

REPORT OF GENERAL MANAGER

NO. 02-242

DATE June 14, 2002

C.D. 02

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: VICTORY/VALLEY CHILDCARE CENTER (#2701N)  
REVIEW OF BIDS AND AWARD OF CONTRACT

J. Duggan 2P  
A. Corrales \_\_\_\_\_  
J. Kolb \_\_\_\_\_

H. Fujita \_\_\_\_\_  
\*M. Tamuri [Signature]  
J. Combs [Signature]

[Signature: Margie Matthew]  
Acting General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATION:

It is recommended that the Board:

1. Reject the bid of Pinewave Construction, Inc. and declare the bidder as non-responsive;
2. Waive, as an informality, the deviation of 0.4% above the requirement that more than 50% of the work cannot be subcontracted, and accept the Base Bid of Tobo Construction, Inc. in amount \$1,285,000.00, plus Additive Alternate Nos. 1, 2, 3, 4, and 5 in the amounts of \$12,500.00, \$20,000.00, \$31,000.00, \$25,130.00 and \$17,500.00 respectively for a total award amount of \$1,391,130.00 for reasons stated in the body of this report.
3. Authorize the Chief Accounting Employee to encumber funds in the amount of \$1,391,130.00 from the following fund and account numbers under the awarding authority of this Board Report; and

<u>FUND</u>	<u>ACCOUNT NO.</u>
43P	P330
205	H900

4. Request the City Attorney prepare a contract after which the President and Secretary be authorized to execute same, after the appropriate signatures by the other parties thereto and approval of form by the City Attorney have been obtained thereon.

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SUMMARY:

On May 21, 2002 the following bids were received for the Victory/Valley Childcare Center (#2701N):

<u>DESIGNER</u>		<u>ESTIMATE</u>	
The Albert Group Architects		\$1,306,780	
<u>BIDDER</u>	<u>BASE BID</u>	<u>BIDDER</u>	<u>BASE BID</u>
ASHCO, Inc.	\$1,899,493.74	L.A. Builders	\$1,750,000.00
DED. ALT. #1	\$ 15,440.00	DED. ALT. #1	\$ 76,900.00
DED. ALT. #2	\$ 54,120.00	DED. ALT. #2	\$147,000.00
DED. ALT. #3	\$ 40,000.00	DED. ALT. #3	\$ 15,000.00
DED. ALT. #4	\$145,000.00	DED. ALT. #4	\$190,000.00
ADD. ALT. #1	\$ 25,000.00	ADD. ALT. #1	\$21,000.00
ADD. ALT. #2	\$ 7,750.00	ADD. ALT. #2	\$24,000.00
ADD. ALT. #3	\$ 25,290.00	ADD. ALT. #3	\$16,700.00
ADD. ALT. #4	\$ 75,000.00	ADD. ALT. #4	\$37,840.00
ADD. ALT. #5	\$133,040.00	ADD. ALT. #5	\$12,000.00
<u>BIDDER</u>	<u>BASE BID</u>	<u>BIDDER</u>	<u>BASE BID</u>
Pinewave Construction	\$1,312,712.00	Shefir Construction	\$1,880,000.00
DED. ALT. #1	\$ 27,430.00	DED. ALT. #1	\$ 74,000.00
DED. ALT. #2	\$126,000.00	DED. ALT. #2	\$260,000.00
DED. ALT. #3	\$ 12,724.00	DED. ALT. #3	\$ 21,000.00
DED. ALT. #4	\$120,000.00	DED. ALT. #4	\$ 40,000.00
ADD. ALT. #1	\$12,868.00	ADD. ALT. #1	\$ 8,000.00
ADD. ALT. #2	\$12,000.00	ADD. ALT. #2	\$25,000.00
ADD. ALT. #3	\$11,286.00	ADD. ALT. #3	\$56,000.00
ADD. ALT. #4	\$31,175.00	ADD. ALT. #4	\$50,000.00
ADD. ALT. #5	\$ 9,000.00	ADD. ALT. #5	\$ 8,000.00

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<u>BIDDER</u>	<u>BASE BID</u>	<u>BIDDER</u>	<u>BASE BID</u>
Tobo Construction	\$1,285,000.00	Trimax Construction	\$1,680,000.00
DED. ALT. #1	\$ 27,500.00	DED. ALT. #1	\$70,000.00
DED. ALT. #2	\$114,700.00	DED. ALT. #2	\$65,000.00
DED. ALT. #3	\$ 32,000.00	DED. ALT. #3	\$18,000.00
DED. ALT. #4	\$ 13,255.00	DED. ALT. #4	\$57,000.00
ADD. ALT. #1	\$12,500.00	ADD. ALT. #1	\$25,000.00
ADD. ALT. #2	\$20,000.00	ADD. ALT. #2	\$50,000.00
ADD. ALT. #3	\$31,000.00	ADD. ALT. #3	\$65,000.00
ADD. ALT. #4	\$25,130.00	ADD. ALT. #4	\$40,000.00
ADD. ALT. #5	\$17,500.00	ADD. ALT. #5	\$22,000.00

There are sufficient funds available to award the contract for this project in the following accounts:

<u>FUND</u>	<u>ACCOUNT NO.</u>
43R	P330
205	H900

The Prop K Steering Committee has reviewed the bid and recommends award.

Pinewave Construction, Inc. is the lowest bidder. On bid documents the lowest bid had been indicated to be that of the lowest total of the base bid minus all Deductive Alternates. However, the City Attorney has reviewed the bids and found that Pinewave Construction, Inc. did not complete the Contractor Responsibility Ordinance form, therefore, they are deemed unresponsive. The second lowest bidder, Tobo Construction, Inc., listed subcontractor work amounting to approximately 50.4% of the Base Bid plus Additive Alternates. In Ghilloti Construction Co., v. City of Richmond (1996) 45 Cal. App. 4th 897, the Court Appeal approved the selection of a bidder who exceeded Richmond's 50% subcontracting requirement by 5.44%. Therefore, pursuant to the Ghilloti case, the Board has discretion pursuant to Charter Section 371c to waive as an informality Tobo Construction's 0.4% deviation above the 50% limitation in this bid.

Staff has estimated that one third of the funds provided by Proposition A shall be for labor. Within the labor costs, 15% shall be allocated for youth employment. On November 6, 1996, the Board determined that the youth employment should be a minimum of 15% of the labor cost; therefore, \$7,602.00 is the minimum amount that the contractor must dedicate for the employment of Youth at Risk.

Staff has reviewed the outreach effort made by Tobo Construction, Inc. and, based on the documents submitted, has determined that an "good faith" effort has been made. The contractor obtained an MBE/WBE participation of 29% and satisfied 100 of the 100 point requirements outlined by the Board's Outreach Program. The Outreach Document package is on file in the Board Office and synopsis of said package is attached.

Tobo has not performed any work on past Department projects.

Prepared by Ada Fernandez-De La Rosa.

# GUIDELINES FOR EVALUATION OF GOOD FAITH EFFORT CHECKLIST

**Bidder:** TOB0 CONSTRUCTION, INC.

**Bid Date:** MAY 21, 2002

**Project Name:** VICTORY/VALLEY CHILDCARE CENTER (#2701N)

Indicator	Required Documentation	Description of Submitted or Missing Documentation	Points	
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) 617-0439, or by mail to the Recreation and Parks Dept., Planning and Development Branch, 200 N. Main Street, Room 709, Los Angeles, California 90012.		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	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.		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>				100

**MBE/WBE % ACHIEVED: 29%**