

APPROVED

MAY 17 2006

REPORT OF GENERAL MANAGER

NO. 06-125

DATE May 17, 2006

BOARD OF RECREATION  
and PARK COMMISSIONERS

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GARVANZA PARK – SKATE PARK AND FACILITY IMPROVEMENTS (#1122A) (W.O. #E170955F) - REJECTION OF BIDS AND APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF RECREATION AND PARKS; THE BUREAU OF ENGINEERING; AND THE DEPARTMENT OF GENERAL SERVICES

J. Combs \_\_\_\_\_  
H. Fujita \_\_\_\_\_  
S. Huntley \_\_\_\_\_  
B. Jensen \_\_\_\_\_

J. Kolb \_\_\_\_\_  
F. Mok \_\_\_\_\_  
K. Regan \_\_\_\_\_  
\*M. Shull \_\_\_\_\_

*As. for M.S.*

*Kevin. Regan*  
(for) General Manager

Approved                     

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Reject all bids received November 15, 2005;
2. Authorize the General Manager to enter into a Memorandum of Understanding (MOU), substantially in the form attached, between the Department of Recreation and Parks (RAP), the Bureau of Engineering (BOE), and the Department of General Services (GSD) for construction services for the Garvanza Park – Skate Park and Facility Improvements (#1122A) (W.O. #E170955F), subject to the approval of the City Attorney as to form;
3. Authorize the Department’s Chief Accounting Employee, subject to Council approval, to transfer funds in the amount of \$275,038 from the available funds in the following fund and account numbers under the authority of this Board Report, through Account Y140, GSD,

REPORT OF GENERAL MANAGER

PG 2

NO. 06-125

<u>FUNDING SOURCE</u>	<u>FUND /ACCOUNT NO.</u>	<u>AVAILABLE AMOUNT</u>
Site & Facilities	209/W237	\$268,131
Prop.12 1/3 – Per Capita	45W/W447	\$ 6,907
TOTAL		\$275,038

to the appropriate material and salary accounts in Fund 100, Dept. 40, in GSD, as listed below:

<u>ACCOUNT NO.</u>	<u>AMOUNT</u>
1101 – Hiring Hall Salaries:	\$ 115,516
1121 – Hiring Hall Fringe Benefits	\$ 49,507
<u>3180 – Construction Materials, Supplies, and Services</u>	<u>\$ 110,015</u>
Total:	\$ 275,038

4. Upon receipt of the remaining Prop. 12 1/3 funds from the State, authorize the Department’s Chief Accounting Employee, subject to Council approval, to transfer funds in the amount of \$137,843 from Fund/Acct #45W-W447 through Account Y140, in GSD, to Fund 100, Dept. 40 in GSD, to the appropriate material and salary accounts, as listed below:

<u>ACCOUNT NO.</u>	<u>AMOUNT</u>
1101 – Hiring Hall Salaries:	\$ 57,894
1121 – Hiring Hall Fringe Benefits	\$ 24,812
<u>3180 – Construction Materials, Supplies, and Services</u>	<u>\$ 55,137</u>
Total:	\$ 137,843

5. Authorize the Department’s Chief Accounting Employee to request the Community Development Department (CDD) to process a transfer of Community Development Block Grant funds up to the amount of \$1,142,045 from the available funds in Department 22, Fund 424 to Department of Recreation and Parks, Department 88, Fund 205, Account 015R, to process payments from this account for the purposes stated in the MOU, upon receipt and approval of payment requests by CDD.

REPORT OF GENERAL MANAGER

PG 3

NO. 06-125

<u>FUNDING SOURCE</u>	<u>FUND /ACCOUNT NO.</u>	<u>AVAILABLE AMOUNT</u>
CDBG 29 <sup>th</sup> Year	424/V448	\$470,045
CDBG 30 <sup>th</sup> Year	424/W443	\$210,000
<u>CDBG 32<sup>nd</sup> Year</u>	TBD	<u>\$462,000 *</u>
TOTAL		\$1,142,045

\* pending approval

6. Direct the Board Secretary to transmit the proposed MOU to the City Attorney for review and approval as to form; and
7. Authorize the Department's General Manager, subject to City Attorney approvals as to form, to execute the proposed MOU.

SUMMARY:

On June 15, 2005 (Report No. 05-190) the Board approved final plans and call for bids for the Garvanza Park – Skate Park and Facility Improvements (#1122A) (W.O. #E170955F) located at 6240 E. Meridias Street, Los Angeles, CA 90042. On September 6, 2005 three (3) bids were received, all of which significantly exceeded the available construction fund budget. On September 21, 2005, (Board Report No. 05-262), the Board rejected all bids and re-bid the project with the addition of one or more additive and/or deductive alternates.

The scope of the project, includes the construction of a new skate park, a new play area, new security lighting, new landscaping, and a new office building for Department of Recreation and Parks staff. Sparano + Mooney Architecture has provided all cost estimates of \$857,000.

On November 15, 2005, the following bids were received:

	HMI Construction Service	4-Con Engineering, Inc	Trimax Construction Corp	Ryco Construction, Inc
Base Bid	\$ 1,100,000	\$ 1,384,000	\$ 1,830,000	\$ 1,853,581
Ded.Alt. No. 1	\$ 105,000	\$ 136,000	\$ 45,000	\$ 70,000
Ded.Alt. No. 2	\$ Not Submitted	\$ 39,000	\$ 60,000	\$ 30,000

REPORT OF GENERAL MANAGER

PG 4 NO. 06-125

	HMI Construction Service	4-Con Engineering, Inc	Trimax Construction Corp	Ryco Construction, Inc
Ded.Alt. No. 3	\$ 66,000	\$ 51,500	\$ 14,000	\$ 30,000
Ded.Alt. No. 4	\$ 21,000	\$ 27,000	\$ 1,350	\$ 5,000
Ded.Alt. No. 5	\$ 25,000	\$ 21,000	\$ 12,000	\$ 4,000

HMI Construction Services submitted the lowest base bid as shown above. Five Deductive Alternates were also included in the bid packages.

On December 15, 2005, the City Attorney's Office deemed HMI Construction Services to be non-responsive. First, HMI Construction did not pass the Good Faith Effort (GFE), achieving only 28 points out of the minimum 75 points required by the Board's policy for a 'Good Faith' approval. Second, neither HMI nor its subcontractor, Valley Concrete, met the minimum experience of having constructed at least three skate parks in the past five years.

The second lowest bidder, 4-Con Engineering Inc., became the lowest responsive bidder with a base bid of \$1,384,000. However, that bid was still \$527,000 more than the Engineer's Estimate.

The project has been bid twice and in both instances, the bids received were significantly above the Engineer's Estimate of \$857,000. Previously, on September 21, 2005, the Board rejected the bids called for on June 15, 2005 and received September 6, 2005 as all bids exceeded available construction funds.

The difference between the first bid package and that of the second was that (1) the first bid package required the prime contractor to perform a minimum 50% of the work, whereas in the second bid package, the work required of the prime contractor was reduced to 20%, and (2) under the second bid package, the sub-contractor can meet the requirement of having constructed three skate parks in the last five years, whereas in the first bid package, the requirement is limited only to the prime contractor.

It is most likely that bidding the project a third time will produce the same results. It is therefore recommended that the Board enter into an MOU with BOE and GSD to construct the project to avoid loss of time and material and labor cost escalation. GSD has demonstrated that it has the experience to manage and construct a skate park and related improvements through their construction of the Pedlow Skate Park Project in Reseda. GSD will be sub-contracting the concrete skate park portion of the work, and will be utilizing its own constructing forces to build the majority of the renovations outside of the skate park. By sub-contracting the specialty work of constructing a skate park to a

REPORT OF GENERAL MANAGER

PG 5

NO. 06-125

specialty sub-contractor and performing the remainder of the scope of work “in-house”, it is anticipated that this will translate into project cost savings.

Currently, there is \$1,417,083.00 available for appropriation in CDBG, Sites & Facility, and Proposition 12 funds, as indicated below, in the following accounts:

<u>FUNDING SOURCE</u>	<u>FUND/ ACCOUNT NO.</u>	<u>TOTAL FUNDING AMOUNT</u>	<u>APPROPRIATION AMOUNT</u>
CDBG-YR29	424/V448	\$ 510,000	\$ 470,045
CDBG-YR30	424/W443	\$ 210,000	\$ 210,000
CDBG-YR32	TBD	\$ 462,000	462,000**
Sites & Facilities	209/W237	\$ 500,000	\$ 268,131
<u>Prop.12 1/3 – Per Capita</u>	45W/W447	\$ <u>193,000</u>	\$ <u>6,907*</u>
<b>TOTAL</b>		<b>\$ 1,875,000</b>	<b>\$ 1,417,083</b>

\* This amount represents a portion of the total grant award. The remaining funds will be requested from the State.

\*\* Subject to CDBG – Year 32 approval (per CDBG report), (Status is pending).

In accordance with the requirements of the California Environmental Quality Act (CEQA), a Mitigated Negative Declaration (SCH #2004011138) was prepared for the project and adopted by the Board on June 15, 2005. A Notice of Determination was filed with the Los Angeles City and County Clerks on June 21, 2005 and June 23, 2005, respectively.

Council District 14 is in full support of the project. Furthermore, it also supports the use of the CDBG 32<sup>nd</sup> Year funds to close the gap in the construction shortfall.

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.

Prepared by Gary Lam and Alice Gong, Proposition K Group, Bureau of Engineering, and reviewed by Neil Drucker, Proposition K – Program Manager, and Bradley Smith, Chief Deputy City Engineer.