

REPORT OF GENERAL MANAGER

NO. 03-159

DATE May 21, 2003

C.D. 06

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: DELANO RECREATION CENTER - COMMUNITY BUILDING (#1805A)
W.O. #E170373F - REVIEW OF BIDS AND AWARD OF CONTRACT

J. Combs _____
A. Corrales _____
J. Duggan _____

H. Fujita _____
J. Kolb _____
B. Lukehart BSL


General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

It is recommended that the Board:

1. Waive as an informality the failure of Metro Builders & Engineers Group, Ltd., to list the State contractor license number of one of its sub-contractors, since the Los Angeles Administrative Code (Section 10.14) does not require license numbers to be listed;
2. Waive as an informality the failure to list a subcontractor with the "C-16" license to perform fire sprinkler work, since the said subcontractor is not required to be listed if the work involved is valued not more than \$10,000.00 or one-half of one percent (whichever is greater) of the total contract price;
3. Accept the base bid of Metro Builders and Engineers Group, Ltd. in the amount of \$3,417,651.70, less Deductive Alternate No. 10, in the amount of \$22,500.00, for a total of \$3,395,151.70, as the lowest responsible bidder;
4. Authorize the Chief Accounting Employee to encumber funds in the amount of \$3,395,151.70 from the following fund and account numbers under the awarding authority of this Board Report; and,

<u>Funding</u>	<u>Fund</u>	<u>Account</u>	<u>Amount</u>
HATS (Prop. K Competitive Grant)	43G	R205	\$ 450,692.00
Quimby	302	946	\$ 135,000.00
Valley Region contribution	TBD	TBD	\$ 61,558.00
Prop. AI	205	H900	\$ 2,100,000.00

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Prop. 12 Per Capita (1/3)	45W	T400	\$ 524,000.00
Prop. 12 Per Capita (2/3)	45W	T401	\$ 167,000.00
Prop. 12 Roberti-Z'berg Harris	46L	T602	\$ 614,424.00
Prop. 12 Murray Hayden	205	M013	\$ 814,000.00
TNI (26th year)	205	8540	\$ 300,000.00
CDBG (29th year)	205	TBD	\$ 250,000.00
FEMA	302	927AD	\$ 93,390.00

- 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.

SUMMARY:

The project involves the construction of a new 13,250-square-foot community building, which includes a large gymnasium with a stage and bleacher seating, three classrooms, an office with own secured storage and toilet, a serving kitchen, storage areas, and interior and exterior public restrooms. The project also includes a methane mitigation and monitoring system underneath the proposed building. Site improvement includes the demolition of the existing community building, a new 40-space parking lot, and re-establishing the children's tot lot.

On February 25, 2003, the following bids were received for the Delano Recreation Center - Community Building (#1805A) - W.O. #E170373F:

<u>Designer</u>	<u>Estimate</u>
Carde Ten Architect, Santa Monica, CA	\$ 3,550,000.00

<u>Bidder #1</u>	<u>Bid Amount</u>
Metro Builders and Engineers Group, Ltd.	\$ 3,417,651.70
Deductive Alternate No. 1	\$ 8,000.00
Deductive Alternate No. 2	\$ 3,500.00
Deductive Alternate No. 3	\$ 10,000.00
Deductive Alternate No. 4	\$ 12,000.00
Deductive Alternate No. 5	\$ 65,000.00
Deductive Alternate No. 6	\$ 1,500.00
Deductive Alternate No. 7	\$ 3,500.00
Deductive Alternate No. 8	\$ 6,000.00
Deductive Alternate No. 9	\$ 6,000.00
Deductive Alternate No. 10	\$ 22,500.00

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<u>Bidder #2</u>	<u>Bid Amount</u>
PW Construction, Inc.	\$ 3,747,500.00
Deductive Alternate No. 1	\$ 4,327.00
Deductive Alternate No. 2	\$ 9,682.00
Deductive Alternate No. 3	\$ 42,967.00
Deductive Alternate No. 4	\$ 12,607.00
Deductive Alternate No. 5	\$ 60,250.00
Deductive Alternate No. 6	\$ 1,030.00
Deductive Alternate No. 7	\$ 2,061.00
Deductive Alternate No. 8	\$ 35,007.00
Deductive Alternate No. 9	\$ 3,311.00
Deductive Alternate No. 10	\$ 11,357.00

<u>Bidder #3</u>	<u>Bid Amount</u>
EMAE International, Inc.	\$ 3,749,000.00
Deductive Alternate No. 1	\$ 20,000.00
Deductive Alternate No. 2	\$ 10,000.00
Deductive Alternate No. 3	\$ 20,000.00
Deductive Alternate No. 4	\$ 6,000.00
Deductive Alternate No. 5	\$ 50,000.00
Deductive Alternate No. 6	\$ 10,000.00
Deductive Alternate No. 7	\$ 5,000.00
Deductive Alternate No. 8	\$ 30,000.00
Deductive Alternate No. 9	\$ 20,000.00
Deductive Alternate No. 10	\$ 50,000.00

<u>Bidder #4</u>	<u>Bid Amount</u>
Morillo Construction	\$ 3,749,000.00
Deductive Alternate No. 1	\$ 4,000.00
Deductive Alternate No. 2	\$ 11,000.00
Deductive Alternate No. 3	\$ 73,000.00
Deductive Alternate No. 4	\$ 6,200.00
Deductive Alternate No. 5	\$ 65,000.00
Deductive Alternate No. 6	\$ 4,000.00
Deductive Alternate No. 7	\$ 3,000.00
Deductive Alternate No. 8	\$ 15,000.00
Deductive Alternate No. 9	\$ 13,800.00
Deductive Alternate No. 10	\$ 17,200.00

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<u>Bidder #5</u>	<u>Bid Amount</u>
CRD Construction	\$ 3,790,000.00
Deductive Alternate No. 1	\$ 16,100.00
Deductive Alternate No. 2	\$ 6,850.00
Deductive Alternate No. 3	\$ 7,900.00
Deductive Alternate No. 4	\$ 48,000.00
Deductive Alternate No. 5	\$ 59,000.00
Deductive Alternate No. 6	\$ 15,000.00
Deductive Alternate No. 7	\$ 21,000.00
Deductive Alternate No. 8	\$ 18,000.00
Deductive Alternate No. 9	\$ 7,900.00
Deductive Alternate No. 10	\$ 65,000.00

<u>Bidder #6</u>	<u>Bid Amount</u>
Merco Construction Engineers, Inc.	\$ 3,956,000.00
Deductive Alternate No. 1	\$ 4,200.00
Deductive Alternate No. 2	\$ 5,000.00
Deductive Alternate No. 3	\$ 25,000.00
Deductive Alternate No. 4	\$ 8,000.00
Deductive Alternate No. 5	\$ 60,000.00
Deductive Alternate No. 6	\$ 800.00
Deductive Alternate No. 7	\$ 6,400.00
Deductive Alternate No. 8	\$ 15,000.00
Deductive Alternate No. 9	\$ 3,000.00
Deductive Alternate No. 10	\$ 10,000.00

<u>Bidder #7</u>	<u>Bid Amount</u>
Moment Construction Co., Inc.	\$ 4,477,000.00
Deductive Alternate No. 1	\$ 5,700.00
Deductive Alternate No. 2	\$ 17,800.00
Deductive Alternate No. 3	\$ 41,000.00
Deductive Alternate No. 4	\$ 18,700.00
Deductive Alternate No. 5	\$ 48,700.00
Deductive Alternate No. 6	\$ 16,800.00
Deductive Alternate No. 7	\$ 9,100.00
Deductive Alternate No. 8	\$ 19,000.00
Deductive Alternate No. 9	\$ 7,800.00
Deductive Alternate No. 10	\$ 17,100.00

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<u>Bidder #8</u>	<u>Bid Amount</u>
Shefir Construction, Inc.	\$ 4,800,000.00
Deductive Alternate No. 1	\$ 28,500.00
Deductive Alternate No. 2	\$ 9,300.00
Deductive Alternate No. 3	\$ 27,000.00
Deductive Alternate No. 4	\$ 25,000.00
Deductive Alternate No. 5	\$ 65,000.00
Deductive Alternate No. 6	\$ 2,000.00
Deductive Alternate No. 7	\$ 3,000.00
Deductive Alternate No. 8	\$ 5,000.00
Deductive Alternate No. 9	\$ 5,000.00
Deductive Alternate No. 10	\$ 118,000.00

The Department received protest letters dated February 26, 2003 and March 4, 2003 from PW Construction, Inc., the second lowest bidder, indicating that Metro Builders and Engineers Group, Ltd. should be considered as a non-responsive bidder due to issues related to specialty license and sub-contractor listing. The Department also received a letter from Metro Builders and Engineers Group, Ltd., prepared by their attorney, Kamine Ungerer, LLP presenting reasons for awarding to Metro as low bidder.

At the Board meeting on May 7, 2003, Board Report No. 03-141 was submitted to the Board recommending rejection of all bids and re-bidding the project, that Board Report has been withdrawn.

Staff has reviewed the issues with the City Attorney regarding the bids and the City Attorney has made the following determination:

Metro Builders and Engineers Group (Metro) may be considered to be the lowest responsive bidder, based on the submission of the lowest Base Bid and that the Board may waive as an informality the failure of Metro to list the State contractor license number of one of its sub-contractors, since the Los Angeles Administrative Code (Section 10.14) does not require license numbers to be listed. The Board may also waive as an informality the failure to list a subcontractor with the "C-16" license since the value of the sub-contract work involved is less than \$10,000 or one-half of one percent of the contract price.

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

<u>City Funding</u>	<u>Fund</u>	<u>Account</u>	<u>Amount</u>	
1. HATS (Prop. K Competitive Grant)	43G	R205	\$ 450,692.00	
2. Quimby	302	946	\$ 135,000.00	
3. Valley Region contribution	TBD	TBD	\$ 61,558.00	
City funding subtotal			\$ 647,250.00	12%

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<u>County Funding</u>	<u>Fund</u>	<u>Account</u>	<u>Amount</u>	
1. Prop. AI	205	H900	<u>\$ 2,100,000.00</u>	
County funding subtotal			\$ 2,100,000.00	38%
<u>State Funding</u>	<u>Fund</u>	<u>Account</u>	<u>Amount</u>	
1. Prop. 12 Per Capita (1/3)	45W	T400	\$ 524,000.00	
2. Prop. 12 Per Capita (2/3)	45W	T401	\$ 167,000.00	
3. Prop. 12 Roberti-Z'berg Harris	46L	T602	\$ 614,424.00	
4. Prop. 12 Murray Hayden	205	M013	<u>\$ 814,000.00</u>	
State funding subtotal			\$ 2,119,424.00	38%
<u>Federal Funding</u>	<u>Fund</u>	<u>Account</u>	<u>Amount</u>	
1. TNI (26th year)	205	8540	\$ 300,000.00	
2. CDBG (29th year)	205	TBD	\$ 250,000.00	
3. FEMA	302	927AD	<u>\$ 93,390.00</u>	
Federal funding subtotal			\$ 643,390.00	12%

Staff has reviewed the outreach effort made by Metro and, based on the documents submitted, has determined that a "good faith" effort has been made. The contractor obtained an MBE/WBE participation of 17% 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.

Staff reviewed the responsiveness and work performance of Metro Builders and Engineers Group, Ltd. 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 complied with.

Prepared by Paul Tseng, Project Manager and Gary Halajian, Construction Manager.

GUIDELINES FOR EVALUATION OF GOOD FAITH EFFORT CHECKLIST

Bidder: Metro Builders & Engineers Group, Ltd.

Bid Date: February 25, 2003

Project Name: Delano Recreation Center - Community Building (#1805A) - W.O. E170373F

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
TOTAL POINTS ACHIEVED				100

MBE/WBE % ACHIEVED: 17%