

APPROVED
NOV 15 2006

REPORT OF GENERAL MANAGER

NO. 06-334

DATE November 15, 2006

BOARD OF RECREATION
and PARK COMMISSIONERS

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

PARTIAL COMPLETION

SUBJECT: PECAN PARK – NEW GYMNASIUM BUILDING (#2802N) (W.O. #E170359F)
CONTRACT NO. 3115 – ~~FINAL ACCEPTANCE~~ AND RELEASE OF
UNDISPUTED CONSTRUCTION CONTRACT RETENTION

J. Combs _____	J. Kolb _____
H. Fujita _____	F. Mok _____
S. Huntley _____	K. Regan _____
B. Jensen _____	M. Shull _____

C.S. P.M.S.

Robert H. Jensen (for)
General Manager

Approved *as amended*

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve the final acceptance of work performed under Contract No. 3115 as outlined in the body of this report; *except for the heating ventilation and air conditioning units*
2. Authorize the Department's Chief Accounting Employee to release all retention monies held under Contract No. 3115 to Morillo Construction, Inc., except for \$40,000 due to unresolved issues regarding the heating, ventilation, and air conditioning units; and,
3. Authorize the Board Secretary to furnish Morillo Construction, Inc. with a letter of *partial* completion.

SUMMARY:

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

REPORT OF GENERAL MANAGER

PG. 2

NO. 06-334

Due to unresolved issues regarding the heating, ventilation, and air conditioning unit (HVAC) and as authorized by California Public Contract Code Section 7107 (c), it is recommended that \$40,000 be retained until such time as either the contractor replaces the unit in question, provides a minimum five (5) year warranty on all HVAC components, or provides an alternative solution acceptable to Department staff. It should be noted that the landscape subcontractor, Performance Nursery Corporation filed a stop notice in the amount of \$3,125.82.

The HVAC issues involve two items. The first item is the deletion of the power exhaust unit. The power exhaust unit was included in the design of the system to depressurize the building when the air conditioning is on. It was deleted by the construction manager as the contractor claimed the low roof of the new gym building had no space for the unit. Due to the deletion of the unit, the ventilation louvers are now required to remain open at all times when the air conditioning is running causing the air conditioning unit to possibly run longer than necessary. Although this operating condition is useable, it is not an ideal situation. The second issue concerns the numerous repairs made to the HVAC unit due to Freon leaks. Because the HVAC system is new, the unit should not have required any repairs. The amount of repairs required to stop the Freon leaks is a concern to the park maintenance staff, and they would like to have a minimum five-year warranty on the entire HVAC unit or a five-year service agreement from the manufacturer, Trane, at no cost to the Department. The Bureau of Engineering (BOE) sent a letter to the contractor on October 20, 2006, requesting a detailed description of each Freon leak occurrence and the outcome of each repair. The letter also requested that the contractor work with the HVAC supplier to negotiate the extended warranty or service agreement requested by the Department.

BOE's Construction Management Group completed the construction management of the project under the Proposition K Program. On October 12, 2006, BOE's Program Manager advised the Department that the project was essentially complete and the contractor had furnished the required permits, drawings, operation and maintenance manuals, and guarantees. BOE has informed the Department that this project was completed with 57 change orders issued for a total of \$306,051 or 12% of the base contract amount. The final construction contract amount, including change orders, is \$2,884,151.

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

FISCAL IMPACT STATEMENT:

If the HVAC unit is accepted in its current condition, additional maintenance funds may be required for future repairs; however, these operation and maintenance costs will be determined at a later date.

Report prepared by Alice Gong, Project Manager, Recreational and Cultural Facilities Program, BOE. Reviewed by Neil Drucker, Program Manager, Recreational and Cultural Facilities Program and Bradley Smith, Chief Deputy City Engineer, BOE.