

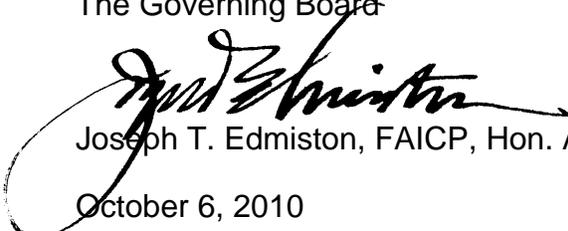


MOUNTAINS RECREATION & CONSERVATION AUTHORITY

Los Angeles River Center & Gardens
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Phone (323) 221-9944

MEMORANDUM

TO: The Governing Board

FROM:  Joseph T. Edmiston, FAICP, Hon. ASLA, Executive Officer

DATE: October 6, 2010

SUBJECT: **Agenda Item V(c): Consideration of resolution authorizing requesting a budget augmentation for grant SMM-0868 from the Santa Monica Mountains Conservancy.**

Staff Recommendation: That the Governing Board adopt the attached resolution authorizing requesting a budget augmentation for grant SMM-0868 from the Santa Monica Mountains Conservancy for Confluence Park project in the amount of \$600,000.

Background: Following the suspension of bond-funded projects in December 2008, construction of the Confluence Park project resumed in November 2009 and was scheduled to be completed by June 30, 2010. Despite the best efforts of MRCA staff, the General Contractor failed multiple times to meet agreed-upon deadlines and violated numerous contract provisions. Unable to resolve these violations, in late June 2010, the Executive Officer terminated the contract with the General Contractor. The MRCA subsequently assumed all sub-contractor contracts and has used force account to complete the project.

All previous budget projections were made assuming that the General Contractor would complete the scope of work within the contracted budget plus a small contingency for unexpected conditions. This augmentation is necessary because MRCA's costs of completing the project have been substantially higher than these projections. This is due to several factors, including the General Contractor's material deviation from the construction plan specifications, unsatisfactory workmanship on several elements of the project, and direct costs associated with the failure to meet certain deadlines. It is clear that the General Contractor substantially underestimated the time, skill, and cost of completing this project. This augmentation is intended to capture the costs of the General Contractor's failure to satisfactorily complete this project.

Staff is currently completing an evaluation of these outstanding costs in an attempt to mitigate the MRCA's out-of-pocket expenses. Staff has also retained a

Agenda Item V(c)
October 6, 2010
Page 2

construction consultant to review plans, contract and change orders, evaluate on-site improvements, and identify defects and substantial deviations of improvements from plans/change orders. Upon completion of these evaluations, MRCA will aggressively pursue all options to recover the costs of completion for unacceptable work, including reimbursement and claims against contract retention.

Staff will provide the Governing Board with regular updates on the status of these efforts.