

REPORT OF GENERAL MANAGER

NO. 05-262


DATE September 21, 2005

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GARVANZA PARK – SKATE PARK AND FACILITY IMPROVEMENTS (#1122A)(W.O. #E170955F) – REJECTION OF ALL BIDS AND RECOMMENDATION TO RE-BID

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

  
 \_\_\_\_\_  
 General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Reject all bids received on Tuesday, September 6, 2005, for the Garvanza Park – Skate Park and Facility Improvements (#1122A)(W.O. # E170955F);
2. Re-bid the final plans and specifications for the Garvanza Park – Skate Park and Facility Improvements (#1122A) (W.O. #E170955F), with the addition of one or more new additive and/or deductive alternate(s), subject to approval of the bid package by the City Attorney;
3. Approve the date for receipt of bids as Tuesday, November 1, 2005, at 3:00 PM in the Board Office;
4. Approve the reduction in the value of the base bid work to be performed by the Prime Contractor from 50% to 20% minimum; and
5. Approve a change in the project’s pre-qualification requirements, to allow the General Contractor to sub-contract with a sub-contractor who has met the requirement of having built three skate parks within the last five years, and to allow the inclusion in the bid of such qualified sub-contractor by the General Contractor to be considered as having met the pre-qualification requirement of this project.

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SUMMARY:

On June 15, 2005, the Board approved final plans and called for bids for the Garvanza Park – Skate Park and Facility Improvements (#1122A), (W.O. #E170955F), located at 6240 E. Meridian St. Los Angeles, CA 90042. The work includes the construction of a new concrete, poured-in-place, skate park, a new children's play area, planting and irrigation, and other site improvements. On September 6, 2005, the following bids were received:

BIDDER – Trimax Construction Corp.

BASE BID	\$1,258,000.00
Deductive Alternate No. 1	\$45,000.00
Deductive Alternate No. 2	\$70,000.00
Deductive Alternate No. 3	\$14,000.00
Deductive Alternate No. 4	\$1,400.00

BIDDER – Ryco Construction, Inc.

BASE BID	\$1,871,781.00
Deductive Alternate No. 1	\$70,000.00
Deductive Alternate No. 2	\$30,000.00
Deductive Alternate No. 3	\$30,000.00
Deductive Alternate No. 4	\$5,000.00

BIDDER – Malibu Pacific Tennis Courts, Inc.

BASE BID	\$1,924,600.00
Deductive Alternate No. 1	\$150,000.00
Deductive Alternate No. 2	\$150,000.00
Deductive Alternate No. 3	\$40,000.00
Deductive Alternate No. 4	\$15,000.00

All bids received significantly exceed the available construction funding budget, which is \$857,000.00, making it necessary to reject all bids at this time. In addition, Trimax Construction Inc., requested to have their bid withdrawn due to clerical error. This makes the apparent lowest base bid \$1,871,781.00, from Ryco Construction, Inc. This bid even further exceeds the available construction funding budget, and is therefore not awardable at this time.

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It is the Bureau of Engineering staff's belief that bidders submitted higher than expected bids for two reasons: First, the concrete, poured-in-place, skate park accounts for approximately 80% of the construction cost of the overall project. This type of construction is highly specialized work. In order to insure a quality installation, bidders were required to meet the City's prequalification requirement of having built three skate parks in the last five years. Secondly, the Prime contractor was required to perform a minimum of 50% of the work, which proved to be difficult for them to achieve, because the skate park work is highly specialized, and is usually sub-contracted out. In order for the Prime contractor to claim 50% of the work, and still sub-contract out the skate park, we believe that the cost of the Prime's work in the contract had to be raised to approximately twice the expected cost of the skate park.

Therefore, it is recommended that the mandatory 50% General Contractor self-performance requirement be reduced to 20% for this project, due to the highly specialized nature of the skate park construction, and that the General Contractor be allowed to include a sub-contractor meeting the pre-qualification requirement of having built three (3) skate parks within the last five (5) years, and that General Contractor's inclusion of such pre-qualified sub-contractor shall be considered as having met the project's pre-qualification requirements.

As a part of re-bidding this project, Bureau of Engineering staff will also add additional deductive alternate(s), in order to have additional flexibility in awarding the project.

### FISCAL IMPACT STATEMENT:

There is no immediate fiscal impact to the department; however, future operations and maintenance costs will be assessed upon completion of the project.

This report was prepared by Robert Gutierrez, Project Manager, and reviewed by Neil Drucker, Program Manager, Recreational and Cultural Facilities Program; and by Bradley M. Smith, P.E., Bureau of Engineering.