

REPORT OF GENERAL MANAGER

**APPROVED**  
MAY 03 2006

NO. 06-108

DATE May 3, 2006

**BOARD OF RECREATION  
and PARK COMMISSIONERS**

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: EVERGREEN RECREATION CENTER - CHILDCARE CENTER  
(W.O #E170354F) - REVIEW OF BIDS AND AWARD OF CONTRACT

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

*Robert H. Jensen (fa)*  
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Find HMI Construction Service, with a base bid of \$2,030,000, is the lowest responsive and responsible bidder for the Evergreen Recreation Center - Childcare Center (W.O. #E170354F);
2. Award the contract in the total amount of \$2,030,000 to HMI Construction Service, all according to the plans and specifications;
3. Authorize the Chief Accounting Employee to encumber funds in the amount of \$2,030,000 from the following fund and account numbers under the awarding authority of this Board Report; and,

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<u>SOURCE FUNDING</u>	<u>GRANT AWARD</u>	<u>DEPT/FUND/ ACCT. NO.</u>	<u>AVAILABLE AMOUNT</u>	<u>APPR. AMOUNT</u>
CFAF 02/03	\$ 250,000	100/V731	\$ 54,033	\$ 54,033
Settlement Funds	\$ 100,001	100/V731	\$ 100,001	\$ 100,001
Prop K Interest	\$ 382,995	43K/T027	\$ 367,995	\$ 217,996
Prop K1	\$ 950,000	43K/K027	\$ 765,470	\$ 765,470
Prop 12 Murray Hadden	\$ 518,000	205/014M	\$ 414,400 <sup>1</sup>	\$ 362,600
Prop A	\$ 350,000	205 /VH08	\$ 262,500	\$ 262,500
Prop K Inflation	\$ 253,432	TBD	\$ 253,432	\$ 0
Quimby	\$ 328,613	302/460K/EF	\$ 328,613	\$ 150,000
Total	\$ 3,133,041		\$ 2,546,444	\$ 1,912,600

1. This represents ten (10) percent of the grant award (\$51,800) which is currently on hand plus an additional \$362,600 (70% of the grant award) which will be requested from the State upon issuance of the Notice to Proceed.

4. Request staff to prepare the 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 which is \$1,606,800 and to limit 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 the City Attorney's approval as to form.

SUMMARY:

On August 9, 2005, the Board approved final plans and called for bids for the Evergreen Recreation Center - Childcare Center (W.O. #E170354F), located at 2844 E. 2<sup>nd</sup> Street (Board Report No. 05-213). The work included the construction of a new 4,150 square foot Childcare Center with a new child's playground area, new parking lot, site landscape and new fences/gates. The plans also included required earthwork to provide a certified building pad and required methane mitigation system.

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On October 11, 2005, eight (8) bids were received. The two lowest bidders Good Faith Effort was determined to be none responsive and the next lowest bidder's base bid was above the project's budget. It was recommended to the Board to reject all bids and to re-bid the project. On January 4, 2006, the Board approved a recommendation to reject all bids and re-bid the project.

On March 14, 2006 the following bids were received:

<u>Designer</u>	<u>Estimate</u>			
Miralles Associates	\$1,500,000			
<u>BIDDER</u>	<u>BASE BID</u>	<u>Ded. Alt. No. 1</u>	<u>Ded. Alt. No. 2</u>	<u>Ded. Alt. No. 3</u>
Pac West Construction	\$ 1,979,000	\$ 25,000	\$ 18,000	\$ 70,000
HMI Construction Service	\$ 2,030,000	\$ 37,000	\$ 25,000	\$ 87,000
Metro Builders & Engineers Group LTD	\$ 2,177,711	\$ 45,000	\$ 5,000	\$ 45,000
TRIMAX Construction Corp	\$ 2,375,000	\$ 30,000	\$ 28,000	\$ 45,000
DAB Construction Inc.	\$ 2,470,000	\$ 45,100	\$ 26,100	\$ 50,200
Shefir Construction Inc.	\$ 2,490,000	\$ 45,000	\$ 75,000	\$ 90,000
Tobo Construction Inc.	\$ 2,500,000	\$ 50,000	\$ 38,000	\$ 59,000
DELMAC Construction and Development, Inc.	\$ 2,598,000	\$ 37,000	\$ 30,000	\$ 96,000
Axis Construction Inc.	\$ 2,660,000	\$ 40,000	\$ 30,000	\$ 90,000
United Contractors Company, Inc.	\$ 2,772,000	\$ 32,000	\$ 40,000	\$ 60,000
Morillo Construction, Inc.	\$ 2,845,000	\$ 53,000	\$ 10,000	\$ 73,000
USS Cal Builders Inc.	\$ 3,748,000	\$ 65,000	\$ 18,000	\$ 93,000

Pac West Construction was deemed non-responsive because they did not meet the stated requirement of performing a minimum of 20% of the work with their own forces. This makes the apparent lowest bidder HMI Construction Service. HMI Construction Service submitted the second lowest base bid, as shown above. Three (3) deductive alternates were also included in the bid packages, but as there are sufficient funds to award the Base Bid and to allow for contingencies during the construction of the project, it is recommended that none of the deductive alternates be exercised. The project was presented to the Proposition K: L.A. for Kids Steering Committee on April 13, 2006, and the Committee recommended that the Board award the project to the apparent low bidder, at the Base

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Bid amount of \$2,030,000, subject to the approval of the City Attorney of the contract documents as to form.

Staff has reviewed the outreach effort made by HMI Construction Service and, based on the documents submitted, has determined that a "good faith" effort has been made. The outreach Document Package is on file in the Board Office and a synopsis of said package is attached.

Staff reviewed the responsiveness and work performance of HMI Construction Service on past Department projects and found them to be satisfactory. The Department of Public Works, Office of Contract Compliance (OCC), indicated that there have been no labor compliance violations and that all other legal requirements have been completed by the bidder.

In compliance with the California Environmental Quality Act (CEQA), staff has determined that the proposed improvements will not have a significant impact on the environment. This project has been determined to be Categorical Exempt per City CEQA guidelines Article VII, Section 1c (new construction of small structures) and 1k (accessory structures). A Notice of Exemption was filed with the Los Angeles City Clerk's Office on May 26, 1998, and posted by the County Clerk's Office on May 27, 1998.

### 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 Ray Araujo, Project Manager, and reviewed by Neil Drucker, Program Manager, Recreational and Cultural Facilities Program; and by Bradley M. Smith, P.E., Bureau of Engineering.

**GOOD FAITH EFFORT CHECKLIST- EVALUATION RESULTS**

Bidder: HMI Construction Service

Bid Date: 03/24/2006

PROJECT: **EVERGREEN RECREATION CENTER – CHILD CARE CENTER (W.O.#E170354F)  
RE-BID**

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) 847-5172, or by mail to the Bureau of Engineering, Project Award and Control Division, 600 S. Spring, 6 <sup>th</sup> Floor, Los Angeles, Ca. 90014		10	10
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	0
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.		10	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>90</b>	
<b>MBE/WBE % ACHIEVED:</b>			<b>18.8%</b>	

MBE= 14% WBE=4.8% OBE=0% PRIME=51%