REPORT OF GENERAL MANAGER

DATE February 6, 2008

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PECAN PARK – NEW GYMNASIUM BUILDING (#2802N) (W.O. #E170359F)

CONTRACT NO. 3115 – FINAL ACCEPTANCE

RECOMMENDATION:

That the Board:

1. Approve the final acceptance of work performed under Contract No. 3115 as outlined in the body of this report; and

2. Direct the Board Secretary to authorize the release of retention monies held in escrow under Contract No. 3115 to Morillo Construction, Inc., and furnish Morillo Construction, Inc., with a letter of completion.

SUMMARY:

On February 4, 2004, the Board of Recreation and Parks awarded the construction contract for the Pecan Park - New Gymnasium Building (#2802N) (W.O. #E170359F) to Morillo Construction, Inc., in the amount of $2,578,100 (Board Report No. 04-36). The project, which is located at 145 South Pecan Street, provided for the construction of a new 8,600 square-foot gymnasium building which included a full-size regulation basketball court, a lobby, a Director's office, a storage room, a maintenance room, and restrooms. The project was completed on October 12, 2006.

On November 15, 2006, the Board approved (as amended) partial completion of work performed under Contract No. 3115, and authorized the Board Secretary to furnish Morillo Construction, Inc., with a letter of partial completion (Board Report No. 06-334). It was recommended, as amended, that $40,000 be retained due to unresolved issues with the heating, ventilation, and air conditioning (HVAC) units, and that the contractor provide a solution acceptable to Department staff. As a result,
Morillo Construction, Inc., has furnished a letter to the Board, dated January 8, 2007, honoring the five (5) year warranty for the HVAC units from date of installation (date of installation agreed to by the contractor and BOE is May 1, 2005), and has hence resolved the HVAC issues. Therefore, as the issue for which the $40,000 was withheld has now been resolved, it is reasonable to release the remaining retention, and fully accept the subject project.

As the project was long ago completed (October 12, 2006), with the exception of the resolution of the HVAC issue, and the contractor has now fully resolved that issue, it is recommended that the remaining retention be released immediately, rather than after the standard 35 days.

BOE’s Construction Management Group completed the construction management of the project under the Proposition K Program. BOE has informed the Department that this project was completed with 63 change orders issued for a total of $471,805 or 15 percent of the base contract amount (at the time of partial completion, a total of 57 change orders had been issued for a total of $306,051). The final construction contract amount, including change orders is $3,049,905.

Department staff consulted with the Office of Contract Compliance concerning the status of the labor compliance requirements and Affirmative Action requirements on the project. There are no outstanding wage violations, and Morillo Construction, Inc., is in compliance.

FISCAL IMPACT STATEMENT:

There is no fiscal impact to the Department. The Department currently operates the facility, and the operating budget is in place.

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