Committee Members Present:

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

Others Present:

Maria Cardenas, Alma Gibson, CAO, Jeb Bonner, Greater Los Angeles Zoo Association (GLAZA); 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 1:00 p.m.

1. Minutes for Approval – Meeting of January 27, 2011

Mr. John R. Lewis moved to approve the Zoo Bond Oversight Committee (ZBOC) special meeting minutes of January 27, 2011. Mr. Chris Espinosa 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 February 2011, $139M has been expended of the $171.8M approved program budget. A detailed expenditure report can be found in Section Three of the Monthly Report. No changes are anticipated to the budget at this time.

Master Program Schedule

The Zoo has three active projects and one repair project left to complete. As of February 28, 2011, two of the active projects are behind schedule, and one project is on schedule. BOE has prepared a proposed revision to the Master Schedule, as shown on Pages 2.0-3 and 2.0-4 of the Monthly Report. Ms. Abano presented the reasons for the schedule changes.

Construction of the Living Amphibians, Invertebrates and Reptiles (LAIR) is only 52% complete. Royal Construction, the general contractor for this project, continues to encounter unforeseen conditions on this project’s site, as well as rain delays.
Also, several change orders have been issued due to error and omissions on the contract documents. In addition, the Zoo has requested three changes to the project which have affected the construction schedule: namely, adding planter drains in order to accommodate real plants instead of fake plants, changing the alligator exhibit to a crocodile exhibit, and adding provisions for future electronic signage. These change orders have added construction work activities, hence extending the construction contract duration. The proposed schedule provides an extension of construction and additional float. The schedule float is needed to accommodate future unforeseen events and other unknown conditions. The proposed schedule extends the project completion by three months, from August 1 to November 11 of 2011.

The Rainforest project has experienced nearly four months of delay in design completion. The main cause for these delays is the City’s budget crisis, which has forced City staff assigned to deliver this project to go on furlough. Also, it has extended the anticipated bid and award process. The proposed schedule provides an extension for both design and construction phases, as well float for unforeseen conditions. The proposed schedule adds five months and extends the project completion date from November 30, 2012 to April 30, 2013.

Mr. Espinosa asked what the Rain Forest schedule had been. Ms. Abano replied the project was originally to complete November 30, 2012. The requested extension is for five months, to April 30, 2013.

Mr. Lewis stated that he felt compelled to say that the schedule extension on the LAIR understates the performance of the contractor. He seriously feels the contractor is being let off the hook by saying all the delays were caused by unforeseens or by changes requested by the Zoo. Ms. Abano responded that BOE is in negotiations with the contractor. The contractor is now at 52% on the project; if he just moves on, he still won’t get done within the timeframe of the current schedule. He has requested a time extension, which is being negotiated. Concurrent delays also include issued change orders and quite a bit of rain; and the contractor is still not out of the ground completely. Right now, BOE is looking at mid-July 2011 to complete construction. Mr. Lewis stated that he’s not contesting the extension; he’s saying that the contractor is being let off the hook, because of Royal’s performance on this project; there’s no statement about their performance.

Ms. Huber asked if the project was having performance issues in addition to the others, and asked Ms. Abano to elaborate on the impact of furloughs on the delay. Ms. Abano replied, not on the LAIR. What will really push the Master Schedule out is the Rainforest project and City furlough time during the design process. To explain, it’s very difficult to schedule a simple meeting with a Department of Building and Safety (DBS) plan checker and the project architect, who is from out of state. This is not just to accommodate the furlough schedule of one DBS plan checker, but also those of the mechanical and electrical plan checkers. Between the days the architect is available and the availability of City staff, this extends the process of submittal and resubmittal. So those issues go back and forth.
Recently, the Rainforest bids had to be extended, because the City’s Information Technology Agency (ITA) indicated that due to their reduced budget and inability to replace equipment, a computer glitch impacted the bid submittal process. These issues all stem from the City’s budget crisis, not from the architect. BOE looked at that and decided to add an extra month at the project’s back end for construction in the event of delay. It’s still unknown what impact the next Fiscal year will have. Inspection delays were experienced on the Elephants of Asia project, because of mandatory furloughs.

Mr. Espinosa asked if most of those furloughed employees belonged to the Engineers and Architects Union (EAA). Ms. Huber replied that inspectors belong to their own union. Ms. Deborah Weintraub spoke to Mr. Lewis’ concern about the performance of the LAIR contractor; it may need to be looked at closely in a separate meeting. She noted that this contractor has a history of being late with the City.

Mr. Lewis stated that, were he a citizen reading the report, it looks as if the City is the one causing the delay, and he doesn’t totally agree with that. He understands the delays caused by rain and change orders, but those were initiated months ago, and just now they’re being announced as part of the problem for the time extension. He stated that he would like the report to more accurately reflect how this point was reached; the missing piece for him is the contractor.

Ms. Abano continued with her report. The last change proposed to the Master Schedule is the Elephants of Asia project. Due to the funding, she has added a milestone to the schedule, so everyone is aware of when all the expenditures will be done and the project will be closed out. Ms. Alma Gibson asked for the final date. Ms. Abano replied June 10, 2011, before the end of this Fiscal Year. Mr. Espinosa asked if the time extensions would have a financial impact. Ms. Abano replied, no, no increases are anticipated in the project budget due to the time extensions.

Ms. Gibson asked how many times the Master Program Schedule has been revised. Ms. Abano replied since she has been Project Manager, possibly two or three times since 2006. Ms. Gibson asked if BOE was keeping track of how many days that furloughs have caused delays on any project. Ms. Abano replied she can’t calculate by days, but could provide a listing of scheduling delays, where a date is chosen, but can’t be met by the architect, and has to be scheduled months later. Mr. Espinosa wondered, when the proposed Master Schedule is moved back, regarding being on time and under budget, if that concept is gone. Ms. Abano replied that’s correct, but the reason the schedule is changed, is that without a planned schedule, the attitude is ‘you’ll get done when you get done.’ At least if a point in time is established, then goals are set.

Mr. Espinosa asked how, as a Committee member, how he assesses the effectiveness of completing the projects in a timely manner, when it’s known that when things take longer, it cost more money. Ms. Weintraub replied that sometimes the delay might save money; certainly some projects that were bid later resulted in money saved. Many of the delays don’t cost any more if BOE has trouble scheduling appointments with the architect. It might be some additional staff costs, but it’s not in construction.
Mr. Espinosa suggested that the Master Schedule have a footnote of the number of times a project has had outward creep, in order to have a better sense. Mr. Lewis stated that a way to do that is once a phase of a project starts, that phase can be evaluated. The Rainforest project is a good example of this; it’s been affected by the City’s budget, not just by furloughs, but by stopping, and then restarting the project. The only way to do it is to look at the phases. Now that the project has bids, then construction can start, and the project should be able to be kept tight within that schedule. It gets hard, given all the external impacts that have been dealt with.

Ms. Weintraub noted that any footnotes on the Monthly Report would require a long explanation. Ms. Abano added that, when a schedule is created, it’s based on the information available at the time of its creation. Then when things change, for instance when the Master Schedule was originally created, the City didn’t have a budget crisis, so that’s not factored in. Then the schedule has to be redone, when factors alter the assumptions that the schedule was created under in the first place. The Committee continued to discuss changes to the Master Schedule.

Mr. Espinosa stated that the proposed time extensions to the Master Schedule were legitimate. He suggested that the contractor’s feet be held to the fire to complete the project within the new schedule, since the potential exists that the contractor may break the new schedule as well.

**Mr. Espinosa moved to approve the changes to the Master Schedule. Mr. Lewis seconded, and the motion passed unanimously.**

**Status of Active Projects**

**The Elephants of Asia**

The project’s Phase 3 construction is being held at 98% complete, until the final Certificate of Occupancy (C/O) is received, plus five signs that the contractor still owes. Ms. Abano stated that the C/O should be delivered that afternoon.

Change orders continue to be negotiated to close out the project; their completion is anticipated within the next two weeks. To date, 87 change orders have been executed totaling $2.35M. Pending change requests are $500K, which will bring the total exposure to an estimated $2.85M, which is within the approved construction contingency amount of $3.1M.

**Rainforest of the Americas**

The original bid date was March 16, 2011, but was extended to March 30, 2011, due to a computer glitch in the Los Angeles Business Assistance Virtual Network (labavn.org) system. The previous day, BOE received seventeen bids. The lowest bidder was Metro Builders, with a bid of $11,411,707. The second and third lowest bidders were Sinanian Construction at $12,010,000, and Mallcraft at $12,577,000.
The highest bidder was FTR with a bid of 16,190,000. The City Engineer’s estimate was $14,415,000, which is an estimate of the median bid. The approved construction budget is $17.1M, which included construction contingency. The Office of Contract Compliance will be reviewing these bids over the next four to six weeks. Construction is anticipated to begin in the end of June/beginning of July 2011.

Mr. Espinosa asked if the City has had any experience with Metro Builders. Ms. Abano replied she’s been told that Metro has done some Proposition K work. Ms. Weintraub added that Metro is in the process of doing that work.

Living Amphibians, Invertebrates and Reptiles (LAIR)

Construction is 52% complete. Royal Construction, the general contractor, has experienced delays from recent rains. Construction activities continue in both of the project’s buildings, including metal stud framing, and starting to form the exhibit areas.

BOE is currently negotiating a time extension. This time extension is anticipated to extend the contract completion from April 2011 to mid-July 2011.

Forty change orders have been executed totaling $500K. Pending change requests are estimated at $350K, making the total change order exposure $850K, which is within the $1.3M construction contingency.

Ms. Abano concluded her report. She added that bids had been received on the Gorilla Waterfall Repair. The City Engineer’s estimate for the repair was $135K. The lowest bidder is $114,638. The project’s budget is $300K.

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

Mr. Jeb Bonner reported that since the last Committee meeting, GLAZA has received $33,148 in new gifts to the Elephants of Asia. Also, a $70K refund is expected on a prior project, which is hoped to be reallocated to the Elephants of Asia. GLAZA continues to work on several major gifts, as well as requests.

Public Comment

There was no public comment.

Ms. Huber adjourned the meeting at 1:20 p.m.

Next Meeting: May 26, 2011

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