,300 to Revenue Account 4331 – Penalties and Forfeitures for Fund 100, Department 76 of the City’s General Fund, and notify Chris Jenson of the Office of Contract Compliance in the form of a memorandum when this action is taken.

SUMMARY:

The Board of Recreation and Park Commissioners, at its meeting held on June 21, 2000, accepted work performed by Ecology Construction, Inc. (Ecology) for work performed on the Lemon Grove Recreation Center – Outdoor Development – Phase II (#1264C), Contract No. 2895, Board Report No. 00-240.

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At the time of acceptance, the Office of Contract Compliance had determined that the prime contractor, Ecology, failed to comply with the labor compliance requirements of the contract. Based on the evaluation of the inspector logs, certified payroll records, worker interviews, and other pertinent payroll documents, it had been determined that Ecology failed to pay the correct prevailing wage rate and under-reported the number of workers employed on the project. As a result, \$6,342.72 was withheld from the retention payment to Ecology to cover labor compliance issues on this project. It is now in order for those funds to be forwarded to the State.

The total amount of wage restitution and State penalties to be forfeited is \$6,342.72 as detailed below:

<u>CONTRACTOR</u>	<u>ALLOCATION</u>	<u>AMOUNT</u>
Ecology Construction, Inc.	Wage restitution	\$5,042.72
	State penalties	<u>\$1,300.00</u>
TOTAL		\$6,342.72

FISCAL IMPACT STATEMENT:

There is no fiscal impact to the Department's General Fund, as funds for this project have already been appropriated for this purpose.

This report was prepared by LaTonya D. Dean, Commission Executive Assistant and was reviewed by Chris Jenson, Management Analyst II, Department of Public Works, Office of Contract Compliance.