



REPORT OF GENERAL MANAGER

NO. 16-085

DATE April 06, 2016

C.D. 1

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: LINCOLN PARK RECREATION CENTER – POOL AND BATHHOUSE REPLACEMENT (PRJ1504P) (W.O. #E1907715) PROJECT – REJECTION OF ALL BIDS; AUTHORITY TO RE-BID

*R. Barajas <u><i>R.B. for</i></u>	K. Regan _____
H. Fujita _____	N. Williams _____
V. Israel _____	

Ramon Barajas for
General Manager

Approved

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Reject all bids received on December 1, 2015, for the Lincoln Park Recreation Center – Pool and Bathhouse Replacement (PRJ1504P) (W.O. #E1907715) project (Project);
2. Approve the final plans and specifications to re-bid this Project;
3. Approve the reduction in the value of work that the specifications required to be performed by the Prime Contractor from thirty percent to twenty percent (30% to 20%) of the base bid price; and,
4. Advertise the date for receipt of bids as Tuesday, May 24, 2016, at 3:00 p.m., in the Board Office.

SUMMARY:

On September 2, 2015, the Board approved the final plans and call for bids for the Lincoln Park Recreation Center – Pool and Bathhouse Replacement (PRJ1504P) (W.O. #E1907715) Project, located at 3501 Valley Boulevard, Los Angeles, California 90032 (Report No. 15-206), as prepared by the design consultant, Fisher Sehgal Yanez (FSY) Architects, Inc., under the direction of the Department of Public Works, Bureau of Engineering (BOE), Architectural Division.

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The Project scope provides for the improvements to the existing recreation center area of Lincoln Park. The following is a general list of the improvements:

1. Demolition of the existing deteriorated aging swimming pool and bathhouse with adjacent concrete courtyard and equipment pump house.
2. Construction of:
 - a) New 9,000 square-foot (sf) lap pool with 7,300 sf pool deck.
 - b) New 1,600 sf children’s water play area with 2,300 sf adjacent concrete deck.
 - c) New 1,200 sf equipment and chemical building.
 - d) New 4,300 sf bathhouse.
 - e) New concrete retaining wall adjacent to the pool.
 - f) New landscaping & irrigation around the new pool and bathhouse.
 - g) New pool perimeter fencing.
 - h) New 1,300 sf bio-filtration swale.
 - i) New shade structures.

The City Engineer’s estimate for the construction costs of this Project was Five Million, Five Hundred Thousand Dollars (\$5,500,000.00). In order to provide the Department of Recreation and Parks (RAP) with the flexibility to deduct portions of the scope of work to meet the approved funding, two (2) Deductive Bid Alternates (replacing chain link fence with tube steel fence and replacing decorative concrete with colored concrete) and one (1) Additive Alternative (adding shade structures) were included.

On December 1, 2015, seven (7) bids were received for this Project. The bid amounts received are as follows:

<u>Bidders</u>	<u>Base Bid</u>	<u>Deductive Alternate 1</u>	<u>Deductive Alternate 2</u>	<u>Additive Alternate 1</u>
G2K Construction Inc.	\$7,389,000	\$ 40,000	\$ 8,000	\$35,000
AMG & Associates	\$7,675,000	\$ 28,000	\$ 45,000	\$33,000
Horizon Construction Company Int’l., Inc.	\$7,677,000	\$ 28,000	\$ 40,000	\$87,000
MS Construction Mgmt. Group	\$7,995,000	\$441,550	\$ 49,000	\$45,000
Ford E.C., Inc.	\$8,131,000	\$ 1,000	\$100,000	\$40,000
Morillo Construction, Inc.	\$8,346,000	\$ 10,000	\$ 44,900	\$33,000
Green Building Corporation	\$8,800,000	\$ 10,000	\$ 40,000	\$40,000

Although the bids were received, the Project could not be awarded. The four (4) lowest base bids are over the City cost estimate by thirty-four to forty-five percent (34% to 45%). In addition, these bidders failed to submit the required Prime Contractor’s Minimum Qualification and Qualified Storm Water Pollution Prevention Plan (SWPPP) Developer documents. Since the required documents were not submitted with the bids, the bids are considered

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non-responsive. Thus, the fifth (5th) lowest bidder with the base bid of Eight Million, One Hundred Thirty-One Thousand Dollars (\$8,131,000.00) is next in line to be considered the lowest responsive responsible bidder. However, this bid price is forty-eight percent (48%) over the City Engineer's estimate. The Project cannot be awarded, since the bid price was too high and exceeds the approved funding.

Staff has evaluated that the causes for the high bid prices and concluded that: 1) the current construction market and bidding environment has escalated the construction cost to a much higher cost level than at the time the Project cost was estimated and budgeted over two (2) years ago; and 2) the required thirty percent (30%) self-perform by the prime contractor as required by the specifications, has prompted the prime contractor to increase its portion of the bid price in order to meet the self-perform requirement.

Staff recommends that the Board reject all bids and re-bid in order to receive the most competitive bid prices, as the anticipated lower bid prices will help preserve the City's limited resources and to meet the project budget.

After evaluation of the bids that were received, staff re-estimated the construction costs of this Project to be Six Million, Five Hundred Thousand Dollars (\$6,500,000.00), which takes into account current market rate for construction costs. The Project scope will remain the same as described above. Due to the nature of public competitive bidding, three (3) Deductive Bid Alternatives are included below. This will provide RAP with the flexibility to deduct portions of the scope of work to meet the approved funding and allow the successful award of the Project for construction.

Deductive Bid Alternate No. 1 - Lump sum price to be subtracted from the Base Bid at the discretion of the Board at the time of award for deletion of all work associated with the 1-inch mini mesh vinyl coated perimeter chain link fencing (CL), including its concrete footings and curbs, and replacing CL with the tube steel picket fencing, including its concrete footings and curbs, as shown in the plans and specifications

Deductive Bid Alternate No. 2 - Lump sum price to be subtracted from the Base Bid at the discretion of the Board at the time of award for deletion of all work associated with decorative lithocrete concrete work (Lithocrete), as shown in the plans and specifications, and replacing Lithocrete with an integral colored (white-cement and white-sand) concrete, as shown in the plans and specifications.

Deductive Bid Alternate No. 3 - Lump sum price to be subtracted from the Base Bid at the discretion of the Board at the time of award for deletion of all work associated with the shade structures, as shown in the plans and specifications, as shown on Sheet SK-1, SK-1A, and Section 13 31 23 Pre-Engineered Fabric Tension Shade Structure.

It has been Board's policy to require the prime contractor to perform a minimum of thirty (30%) of the work for the Project, as measured by the base bid price. It is proposed that the Board reduce the prime contractor's participation requirement from thirty to twenty percent (30% to 20%) for this Project. The decrease in the amount of work the prime contractor is required to

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perform will result in a larger number of contractors bidding the Project, more competitive bids and lower overall bids. The thirty percent (30%) requirement is to ensure that the prime contractor will perform a large portion of the traditional construction work. However, this Project requires a great deal of specialized work from subcontractors. Many building components have to be subcontracted to specialized subcontractors, including specialty pool, structural steel, shade structure, and decorative deck subcontractors. For above reasons, RAP staff recommends that the Board reduce the prime contractor self-performance requirement to twenty percent (20%).

This Project is partially funded by the Proposition K – L.A. for Kids Program (Proposition K). Proposition K is funding the children’s water play area portion in the pool facility. The remainder of the Project is funded by Capital Improvement Expenditure Program (CIEP), Federal Community Development Block Grant (CDBG), Municipal Improvement Corporation of Los Angeles (MICLA) and Quimby funds.

Funds are available from the following funding accounts:

<u>FUNDING SOURCE</u>	<u>FUND/DEPT./ACCT. NO.</u>	<u>AMOUNT</u>
CIEP General Fund	100/54/00K038	\$1,734,545.00
CDBG 40 TH PY	424/43/43L514	\$2,870,348.00
MICLA (Fiscal Year 14-15 Mayor Budget)	298/88/88LNB3	\$1,800,000.00
Proposition K (Fiscal Year 09-10) Competitive	43K/10/10F229	\$ 177,000.00
Proposition K (Fiscal Year 11-12) Bond Fund	44S/10/10H001	\$ 388,221.00
Residuals		
Proposition K (Fiscal Year 15-16) Competitive	43K/10/10MPBY	\$ 323,000.00
Quimby (Reports No’s 09-258 & 12-202)	302/89/89460K-MS	\$ 240,459.36
TOTAL:		\$7,533,573.36

ENVIRONMENTAL IMPACT STATEMENT:

Staff has determined that the Project will consist of the replacement of the existing pool, bathhouse and equipment pump house. Since the bathhouse is associated with one (1) of three (3) 95-year old turn-of-the-century conservatory buildings at the park built in 1914, a historic structures evaluation was performed. It was determined that the bathhouse did not retain enough architectural integrity due to substantial modifications over the years to be a significant historical resource eligible for listing on either the California or National historic registers. Therefore, the Project is exempt from the provisions of the California Environmental Quality Act (CEQA), without exception, pursuant to Article III, Section 1, Class 1(11), Class 2(5) and Class 3(6, 17) of the City CEQA Guidelines. A Notice of Exemption will be filed with the Los Angeles City Clerk and Los Angeles County Clerk.

The bid package has been approved by the City Attorney’s Office.

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FISCAL IMPACT STATEMENT:

The Project will be funded by a combination of the aforementioned funding sources. There is no immediate fiscal impact to RAP's General Fund. However, future operations and maintenance costs will be included in future RAP annual budget requests.

This Report was prepared by Willis Yip, Project Manager, BOE Architectural Division, and reviewed by Neil Drucker, Program Manager, BOE Recreational and Cultural Facilities Division; Deborah Weintraub, BOE, Chief Deputy City Engineer; and Cathie Santo Domingo, Superintendent, Planning, Construction and Maintenance Branch, Department of Recreation and Parks.