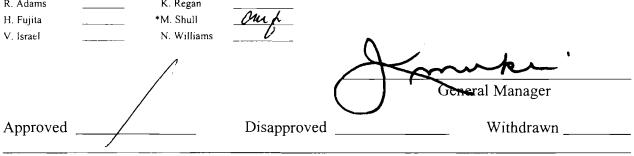
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REPORT OF	GENERAL MANAG		2 1 2011	NO	11-255
DATE <u>Ser</u>	<u>ptember 21, 201</u>		OF RECREATION COMMISSIONERS	C.D	3
BOARD OF RECREATION AND PARK COMMISSIONERS					
SUBJECT:	RENOVATION (W.	O. #E190729	REPLACEMENT 92F) PROJECT – E IEU OF RETENTION	SCROW	BATHHOUSE AGREEMENT
R. Adams	K. Regan				



RECOMMENDATIONS:

That the Board:

- 1. Approve the request of Morillo Construction, Inc., to enter into an Escrow Agreement, substantially in the form on file in the Board Office, with the City of Los Angeles for Security Deposits in Lieu of Retention for the Reseda Park Pool Replacement and Bathhouse Renovation (W.O. #E1907292F) project, Contract No. 3354;
- 2. Direct the Board Secretary to transmit the Escrow Agreement to the City Attorney for review and approval as to form; and,
- 3. Direct the Board Secretary to execute said Escrow Agreement upon the City Attorney approval as to form.

SUMMARY:

The Department is in receipt of a request from Morillo Construction, Inc., (Contractor) general contractor for the Reseda Park - Pool Replacement and Bathhouse Renovation (W.O. #E1907292F) project, Contract No. 3354, to enter into an Escrow Agreement for Security Deposits in Lieu of Retention.

Pursuant to Section 22300 of the Public Contract Code of the State of California, the Contractor has the option to deposit securities with an Escrow Agent as a substitute for retention earnings required to be withheld by the City as Owner, pursuant to the Construction Contract entered for

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the Reseda Park - Pool Replacement and Bathhouse Renovation (W.O. #E1907292F) project in the amount of \$2,467,000.00, dated June 27, 2011. Alternatively, on written request of the Contractor, the City can make payments of the retention earnings directly to the Escrow Agent.

When the City makes payment of retentions earned directly to the Escrow Agent, the Escrow Agent shall hold them for the benefit of the Contractor until such time as the escrow created under the contract is terminated. The Contractor may direct the investment of the payments into securities. All terms and conditions of the Escrow Agreement and the rights and responsibilities of the parties shall be equally applicable and binding when the City pays the Escrow Agent directly.

FISCAL IMPACT STATEMENT:

There is no fiscal impact on the Department's General Fund.

This report was prepared by LaTonya D. Dean, Commission Executive Assistant.