Committee Members Present:

Patricia Huber, Assistant City Administrative Officer (CAO), Chair
Lynne Ozawa, Chief Legislative Analyst (CLA) Office
Chris Espinosa, Mayor’s Office
John R. Lewis, Los Angeles Zoo

Others Present:

Claudia Aguilar, Maria Cardenas, CAO; Renee Weitzer, Council District 4; Jeb Bonner, Connie Morgan, Greater Los Angeles Zoo Association (GLAZA); John Olinger, Public Works Bureau of Contract Administration (BCA); Rebecca Abano, Deborah Weintraub, Public Works Bureau of Engineering (BOE); Kyla May, Darryl Pon, Los Angeles Zoo.

Ms. Patricia Huber called the meeting to order at 10:05 a.m.

1. Minutes for Approval – Meeting of November 19, 2009

Ms. Lynne Ozawa moved to approve the Zoo Bond Oversight Committee (ZBOC) special meeting minutes of November 19, 2009. Mr. John R. Lewis seconded and the motion passed unanimously.

2. Bureau of Engineering Program Manager Status Report

Ms. Rebecca Abano reported on the progress of the Zoo’s Capital Improvement Program (CIP).

Master Program Budget

Through the end of December 2009, $119.8M has been expended of the $172M approved budget. No changes were made to the total Program Budget to date, however BOE is working on drafting a revised Program Budget as requested by the CAO. The proposed budget will include adding the interest earnings from the bonds, cost-to-complete on projects in construction, and possibly address the construction budget shortfall in the Rainforest of the Americas project. A detailed expenditure report is found in Section 3 of the Monthly Report.

Master Program Schedule

Through the end of December 2009, the Zoo’s three active projects are all on schedule. The overall program completes in June 2012.
In the next month, BOE will be working on possibly revising the Reptile and Insect Interpretative Center’s and the Rainforest of the Americas’ schedules, due to different budget issues. It is not yet known whether this potential revision will impact the Master Schedule. A schedule diagram is found in Section 3 of the Monthly Report.

Status of Active Projects

Pachyderm Forest

Construction of Phase II work is 60% complete. Phase III construction activities include completing the India waterfall, installing interior elements and the roof structure of the new elephant barn, completing the foundation for the Cambodia structure, installing columns at the Thai viewing structure, and forming the north pool. Last month, Certificates of Occupancy were obtained for Phase II construction work completed by General Services Department (GSD). This project has experienced rain delays, which will be accommodated by the project’s construction float. The contract time will be extended by the number of days it rained; this is noncompensable.

Rainforest of the Americas

Portico continues with the design on the project. BOE expects to receive 100% construction documents the next day. The constructability review will then be performed and a Class A estimate will be prepared. The architect will also be submitting the same documents to Building and Safety for plan check. Because Portico has been delayed in design and has not provided a recovery schedule, there is a likelihood that the project completion may be extended. Originally, Portico was supposed to submit 100% construction documents in November 2009; this is a three-month setback. BOE plans to meet with Portico next week to discuss that as well as an additional fee request from Portico.

Ms. Huber asked what caused the delay from November to January. Ms. Abano replied that Portico didn’t explain, but stated that they needed more time to complete design. Ms. Ozawa asked what the extra fee requests were for. Ms. Abano answered that BOE received a letter from Portico the previous Friday asking for an additional $594K of fees. They indicated in the letter that the amount was simply the difference between the cost of construction in the base contract and the cost estimate of what they have designed to date.

Ms. Deborah Weintraub stated that BOE is doing a negotiation with Portico next week to work out a resolution and should have more detailed information by the next Committee meeting. Ms. Cardenas asked if overall construction bids are at least 30% less than when first negotiated. Ms. Weintraub replied that the problem is that in Portico’s original contract, the target for construction dollar amount was significantly lower than what the target is now. They are basing their request for fees on the fact that the City revised the target for the construction. While it’s true bids are down, Portico’s target was increased by the City. Ms. Cardenas asked when that was increased.
Ms. Abano replied in November 2006. Ms. Cardenas asked if Portico wants compensation from November 2006 or to their Class A estimate. Ms. Weintraub replied they are asking for compensation to the target construction value that the City had approved. Ms. Cardenas asked if that was unilaterally approved or if it could be changed down. Ms. Weintraub replied that the objective of the negotiation is to hear Portico out. BOE would like to keep Portico engaged, certainly where the project is in construction; if it becomes unreasonably expensive then they won’t. Brief discussion ensued regarding the original Portico contract and changes to target construction values in the construction industry.

Ms. Huber stated that she wanted to make sure that BOE understands that the CAO doesn’t necessarily consider the Rainforest project as totally deferred. What is being deferred is the possibility of using Municipal Improvement Corporation of Los Angeles (MICLA) funds for the project. The project is still being seen as moving forward, but for purposes of MICLA, other options are being looked at.

Reptile and Insect Interpretative Center

As reported last month, the contractor, Royal Construction, encountered several unforeseen underground utilities and were also faced with geotechnical challenges. The geotechnical problems have since been resolved, and directives and change orders have been issued to the contractor. The geotechnical changes and the recent rains have caused the construction contract completion to be extended. The project currently has a four-month float in the approved project schedule. At this time, it appears the project will finish within that time, but the time impact analysis hasn’t been received from the contractor, although it has been requested. If the contractor submits a time impact analysis that takes the project beyond that four-month period, BOE would have to ask the Committee for a revision to the Master Schedule for that project.

Relevant to the design contract, Portico has also put in a request for additional fees on this project, in the amount of over $655K. BOE plans to discuss and attempt to resolve these fee issues at the same meeting with Portico regarding the Rainforest project. Ms. Cardenas asked what the request was for. Ms. Abano replied it was the same as the Rainforest request: 17%, the difference between their base contract and the target.

Ms. Abano concluded her report.

Ms. Cardenas asked what the percent of change orders and the amount of pending change orders were for any project in construction. Ms. Abano replied that she didn’t have that information with her, but would email it to the Committee. Ms. Claudia Aguilar requested that Ms. Abano report on this at the next meeting.
3. BOE to Report on Status of Gorilla Waterfall Issue

Ms. Abano reported that as instructed at the last Committee meeting, BOE has explored alternative repair methods in lieu of replacing the Gorilla Exhibit waterfall’s damaged water pipes. A CCTV inspection was done of all the water pipes to determine and ensure the location of the waterfall piping damages. After the camera was put through all the pipes, it was found that all three pipes were damaged just outside the wall of the pump room. Unfortunately, a wastewater expert working on the alternative fix suddenly retired on January 2, 2010, before completing his report. His supervisor sent all the information that he had been copied on, and was able to provide the vendor that had been contacted for a proposal for the fix. The vendor has now been contacted and within the next weeks the vendor will visit the site, look at the broken pipes, and give a method for the fix and a cost estimate. His method won’t be the way previously discussed before the Committee, i.e. digging up seventeen feet of dirt and replacing the pipes, etc., but will be to repair the pipes in place. The vendor’s name is Webac.

Ms. Ozawa asked if the pipes failure was due to shoddy workmanship or wear and tear. Ms. Abano answered that it was a combination of things that caused the pipes to crack. First, it was how it was designed: a high-density PVC pipe going into a rigid wall without flex, then the dirt around the pipes gets saturated and settles; plus, when the waterfall is turned on, the water surge vibrates the pipes and the rubbing between the soft material and hard material without flex causes the softer material to give. Ms. Ozawa asked if any opportunity existed to go after a design defect from the designer. Ms. Abano replied that they designed it to industry standards, because the same design situation was found in construction documents for the Pachyderm Forest. Since this hasn’t been built yet, a change order was issued to alter that, so the same situation wouldn’t occur in that project.

Ms. Huber asked if the Zoo was considering not moving forward with this fix and looking at other options. Mr. Lewis replied that what has happened is that the new fix will be a fraction of the cost of the previously discussed repair. Until the vendor looks at it and says yes or no; if it’s yes, it will make sense to fix it, if not, it’s an aesthetic decision.

4. Greater Los Angeles Zoo Association (GLAZA) to Report on Capital Improvement Project Fundraising Activities

Ms. Connie Morgan reported that since her last report to the Committee, GLAZA has had $109K in gifts to capital projects, most of it to the Pachyderm Forest project, and $15K of it to the Rainforest project.

Ms. Huber stated that the CAO’s office has reached the point on the Pachyderm Forest where the $14.5M in MICLA funding is now being spent, which GLAZA will be paying back. She noted that next month, a discussion regarding the funding agreement should take place, so that everyone knows how this is going forward. She referred any questions regarding coordination of that meeting to Ms. Cardenas.
Ms. Abano asked if the Committee wants BOE to report on payments for the construction side of the Pachyderm Forest project. Ms. Huber replied no, the CAO’s Office just wanted GLAZA to be aware that the point has been reached where the MICLA funds are being spent, and want to get in front of the payment issue so no one is surprised. Mr. Jeb Bonner commented that he has read through the entire report and GLAZA is aware and is not expecting any issues. Ms. Huber concurred that no issues are expected and noted that the point is to be proactive.

Public Comment

There was no public comment.

**Next Meeting:** February 25, 2010

Ms. Huber adjourned the meeting at 10:24 a.m.

Minutes prepared by Ms. Kyla May of the Los Angeles Zoo’s Planning and Development Division. Revised by BOE, CLA, CAO, and the Zoo.