

REPORT OF GENERAL MANAGER

**APPROVED**  
DEC 13 2006

NO. 06-370

DATE December 13, 2006

BOARD OF RECREATION  
and PARK COMMISSIONERS

C.D. 8

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: SOUTH LOS ANGELES SPORTS ACTIVITY CENTER (FORMERLY KNOWN AS SOUTH CENTRAL SPORTS ACTIVITY CENTER) (#1100B) (W.O. #E170223F) – REVIEW OF BIDS AND AWARD OF CONTRACT

J. Combs	_____	J. Kolb	_____
H. Fujita	_____	F. Mok	_____
S. Huntley	_____	K. Regan	_____
B. Jensen	_____	*M. Shull	<u>Call for MS.</u>

  
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Find Tobo Construction, Inc., with a base bid of \$2,875,000, to be the lowest responsive and responsible bidder for the South Los Angeles Sports Activity Center Project (#1100B) (W.O. #E170223F);
2. Receive and file correspondence contained in Attachment No. 1 (correspondence on behalf of AWI Builders, Inc., dated November 13, 2006 and December 4, 2006) and in Attachment No. 2 (correspondence from K-Son Construction, Inc., dated November 14, 2006 and November 17, 2006);

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3. Authorize the Chief Accounting Employee to encumber funds in the amount of \$2,875,000 from the following fund and account numbers under the awarding authority of this Board Report;

<u>FUND SOURCE</u>	<u>FUND/DEPT/ACCT</u>	<u>APPROPRIATION AMOUNT</u>	<u>AVAILABLE AMOUNT</u>
Prop K Long Term	43P/10/P331	\$1,542,303	\$1,542,303
Prop 12 - MH	205/89/VB02	984,000	984,000
Prop 12 - RZH	46L/22/TBD*	<u>348,697</u>	<u>0</u>
		\$2,875,00	\$2,526,303

\* Proposition 12 funds are available to the City approximately 90 days after issuance to Contractor of a Notice to Proceed.

4. Request staff to prepare a contract, including a funding clause limiting the City’s liability for contract payments to the amount of funding appropriated by the City for this contract, in the amount of \$2,526,303, as well as so limiting the contractor’s obligation to perform the contract, as further described in this report; and
5. Authorize the Board President and Secretary to execute the contract, subject to approval as to form by the City Attorney.

SUMMARY:

On August 9, 2006 (Board Report No. 06-215), the Board of Recreation and Park Commissioners approved final plans and call for bids for the South Los Angeles Sports Activity Center project (#1100B) (W.O. #E170223F), located at 7020 S. Figueroa Street, Los Angeles, CA 90003. The estimate for the base bid construction cost of this project was \$2,350,000. Plans for this project were prepared by the Bureau of Engineering’s (BOE), Recreation and Cultural Facilities Program in-house staff. The plans provide for the construction of the new sports activity center. The proposed sports center is a one-story, 7,000 square-foot building, that consists of one large 2,000 square-foot multi-purpose club room, two 400 square-foot class rooms, an administrative office, ADA accessible restrooms and a lobby. The project also includes a parking lot, irrigation, and landscaping. The facility will be used for conducting classes for yoga, self-defense, aerobic exercise, as well as meetings and community gatherings.

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On September 26, 2006, eleven bids were received for this project. The bid documents state that the lowest bid shall be determined based upon the base bid amount, regardless of the amount of any additive or deductive alternate. Four deductive alternates were also included in the bid package. The description and bid amounts received are as follows:

<u>Bidders</u>	<u>Base Bid</u>	<u>Ded. Alt. #1</u>	<u>Ded. Alt. #2</u>	<u>Ded. Alt. #3</u>	<u>Ded. Alt. #4</u>
K-Son Construction, Inc.	\$2,840,565	\$2,000	\$2,000	\$7,000	\$8,000
AWI Builders, Inc.	\$2,859,911	\$1,800	\$4,000	\$15,500	\$32,000
MEPCO Services	\$2,860,000	\$10,000	\$7,500	\$14,000	\$20,000
Tobo Construction, Inc.	\$2,875,000	\$19,500	\$4,900	\$58,600	\$49,000
Icon-West, Inc.	\$3,359,755	\$8,000	\$6,500	\$15,000	\$50,000
NSA Construction Group, Inc.	\$3,448,000	\$4,000	\$5,000	\$25,000	\$15,000
CASCO Constructors, Inc.	\$3,483,860	\$13,860	\$2,200	\$18,500	\$27,921
Trimax Construction Corp.	\$3,520,000	\$10,000	\$4,000	\$8,000	\$27,000
G-2000 Construction, Inc.	\$3,598,000	\$10,000	\$51,000	\$20,000	\$20,000
Ford E.C., Inc.	\$3,657,600	\$5,000	\$5,000	\$35,000	\$5,000
LA Builders, Inc.	\$4,099,800	\$11,700	\$5,676	\$12,000	\$10,000

The bid documents for this project required that the bidder provide information substantiating that 50% of the work will be self-performed by the prime contractor. This project is also subject to the Minority Business Enterprise, Women Business Enterprise, and other Business Enterprise (MBE/WBE/OBE) Subcontractor Outreach Program. In order to comply with the Good Faith Outreach (GFE) requirements of the Subcontractor Outreach Program, bidders must submit GFE documentation in a timely manner sufficient to achieve a minimum of 75 out of 100 GFE evaluation points as outlined in Board's Outreach Program.

K-Son Construction, Inc., submitted the apparent lowest base bid as indicated above. However, the bid was deemed non-responsive for failing to comply with the 50% prime contractor self-performance requirement and for failing to comply with the requirements of the Minority Business Enterprise, Women Business Enterprise, and other Business Enterprise (MBE/WBE/OBE) Subcontractor Outreach Program. K-Son Construction, Inc., failed to provide adequate timely documentation for sub-bids it received from all subcontractors listed in its proposal; thus, it was not possible for staff to confirm this bidder's compliance with the 50% self-performance requirement, nor compliance with the Good Faith Outreach requirements.

The second apparent low bidder, AWI Construction, Inc., only achieved 40% prime contractor self-performance and was, therefore, deemed non-responsive. The third apparent low bidder, MEPCO Services, failed to submit a Good Faith Effort package and was, therefore, deemed non-responsive.

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Tobo Construction, Inc., the forth apparent low bidder, achieved a 64.3% prime contractor self-performance level. Staff has reviewed the documentation provided by Tobo Construction, Inc., regarding its outreach effort and, based on the documents submitted, has determined that Tobo Construction, Inc., met the GFE requirements. Tobo Construction, Inc., achieved 100 out of 100 GFE evaluation points. Tobo Construction, Inc., did not obtain MBE/WBE/OBE participation; however, that is not required so long as a Good Faith Outreach Effort is done in compliance with the Outreach Program. The Outreach Document Package is on file in the Board Office, and a synopsis of said package is attached to this report. The City Attorney and staff have reviewed the bid submitted by Tobo Construction, Inc., and found it to be in order; therefore, staff recommends that the Board find Tobo Construction Inc., to be the lowest responsive and responsible bidder.

AWI Builders, Inc., through its attorney, filed a bid protest (Attachment No. 1) challenging an award of contract to K-Son Construction, Inc., who filed correspondence in response to the bid protest (Attachment No. 2). The merits of the bid protest do not have to be determined at this time since it has been determined that K-Son Construction was non-responsive. Thus, staff is recommending that the correspondence contained in Attachment No. 1 and Attachment No. 2 be received and filed.

Sufficient approved funds are available to provide for the entire cost of the base bid amount, and it is recommended that the project be awarded without exercising any of the deductive alternates. However, the availability of the Proposition 12 funds required to fully fund the projects is contingent upon receipt of these funds from the State. These funds can be requested from the State by the Department after the Issuance of the Notice to Proceed, and would be received by the Department approximately 90 days after the request is processed. The contract will provide that the City's liability for contract payments under this contract shall be limited to the extent of the City's appropriation, subject to the terms and conditions of the contract and that for purposes of the contract, the amount funded from Proposition 12 will not be deemed appropriated until received from the State. The contractor will not be required to do any work in excess of the amount of current funding, plus any additional funding appropriated by the City, if any, for this project. When the Proposition 12 funds are received from the State, the contractor will be notified and the contractor shall then be required to complete all contract work.

The project was presented to the L.A. for Kids Steering Committee on October 26, 2006, and the Steering Committee recommended that the Board award to the lowest responsive and responsible bidder.

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### COMPLIANCE WITH CEQA:

In accordance with the requirements of the California Environmental Quality Act (CEQA), a Mitigate Negative Declaration (MND) was prepared for the recreational development of the entire 32,000 square foot property parcel upon which this project will be located. The MND included consideration of this project and was approved by the Board on June 4, 1999, and was adopted by the City Council in mid-June 1999. The Notice of Determination was subsequently filed with the offices of the Los Angeles City Clerk and Los Angeles County Clerk on June 30, 2000.

### FISCAL IMPACT STATEMENT:

There is no anticipated fiscal impact to the Department's budget. The assessments of the future operations and maintenance costs have yet to be determined.

This report was prepared by Willis Yip, Project Manager, and reviewed by Neil Drucker, Program Manager, Recreational and Cultural Facilities Program; and by Bradley M. Smith, P.E., Chief Deputy Engineer, Bureau of Engineering.