

REPORT OF GENERAL MANAGER

NO. 06-332

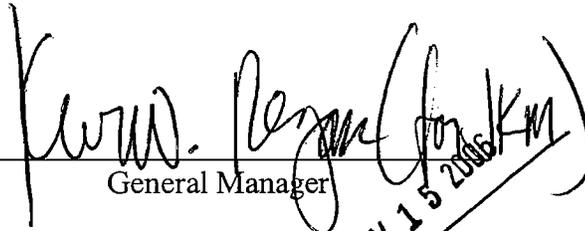
DATE November 15, 2006

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>our for M.S.</u>

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

NOV 15 2006

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Waive, as an informality, the failure of K-Son Construction Inc., to complete Schedule B in its bid, pursuant to Charter Section 371(c);
2. Find K-Son Construction, Inc., with a base bid of \$2,840,565, to be the lowest responsive and responsible bidder for the South Los Angeles Sports Activity Center Project (#1100B) (W.O. #E170223F);
3. Authorize the Chief Accounting Employee to encumber funds in the amount of \$2,801,131 from the following fund and account numbers under the awarding authority of this Board Report;

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<u>FUND SOURCE</u>	<u>FUND/DEPT/ACCT</u>	<u>FUND AMT</u>	<u>APPROPRIATION AMT.</u>
Prop K Long Term Bond	43P/10/P331	\$2,192,036	\$1,574,801
Prop 12 - MH	205/89/VB02	\$1,230,000	\$1,226,330
Prop 12 - RZH	46L/22/TBD	<u>\$1,000,000</u>	<u>\$ 0*</u>
		\$4,422,036	\$2,801,131

\* Prop. 12 is reimbursed 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 \$2,801,131, 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 Figueroa Street, Los Angeles, CA 90002. The estimate for the base bid construction cost of this project is \$2,350,000. Plans for this project were prepared by the Bureau of Engineering, 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 yoga, self-defense, and aerobic exercise classes, as well as meetings and community gatherings.

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On September 26, 2006, eleven bids were received for this project, with the apparent low bidder being K-Son Construction, Inc. Their base bid amount is \$2,840,565, which is \$490,565 above the City's base bid estimate. 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.</u> <u>Alt. 1</u>	<u>Ded.</u> <u>Alt. 2</u>	<u>Ded.</u> <u>Alt. 3</u>	<u>Ded.</u> <u>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, Inc.	\$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

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 Prop. 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, 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 they recommended that the Board award the Base Bid specified above in the amount of \$2,840,565 at this time.

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In the bid submitted by K-Son Construction, Inc., the Minority/Women Business Enterprise (MBE/WBE) and other Business Outreach Program Schedule B, Affidavit re: Compliance with MBE/WBE and other Business Outreach Program Requirement (Exhibit B) was not filled in. This is not considered to be a basis for a finding of non-responsiveness as the bidder is required to provide the Good Faith Effort (GFE) back-up supporting documentation within five (5) days of request by the Bureau of Engineering's Bid and Award section. Even if Schedule B were to be completely and correctly filled out, whether a bidder met GFE outreach requirements would still be dependent on adequate proof. The omission of Schedule B or the submission of an incomplete form does not have a material impact on the bid price and this situation presents no competitive advantage to this bidder. In this instance, as detailed below, K-Son Construction, Inc., did submit proof that it met the GFE outreach requirements. Thus it is recommended that the Board waive this as an immaterial informality (pursuant to Charter Section 371(c)).

Staff has reviewed documentation provided by K-Son Construction, Inc., regarding the outreach effort made and based on the documents submitted has determined that a good faith effort was made by the proposed contractor. The contractor obtained a MBE/WBE participation of 36 percent and satisfied 80 of the 100-point requirements outlined by the Board's outreach program. The outreach document package is on file in the Board Office, and a synopsis of said package is attached. The City Attorney and staff have reviewed the bids submitted by K-Son Construction, Inc., and except for the informality described in this report and recommended for waiver, found them to be in order. K-Son Construction, Inc., is the lowest responsible bidder.

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 adopted by the City Council on June 16, 1999 (Council File 97-0021-S11). 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.

## GOOD FAITH EFFORT CHECKLIST- EVALUATION RESULTS

Bidder: K-Son Construction, Inc.,

Bid Date: 09/26/2006

PROJECT: South Los Angeles Sports Activity Center (Formerly Known As South Central Sports Activity Center) (#1521D) (W.O. #E170223F)

Indicator	Required Documentation	Description of Submitted or Missing Documentation	Points	
1	The bidder's or proposer's efforts to obtain participation by MBEs, WBEs and other business enterprises could reasonably be expected by the Board of Recreation and Park Commissioners (the "Board") to produce a level of participation by interested sub-contractors, including 15% MBE and 2% WBE.		0	0
2 Pre-Bid Meeting	a) Attend pre-bid meeting and be listed on the attendance sheet; or b) Submit a letter prior to the pre-bid meeting either by fax to (213) 847-0703, or by mail to the Bureau of Engineering, Project Award and Control Division, 1149 S. Broadway, 1 <sup>st</sup> Floor, Los Angeles, CA 90015	Did not attend Pre-bid conference nor sent a letter of excuse prior to Pre-Bed day.	10	0
3 Work Areas	Proof of this must be demonstrated in either Indicator 4 or 5.		13	13
4 Ad	A copy of the advertisement or a proof of publication statement or other verification which confirms the date the advertisement was published. The advertisement must be specific to the project, not generic, and may not be a planholder advertisement provided by the publication. It should include the City of Los Angeles project name, name of bidder, areas of work available for subcontracting, and a contact person's name and telephone number, information on the availability of plans and specifications and the bidder's policy concerning assistance to subcontractors in obtaining bonds, lines of credit and/or insurance. Consideration will be given to the wording of the advertisement to ensure that it did not exclude or seriously limit the number of potential respondents.		9	9
5 Letters to Potential Subs	A copy of each letter sent to available MBEs, WBEs and OBEs for each item of work to be performed. If there is only one master notification, then a copy of the letter along with a listing of all recipients will suffice. Faxed copies must include the fax transmittal confirmation slip showing the date and time of transmission. Mailed letters must include copies of the metered envelope or certified mail receipts. Letters must contain areas of work to be subcontracted, City of Los Angeles project name, name of the bidder, and contact person's name, address, and telephone number.		10	10
6 Follow-up to Letters	A copy of telephone logs. These logs must include the name of the company called, telephone number, contact person, who did the calling, time, date, and the result of the conversation. Bidder must follow-up with all subcontractors to whom they sent letters.		10	10
7 Plans	Include in Indicator 4 or 5, information detailing how, where and when the bidder will make the required information available to interested subcontractors.		5	5
8 Outreach Letters	A copy of each letter sent to outreach agencies requesting assistance in recruiting MBEs, WBEs and OBEs. Faxed copies must include the fax transmittal confirmation slip showing the date and time of transmission. Mailed letters must include copies of the metered envelopes or certified mail receipts. Letters must contain areas of work to be subcontracted, City of Los Angeles project name, name of the bidder, and contact person's name, address, and telephone number.	Did not show proff of letters sent to outreach agencies.	10	
9 Negotiate in Good Faith	a) Copies of all MBE/WBE/OBE bids or quotes received; and b) Summary sheet organized by work area, listing bids received and the subcontractor selected for that work area. If the bidder elects to perform a listed work area with its own forces, they must include a bid that shows their own costs for the work.		26	26
10 Bonds	Include in Indicator 4 or 5, information about the bidder's efforts to assist with bonds, lines of credit and insurance.		7	7
<b>TOTAL POINTS ACHIEVED</b>				<b>80</b>

**MBE/WBE % ACHIEVED: 36.0%**

MBE= 31% WBE=5% OBE=20% PRIME=50%