

REPORT OF GENERAL MANAGER

NO. 04-200

DATE June 16, 2004

C.D. 12

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PEDLOW SKATE PARK – PHASE II (W.O. E170400F) - REJECTION OF BIDS AND APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF GENERAL SERVICES, THE BUREAU OF ENGINEERING, AND THE DEPARTMENT OF RECREATION AND PARKS

\* K. Chan lc  
H. Fujita \_\_\_\_\_  
F. Mok \_\_\_\_\_

J. Combs \_\_\_\_\_  
J. Kolb \_\_\_\_\_  
G. Stigile \_\_\_\_\_

  
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Reject all bids received May 25, 2004; and
2. Authorize the General Manager to enter into a Memorandum of Understanding (MOU), substantially in the form attached, between the Department of Recreation and Parks (RAP), the Department of General Services (GSD), and the Bureau of Engineering (BOE) for construction services for the Pedlow Skate Park, Phase II (W.O. #E170400F) Project, located at 17334 Victory Boulevard, Reseda, subject to the approval of the City Attorney as to form, and
3. Authorize the Department's Chief Accounting Employee to encumber and transfer \$758,650.71 from the available funds in the following funds and account numbers to the appropriate material and salary accounts in GSD work under the authority of this Board Report.

| FUND                   | ACCOUNT NO. | AMOUNT               |
|------------------------|-------------|----------------------|
| 43K (Prop. K-YR6)      | T248        | \$ 61,554.71         |
| 43K (Prop. K-YR7)      | V248        | \$ 379,059.00        |
| 43M (Prop. K-YR7)      | V248        | \$ 40,000.00         |
| 43L (Prop. K-YR7)      | V248        | \$ 278,037.00        |
| <b>Available Funds</b> |             | <b>\$ 758,650.71</b> |

REPORT OF GENERAL MANAGER

PG 2

NO. 04-200

SUMMARY:

On April 7, 2004, the Board approved final plans and call for bids for the Pedlow Skate Park – Phase II (W.O. E170400F), located at 17334 Victory Boulevard, Reseda, CA 91406 (Board Report No. 03-377).

On May 25, 2004, the following bids were received:

| <u>Designer</u>            | <u>Estimate</u> |
|----------------------------|-----------------|
| David Evans and Associates | \$789,720.00    |

| <u>Bidder #1- Atek Engineering &amp; Construction, Inc.</u> | <u>Bid Amount</u> |
|---|-------------------|
| Base Bid  | \$ 970,000.00     |
| Additive Alternate No. 1                                    | \$130,000.00      |
| Additive Alternate No. 2                                    | \$310,000.00      |
| Additive Alternate No. 3                                    | \$80,000.00       |
| Additive Alternate No. 4                                    | \$15,000.00       |
| Deduct Alternate No. 1                                      | \$55,000.00       |
| Deduct Alternate No. 2                                      | \$50,000.00       |
| Deduct Alternate No. 3                                      | \$80,000.00       |

| <u>Bidder #2- Mallcraft, Inc.</u> | <u>Bid Amount</u> |
|-----------------------------------|-------------------|
| Base Bid                          | \$1,534,000.00    |
| Additive Alternate No. 1          | \$83,000.00       |
| Additive Alternate No. 2          | \$190,000.00      |
| Additive Alternate No. 3          | \$51,000.00       |
| Additive Alternate No. 4          | \$9,000.00        |
| Deduct Alternate No. 1            | \$60,000.00       |
| Deduct Alternate No. 2            | \$42,000.00       |
| Deduct Alternate No. 3            | \$72,000.00       |

| <u>Bidder #3- Trimax Construction Corp.</u> | <u>Bid Amount</u> |
|---|-------------------|
| Base Bid                                    | \$1,230,000.00    |
| Additive Alternate No. 1                    | \$140,000.00      |
| Additive Alternate No. 2                    | \$218,000.00      |
| Additive Alternate No. 3                    | \$65,000.00       |
| Additive Alternate No. 4                    | \$14,000.00       |

REPORT OF GENERAL MANAGER

PG 3

NO. 04-200

| <u>Bidder #3- Trimax Construction Corp.</u> | <u>Bid Amount</u> |
|---|-------------------|
| Deduct Alternate No. 1                      | \$40,000.00       |
| Deduct Alternate No. 2                      | \$10,000.00       |
| Deduct Alternate No. 3                      | \$72,000.00       |

Atek Engineering & Construction, Inc. submitted the lowest base bid as shown above. Three deductive alternates and four additive alternates were also included in the bid packages.

On June 9, 2004, the Board of Recreation and Parks commissioners received a letter of protest from the Carpenters/Contractors Cooperation Committee, Inc. requesting to deem Atek Engineering & Construction, Inc. non-responsive for answering incorrectly to Question No. 21 of the Contractor Responsibility Ordinance (CRO). The Carpenters/Contractors Cooperation Committee stated that Atek Engineering has been issued Civil Wage and Penalty Assessment on five projects.

This project is a Prop K Year 7 project that must have construction funds obligated prior to the end of this fiscal year (03/04). There is not sufficient time to investigate and report to the Board on the validity of the claims of the Carpenters/Contractors Cooperation Committee. Therefore, it is recommended that the Board enter into an MOU with GSD and BOE to complete the construction of this project so that available Prop K funding will not be lost.

The Steering Committee was informed of the status of this project at their meeting of June 9, 2004.

Currently, there is only \$758,650.71 available in Prop K funds, as indicated below, in the following accounts:

| FUND              | ACCOUNT NO. | AMOUNT        |
|-------------------|-------------|---------------|
| 43K (Prop. K-YR6) | T248        | \$ 61,554.71  |
| 43K (Prop. K-YR7) | V248        | \$ 379,059.00 |
| 43M (Prop. K-YR7) | V248        | \$ 40,000.00  |
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| Available Funds   |             | \$ 758,650.71 |

However, an additional \$524,000 is allocated for this project from the State contingent upon the City submitting proper application and documentation. Upon receipt of these funds, the Department's Chief Accounting Employee will be able to encumber the construction fund balance. GSD will be notified of the amount of the appropriation being made to the construction funds from the additional funding and will continue working until the appropriated funding for the project is expended.

This report was prepared by Kathleen Chan, Acting Superintendent and Alice Gong, Proposition K Group, Bureau of Engineering.

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE DEPARTMENT OF RECREATION AND PARKS,  
THE BUREAU OF ENGINEERING  
AND  
THE DEPARTMENT OF GENERAL SERVICES**

The Department of Recreation and Parks (DRP), Bureau of Engineering (BOE) and the Department of General Services (GSD) desire to enter into a Memorandum of Understanding for the Pedlow Skate Park – Phase II, 17334 Victory Boulevard, Reseda. The purpose of this MOU is to establish a working relationship between the parties for the successful completion of this project within budget and within schedule.

The parties identified below agree to the following:

- A. Jon Kirk Mukri, General Manager  
Department of Recreation and Parks (DRP)  
200 N. Main St., Room 1330  
Los Angeles, CA 90012
  
- B. Alvin Y. Blain, Interim General Manager  
Department of General Services (GSD)  
Room 701, City Hall South  
Los Angeles, CA 90012
  
- C. Gary Lee Moore, P.E. City Engineer  
Bureau of Engineering (BOE)  
650 S. Spring, Suite 200  
Los Angeles, CA 90014

**Project Scope:**

The project scope is the Pedlow Skate Park – Phase II which includes two components. The first component is the extension of the existing skate park facility and includes:

1. Extension of the existing half-pipe by approximately 20 feet in length to the northwest,
2. New 36-foot diameter concrete bowl located near the southwest end of the skate park,
3. New variable width (approx. 15 feet) snake-run located at the west side of the park,
4. New grinding steps with low flat, grinding rail located at southeast portion of skate park,
5. New beginners area with low ramps and humps located at the south end, and
6. Extension of concrete flat work along the top of all existing skate park elements.

The second component consists of a new park director's office building (approximately 600 square feet) with check-in window, storage area, laundry room, electrical room, and restroom facilities along with all associated utility (water, sewer, electricity), earth work, and site work, including extension of existing parking lot.

At the time of signing this MOU, GSD cost estimates for the aforementioned scope had not been completed. Therefore, GSD will perform as much of the work as funding permits based upon the priorities established by BOE and DRP and as amended through the Steering Committee and DRP Commission.

**Budget and Funding:**

The amount of funding provided for this project is not based on the review of a permitted set of construction documents and specifications which form the basis for developing a Class A cost estimate. The agreed upon amount to be provided to GSD for construction related expenditures including 10% contingency shall not exceed \$1,120,000 without prior authorization from the Prop K - LA for Kids Steering Committee. Any costs incurred in excess of this amount without such prior written authorization shall not be eligible for reimbursement.

|                |                |             |                |                                       |
|----------------|----------------|-------------|----------------|---------------------------------------|
| Prop. K -YR 6  | \$61,554.71    | 43K/10/T248 | \$61,554.71    |                                       |
| Prop. K -YR 7  | \$379,059.00   | 43K/10/V248 | \$379,059.00   |                                       |
| Prop. K -YR 7  | \$40,000.00    | 43M/10/V248 | \$40,000.00    |                                       |
| Prop. K -YR 7  | \$278,037.00   | 43L/10/V248 | \$278,037.00   |                                       |
| Prop. 12 Funds | \$524,000.00   | TBD         | \$524,000.00   | Funds to be Reimbursed from the State |
|                |                |             |                |                                       |
|                | \$1,282,650.71 |             | \$1,282,650.71 |                                       |

**Schedule**

The construction duration is anticipated to be 360 calendar days with start of construction to begin on September 7, 2004.

**Term**

The term of the MOU shall be twenty-four (24) months and shall not be modified without a written agreement between the three (3) parties and approval by the Steering Committee and the Board of Recreation and Park Commissioners.

**DRP shall:**

1. Consider and approve the Construction documents and specifications before construction commences.
2. Provide GSD unrestricted access to the project site through mutually agreed upon working hours and working days.
3. Attend weekly on-site meetings to discuss construction related issues.
4. Respond to GSD's Request(s) for Information when owner review and approval is required. Such responses shall be forwarded to BOE for processing.
5. Review all applicable Shop Drawings and Submittals and approve within 7 working days when owner approval is required. Comments shall be forwarded to BOE for processing.
6. Notify BOE in writing of any owner requested changes to the construction documents and if such changes are outside the current scope of work, DRP shall provide adequate funding for such changes.

**BOE shall:**

1. Obtain approval of funding appropriation to GSD through actions by the L.A. for Kids Steering Committee and City Council prior to the start of construction.
2. Review and authorize GSD expenditures, submitted on a weekly basis, for labor, equipment and material costs incurred by GSD.
3. Provide a complete permitted set of construction documents and specifications as approved by DRP.
4. Provide overall Project Management and Construction Management activities which shall include expenditures vs. budget review, schedule review and weekly meetings with GSD to review budget, design and construction issues.
5. Respond and approve all of GSD's Request(s) for Information in a timely manner.
6. Review and approve all mutually agreed upon Change Orders that fall within the budgeted 10% contingency amount.
7. Approve and process all GSD invoices for all authorized completed work.
8. Review and approve all material and service contracts for this project.

**GSD shall:**

1. Submit a complete breakdown of costs contained in the construction estimate for the entire project. The breakdown shall itemize costs based on the trades indicated in the specifications and shall be subject to mutual agreement of all parties.
2. Provide a construction schedule and submit monthly construction schedule updates for a joint review with BOE and DRP.
3. Establish jointly with BOE work orders which break up the project into specific activities that will simplify auditing and control of project activities.
4. Construct or cause to be constructed the renovations to the Pedlow Skate Park - Phasell in accordance with the permitted construction documents as approved by DRP up to the available construction funding.
5. Obtain additional vendor estimates when requested by the BOE.
6. Submit all material and service contracts to BOE for approval **PRIOR** to issuing Purchase Order documents.
7. Prepare RFIs and Change Order Requests in a timely manner. The parties understand and agree that Change Orders or other unforeseen costs may increase the original construction budget and shall be paid from the 10% allocated contingency amount included within \$758,650.71 budget. All change orders covered within the budgeted 10% contingency require prior approval from BOE. Any change orders in excess of this amount require prior authorization from the Prop K-LA for Kids Steering Committee and DRP Commission.
8. Prepare weekly expenditure reports and monthly invoices for BOE review and approval. These reports shall be itemized by trade and vendor and reported against their respective budget. In addition, all work manufactured "in-house", also referred to as "shop work" shall be itemized and monitored against their respective budget.
9. Provide monthly project "cost to complete" estimates. These estimates shall be broken down by each trade and/or vendor and monitored against their respective budget.
10. Be responsible for all expenditures in excess of the approved budget unless previously amended through an action of the L.A. for Kids Steering Committee and DRP commission.

**For: THE BUREAU OF ENGINEERING**

GARY LEE MOORE, P.E., City Engineer

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2004

**For: THE DEPARTMENT OF RECREATION AND PARKS**

Jon Kirk Mukri, General Manager

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2004

**For: THE DEPARTMENT OF GENERAL SERVICES**

Alvin Y. Blain, Interim General Manager

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2004

**For: OFFICE OF THE CITY ATTORNEY**

Marcia Gonzales-Kimbrough, L.A. for Kids Program - Deputy City Attorney

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2004