

REPORT OF GENERAL MANAGER

NO. 15-127

DATE June 18, 2015

C.D. 11

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: BRAND PARK – COMMUNITY BUILDING (PRJ2800N) (W.O. #E170935F) –
RELEASE OF MONEY WITHHELD UNDER CONTRACT NO. 3212

R. Adams

V. Israel

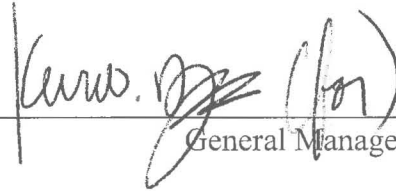
Jur *R. Barajas

CSJ

K. Regan

H. Fujita

N. Williams


General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve the forfeiture of \$300,309.50 on the Brand Park – Community Building (PRJ2800N) (W.O. #E170935F) project, Contract No. 3212 for wage restitution and state penalties;
2. Authorize the Chief Accounting Employee to transfer funds in the amount \$1,500.00 to Revenue Source 4331 - Penalties and Forfeitures for Fund 100 Department 76 of the City's General Fund; and
3. Direct the Chief Accounting Employee to prepare a draft in the amount of \$298,809.50 payable to the State of California, Department of Industrial Relations, Public Works Unit with reference to Tek-Up Construction, Inc., and forward the draft to the Bureau of Contract Administration, Office of Contract Compliance for processing to the California Labor Commission.

SUMMARY:

The Board of Recreation and Park Commissioners entered into construction Contract No. 3212 with Tek-Up Construction, Inc., on June 20, 2007 to perform work on the Brand Park – Community Building (PRJ2800N) (W.O. #E170935F) project. The project was accepted by the Board on October 6, 2010. However, when the project was reviewed by the City of Los Angeles' Public Works, Bureau of Contract Administration, Office of Contract Compliance (OCC), several labor violations were assessed against the prime contractor, Tek-Up

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Construction, Inc. (Tek-Up). Tek-Up challenged the City's assessment, first through the State of California's hearing process, then through the Superior Court. The City prevailed in each case.

The labor violations for which Tek-Up was assessed involved non-payment of prevailing wages, misclassification of crafts, and underreporting of manpower counts and hours worked.

Based on the judgment of the Court in Tek-Up vs. Department of Industrial Relations (DIR) (Case No. BC431345), the City is collecting from Tek-Up the total amount of \$300,309.50. The amount is broken down as follows:

Wage Restitutions	\$298,809.50
<u>Penalties</u>	<u>\$1,500.00</u>
TOTAL:	\$300,309.50

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 II, Department of Recreation and Parks and reviewed by Hannah Choi, Program Manager, Department of Public Works, Office of Contract Compliance, and Neil Drucker, Public Works, Bureau of Engineering.