

**ATTACHMENT NO. 2**

**K-Son Correspondence (Two letters dated  
November 14, 2006; Letter dated November 17,  
2006)**



# K - SON CONSTRUCTION, INC.

Construction Engineering and General Contractors  
6912 Owensmouth Avenue Suite 104 Canoga Park, CA. 91303  
Tel : (818) 710 - 6391 Fax: (818) 710 - 6392

## LETTER OF TRANSMITTAL

Date : November 14, 2006

To : DEPT. REC. AND PARKS

Attn: MARY ALVAREZ

Cc: \_\_\_\_\_

Attn: \_\_\_\_\_

Project No. \_\_\_\_\_

Project Name: SOUTH L.A. SPORTS ACTIVITY CEN

CONTRACT NO: \_\_\_\_\_

From : CRIS ANSARI

- We are sending you \_\_\_\_\_ Attached \_\_\_\_\_ Under separate cover via \_\_\_\_\_ The following items:
- Contract/ Drawing
  - Copy of Letters
  - Specification
  - Bid Set
  - Submittals
  - Request for Information
  - Other
- Materials Sample
  - Shop Drawing
  - Change Order
  - Payment request Number
  - SEGREGATION CONTRACT COST

QTY	DESCRIPTION
1 PAGE	K-SON RESPONSE
6 PAGES	AWI FAXES/BID

- For Approval
  - For your use
  - As requested
  - Other
- Approved as Submitted
  - Approved as Noted
  - Returned for Correction

REMARKS :

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Thank you  
SINCERELY,

**Cris Ansari**  
K-Son Construction

**K-SON CONSTRUCTION, INC.**

LIC.NO.597949

6912 OWENSMOUTH AVE. SUITE #104  
CANOGA PARK, CA, 91303TEL:818-710-6391  
FAX:818-710-6392

11/14/2006

TO: DEPT. OF REC. AND PARKS  
MARY ALVAREZ  
RE: SOUTH LOS ANGELES SPORTS ACTIVITY CENTER

This is the response for the protest letter submitted by AWI .

**Item 1.**

K-son did submit all the documents for compliance and received approval from the office of compliance and also for good faith effort. K-son did an acceptable good faith effort to use MWBE's and also is using MWBE more than the required goal percentage .

**Item2.**

K-son will use an approved steel fabricator shop by the City of L.A. which will be verified before and after fabrications by inspectors.

**Item3.**

The listed numbers for the subs and prime contractor are rounded numbers and they are mainly used for determining the approximate amount of MWBE's which K-son has by far exceeded the required percentage and also submitted good faith effort documents which were approved..

It must be noted that the AWI (All West Iron ,Inc. ) did submit a bid to all the bidding prime contractors for structural steel work and also submitted a bid as the prime contractor which could be a conflict of interest.

First they faxed some RFI for another job to our fax number and when I called them asked them what is this they said it was a mistake and then they faxed me the steel bid. The reason they are trying to challenge this matter is because K-son did not list them as steel subcontractor.

AWI protest has absolutely no valid justifications.

I will be in the Board meeting tomorrow to present the above documents.

If you have any question please call me.

Sincerely yours;

Chris Ansari





**All West Iron, Inc.**  
 2881 Saco St.  
 Vernon, Ca. 90058

**Fax Transmittal Page:**

Date: 9/26/06

No. of pages incl. Cover: 2

To: K-Son Construction Inc.

From: Robert Melikyan

Attn: Estimating

Fax: 818-710-6392

Re: Bid for structural steel for the LA Sports Arena

Please see the attached bid for structural steel for the above mentioned project.

Robert Melikyan  
 President

TRANSMISSION VERIFICATION REPORT

accidental

TIME : 08/23/2005 13:50  
NAME :  
FAX :  
TEL :  
SER.# : BR013J938864

DATE, TIME	08/23/2005 13:49
FAX NO./NAME	02135858036 / Konila Electrical Services, Inc.
DURATION	00:01:23
PAGE(S)	05
RESULT	OK
MODE	STANDARD

accidental

5883/11

**AWI BUILDERS, INC.**  
2881 Saco St.  
Vernon, ca 90058  
Phone: 323.589.6111  
Fax: 323.585.2026

**Request for Information**  
RFI# NO: 1  
Re: Electrical  
Work Order # PR11731C  
DATE: 08/23/2005

**PROJECT TITLE: Pan Pacific Senior Activity Center**

**TO: Alain Sabbagh (Architect)**  
10780 Santa Monica Blvd. Suite 120  
LA, CA 90025  
Tel: 310.441.9313, Fax: 310.441.9013

**C.C.: Nabih J. Bilal (Construction Manager)**  
200 N. Spring Street  
City Hall, Suite 1700  
Los Angeles, CA 90012  
Tel: 213.978.1900, Fax: 213.978.1901

**REQUEST:**

Dear Alain:

Please find the attached electrical RFI#1 from Konila Electrical Services, Inc.

Sincerely,  
Alex Zaman

Requested by:  
Signed: 

Date: 08/23/2005

**ANSWER:**

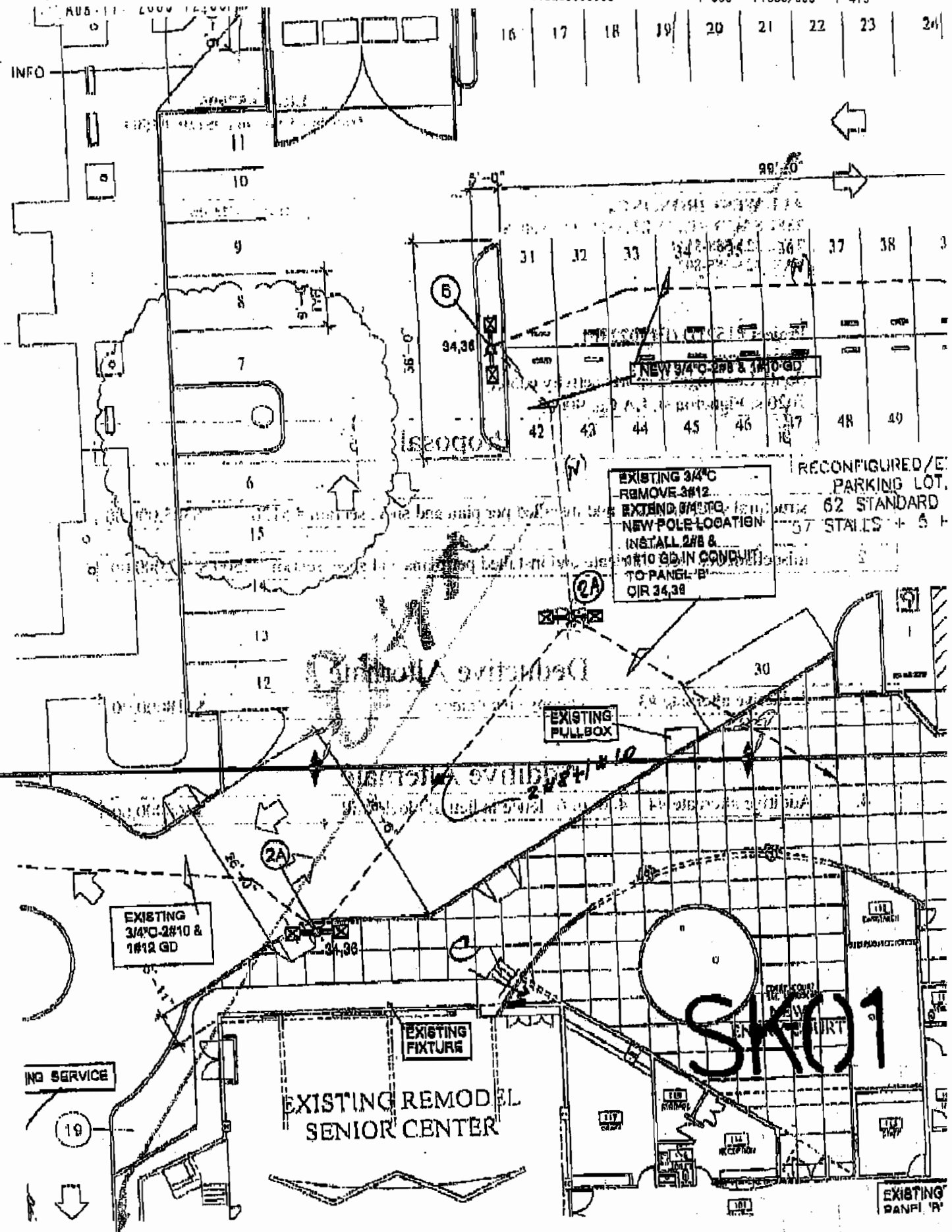
Sep-26-06 11:35 From: zerex

413235858035

T-395 P.003/003 F-475

16	17	18	19	20	21	22	23	24
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31	32	33	34	35	36	37	38	39
42	43	44	45	46	47	48	49	



EXISTING 3/4" C-2#8 & 1#12 GD  
 REMOVE 3#12  
 EXTEND 3#12 TO NEW POLE LOCATION  
 INSTALL 2#8 & 1#12 GD IN CONDUIT  
 TO PANEL 'B'  
 CIR 34,38

RECONFIGURED/EXISTING  
 PARKING LOT  
 62 STANDARD  
 57 STALLS + 5 F

EXISTING PULL BOX

EXISTING 3/4" C-2#8 & 1#12 GD

EXISTING FIXTURE

NO SERVICE

19

SK01

EXISTING PANEL 'B'



All West Iron, Inc.  
2881 Saco St.  
Vernon, Ca. 90058

**Fax Transmittal Page:**

Date: 9/26/06

No. of pages incl. Cover: 2

To: K-Son Construction Inc.

From: Robert Mekikyan

Attn: Estimating

Fax: 818-710-6392

Re: Bid for structural steel for the LA Sports Arena

Please see the attached bid for structural steel for the above mentioned project.

Robert Mekikyan  
President

*Completed by [Signature]*

*20'*

*818-710-6392*

*999 2041  
1002 6622  
204  
335-3779  
RLL*



Lic. # 657995  
Division 5 Section 05120, 05500,

<b>ALL WEST IRON, INC.,</b> 2881 SACO ST., / VERNON, CA 90058 TEL: 323-585-5111 FAX: 323-585-8035	Date: 9/23/06
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Project #1521D (E170223F)  
Project name.  
South Los Angeles sports activity center  
7020 s. Figueroa st, LA Ca, 90003

**Proposal**

- |    |   |              |
|----|---|--------------|
| 1. | structural steel fabricate and installed per plan and spec. section # 5120    | \$365,000.00 |
| 2. | miscellaneous steel fabricate and installed per plans and spec. section #5500 | \$ 72,000.00 |

**Deductive Alternate**

- |    |  |             |
|----|--|-------------|
| 3. | deductive alternate #3 canopy @ entrance | \$ 18000,00 |
|----|--|-------------|

**Additive Alternate**

- |    |  |             |
|----|--|-------------|
| 4. | Additive alternate #4 480' of 6' fence in lieu of block wall | \$ 65000,00 |
|----|--|-------------|



## Inclusions

- All steel columns and beams
- All steel imbeds for structural and ornamental steel (installed by others)
- North and West canopy and supports
- High roof structural steel
- Primer only structural steel and ornamental iron
- All bolts and fasteners
- Structural steel per structural plans and specs only, architectural plans specifications and details will not apply to structural steel
- Insurance limits 1,000,000. Liability ,workers compensation, auto

## Exclusions

- ❖ Structural steel not clearly identified by structural sheets and details
- ❖ Architectural, plumbing, mechanical, electrical or any other drawings will not
- ❖ Apply to structural steel as it is specified by AISC requirements.
- ❖ Section 05500 paragraph 1.02, 3.03, 3.04, 3.05, 3.06, 3.07,
- ❖ Any rebar's not weldable or not clearly identified as to be welded A706
- ❖ Painting
- ❖ Galvanizing
- ❖ Anchor bolts imbedded in to cmu wall or in to concrete
- ❖ Base plates berried in to cmu wall or in the concrete
- ❖ Stales steel
- ❖ Aluminum
- ❖ Dry packing
- ❖ Any items for other trades
- ❖ All inspection fees
- ❖ Any concrete coring, saw cutting,
- ❖ Any concrete footing
- ❖ Any gate hardware,
- ❖ Fire department requirements,
- ❖ Bond any special insurance

DEPT. OF RECREATION AND PARKS CONTRACTORS

**K-SON CONSTRUCTION, INC.** 2006 NOV 14 PM 4:25 LIC. NO. 597949

6912 OWENSMOUTH AVE. SUITE #104  
CANOGA PARK, CA, 91303

TEL: 818-710-6391  
FAX: 818-710-6392

11/14/2006

TO: DEPT. OF REC. AND PARKS  
MARY ALVAREZ  
RE: SOUTH LOS ANGELES SPORTS ACTIVITY CENTER

This is the second response for the protest letter submitted by AWI after reviewing their schedule A which need to be a part of my first response..

AWI builders listed the dollar amount of work performed by prime contractor \$1,144,822 which is less than 50% of his base bid price ,they should be performing appr. \$1,430,000. Secondly, they listed All West Iron Inc. as a subcontractor which is basically the same company as AWI builders,same location ,same owner with different license number to be performing steel,carpentry,masonry and concrete work for \$942,000.00 and they have listed all other major and minor subcontractors for the project..The question is what they will be performing with \$1,144,822.?!?! .The only sub not listed is insulation with a value of \$12,000 and paint with a value of 30,000 .00.

I will be in the Board meeting tomorrow to present the above documents.  
If you have any question please call me.  
Sincerely yours;

Chris Ansari



~~XXXXXXXXXX~~



# K - SON CONSTRUCTION, INC.

Construction Engineering and General Contractors  
6912 Owensmouth Avenue Suite 104 Canoga Park, CA. 91303  
Tel : (818) 710 - 6391 Fax: (818) 710 - 6392

BOARD OF REGISTRATION  
AND PARKS COMMISSIONERS

2006 NOV 17 PM 12:58

## LETTER OF TRANSMITTAL

Date : November 17, 2006

To : DEPT. REC. AND PARKS

Attn: MRS. MARY ALVAREZ

Cc: \_\_\_\_\_

Attn: \_\_\_\_\_

Project No. \_\_\_\_\_

Project Name: SOUTH L.A. SPORTS ACTIVITY CEN

CONTRACT NO: \_\_\_\_\_

From : CRIS ANSARI

We are sending you \_\_\_\_\_ Attached \_\_\_\_\_ Under separate cover via \_\_\_\_\_ The following items:

- Contract/ Drawing
- Copy of Letters
- Specification
- Bid Set
- Submittals
- Request for Information
- Other

- Materials Sample
- Shop Drawing
- Change Order
- Payment request Number
- SEGREGATION CONTRACT COST

QTY	DESCRIPTION
3 PAGES	K-SON'S LETTER
2 PAGES	AWI CSLB LICENSE CHECK
2 PAGES	ALL WEST IRON CSLB LICENSE CHECK

- For Approval
- For your Use
- As requested
- Other

- Approved as Submitted
- Approved as Noted
- Returned for Correction

REMARKS :

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Thank you  
SINCERELY,

**Cris Ansari**  
K-Son Construction

BOARD OF RECREATION  
AND PARKS COMMISSIONERS

2006 NOV 17 PM 12:50

**K-SON CONSTRUCTION, INC.**

LIC. NO. 597949

6912 OWENSMOUTH AVE. SUITE #104  
CANOGA PARK, CA, 91303TEL: 818-710-6391  
FAX: 818-710-6392

11/17/2006

**VIA FACSIMILE (213)928-9048**

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TO: DEPT. OF REC. AND PARKS

MARY ALVAREZ

RE: SOUTH LOS ANGELES SPORTS ACTIVITY CENTER

SUBJECT: AWI PROTEST

Mrs. Alvarez:

As you know K-son was informed by you about the protest of AWI on Tuesday 11/14/2006 at 2:00 pm so I attended the next morning Board meeting on 11/15/2006. Prior to that time I was informed by the Board that everything was set and the Board on Wednesday's meeting would vote to award the contract to K-son.

This letter is the summary of what was said in the board meeting which K-son categorically rejected AWI's representative reasonings and claims trying to persuade the board that K-son's bid should not be considered as the lowest responsive bidder and AWI should be considered as the lowest responsive bidder and also I am writing the detailed K-son's justifications for rejecting AWI's protest claims which absolutely has no valid grounds and basis for protest and is very unprofessional.

**Item 1 (K-son failed to submit the required Affidavits and compliance)**

I indicated that K-son did submit all the documents and received all approvals from OCC and Bureau of engineering bid processing and approved by general manager.

**Item 2 (failure to list a properly licensed steel subcontractor)**

I responded that K-son does hold a "B" license which by definition the contractor can perform 3 or more specialty trades with that type of license and Steel work is one of them as indicated in the bid documents. Since the bid document requires the prime contractor to perform 50% of the bid price K-son chose to list that work. Moreover, K-son will use a certified approved shop by City of L.A and perform the work under K-son's payroll which have done it many times. I also mentioned that All West Iron the steel subcontractor listed by AWI which both companies belong to the same ownership just with different license numbers also holds a B license not a C-51 license which I am attaching both companies information extracted from California Contractor's License Board. I also indicated that what AWI did which submitted a very high STEEL Bid to all bidding contractors to throw their bids sky high and then submit a bid as a prime contractor under AWI which was not ethical and was a conflict of interest.

**Item 3 (AWI'S bid is lower than that submitted by K-son)**

Page2/3

I explained to the board that it is absolutely ridiculous what they are claiming and apparently they do not know much about public works bid documents .

Per public works contracts (ordinance No. 150,595 ,section 10.14"provisions pertaining to listing of subcontractors page 17) which also is indicated on schedule "A" of this project under DOLLAR PARTICIPATION OF ALL SUBCONTRACTORS AND SUPPLIERS, it is indicated :

All subcontractors and suppliers who will do work on this project valued in excess of one- half of one percent or \$10,000.00 whichever is greater must be listed, regardless if they are MBE/WBE or not. That means the bidding prime contractor does not have to list any subcontracts amounts under one-half of one percent which in this case K-son , AWI and other bidders did not have to list subcontractors with dollar values under approximately \$15,000.00. So K-son or other bidders could have subcontractors with dollar values under \$15,000.00 totaling up to \$100,000,\$200,000.00 or any other dollar values whatever amount unknown at time of bidding and not reflected in the bid documents schedule "A". So you do not add up the single dollar values of each and all listed subcontractors listed in schedule "A" with the dollar value of work to be performed by prime contractor and then determine who is the lowest bidder since there are some unknown amounts not even indicated in that schedule and is not part of prime contractor work price either.

Per AWI claim and justifications they are adding those numbers and determine who is the lowest bidder and who is higher which is absolutely wrong and ridiculous and is not per public works bidding documents.

Moreover, those dollar values of the listed subcontractor doing work over ½ percent of bid price can be rounded to the nearest thousand dollar or even more ,that is what K-son and I am sure many other bidding contractors do. For instance if a subcontractor bid is \$119,200.00 we list that price as \$119,000.00 or \$120,000.00 and that is merely to comply with public works contract law to list those subcontractors with price in excess of one-half of one percent of total bid price and also the approx. dollar value or percentage of MWBE's subs used which in this bid K-son has by far exceeded the required amount,,it does not matter what the actual dollar and cents price of that sub may be as long as they are listed so the awarding agency know who those subcontractors are with approximate dollar values so you could not shop around or change subcontractors after the award without the board approval.Also those numbers can be used when providing schedule of values for approval to the project manager which will be used for payments. And if there is a clerical error ,that error can be clarified at that time. So in a three million dollar job with 15 subcontractors that could make some difference with actual lump sum bid price which is written in page 4 of bid document "PROPOSAL -SCHEDULE OF WORK AND PRICES" and that is where the lowest bidder price is determined not any where else. In this case K-son's bid is the lowest and must be considered as the lowest bidder.

Also AWI has indicated that K-son failed to list the dollar value of J.Colavin the ceramic tile subcontractor and K-son's bid must be added with the dollar value of that sub. Again as long as the subcontractor is listed that means K-son can not use any other tile sub contractor except J.Colavin regardless of the subcontractors price ,It could be zero dollars ,it could be \$100,000.00 it will not and can not affect or change the bid amount. Yes

Page 3/3

K-son missed to write the subcontractor price which is \$27,500.00 . But again you do not add up those prices with prime contractors price and determine the lowest bidder. A prime contractor could simply make a clerical mistake in the very last minutes of preparing and submitting bid in schedule "A" for instance to write a \$16,000.00 subcontractor price for restroom accessories by putting an additional zero writing \$160,000.00 ,Which that can be clarified later after the award and when preparing to submit the schedule of values to the project engineer for approval.that is very obvious that restroom accessories can not be that huge number. **You do not use those numbers and add them up and use it as the basis for determining the lowest bidder .**

But that is not what AWI thought .They thought they had to add up all those listed subcontractors prices and then deduct it from their bid price of \$2,859,911.00 and then come up with the remainder value of \$1,144,822 and list that as the amount of work to be done by prime contractor **which is absolutely wrong** and shows how much they know about public works contracts as they were claiming in the board meeting!!!.

First of all, per schedule "A" requirement ,very top line under SUBCONTRACTORS AND SUPPLIERS page 16 of bid document AWI must do at least 50 percent of their contract price which is approximately \$1,430,000 and what they listed for the work to be done by prime contractor is only \$1,144,822 which the bid /contract document required them to do at least 1,430,000.00.That is their biggest mistake by adding up all the listed subcontractors prices and then deducting it from their bid price and coming up with that number.

As I indicated my 11/14/2006 letter I am wondering what works they wanted to do with \$1,144,822 when they have listed all the major and minor subcontractors with even dollar values of less than one-half of one percent which they did not have to list . The only trade remaining for them to do is painting with a value of \$30,000.00 and insulation with a value \$10,000.00 .what they will be doing with remaining \$1,100,000?!!.

It is really interesting that a contractor who has been doing all these wrong doings indicated above (1.**submitting a very high subcontract bid** for steel work to all other bidding contractors and then bidding as a prime contractor with different license number hoping they could be the lowest bidder and then frustrated that the lowest bidder was another company and did not list them as the steel subcontractor. 2. **adding up the schedule A listed subs and then deducting it form their bid price and come up with a number that is about \$300,000.00 lower than what the contract is requiring them to do,**) use those as their justifications for coming up with a protest plan .

In my opinion if AWI was a professional and knowledgeable contractor, they would not jeopardize their name and integrity with the City of L.A by planning this unprofessional protest that serves no purpose but lowering their reputation which I am sure they did it.

At the end K-son is requesting from the Dept. of Rec. and Parks to send a copy of this letter to the office of City Attorney and also Mr. Willis Yip the project engineer as soon as possible for a response back to K-son..

If you have any question please call me.

Sincerely yours;

CHRIS ANSARI

PRES. 

California Home

Tuesday, November 4, 2006



**License Detail**

**CALIFORNIA CONTRACTORS STATE LICENSE BOARD**

**Contractor License # 818478**

**DISCLAIMER**

A license status check provides information taken from the CSLB license data base. Before relying on this information, you should be aware of the following limitations:

- CSLB complaint disclosure is restricted by law (B&P 7124.6). If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.
- Per B&P 7071.17, only construction related civil judgments reported to the CSLB are disclosed.
- Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.
- Due to workload, there may be relevant information that has not yet been entered onto the Board's license data base.

Extract Date: 11/14/2006

**\*\*\* Business Information \*\*\***

A W I BUILDERS INC  
 2881 SACO ST  
 VERNON, CA 90058  
 Business Phone Number: (323) 589-5111

Entity: Corporation

Issue Date: 04/02/2003 Expire Date: 04/30/2007

**\*\*\* License Status \*\*\***

This license is current and active. All information below should be reviewed.

\*\*\* Classifications \*\*\*

Class	Description
B	GENERAL BUILDING CONTRACTOR

\*\*\* Bonding Information \*\*\*

CONTRACTOR'S BOND: This license filed Contractor's Bond number 179235 in the amount of \$10,000 with the bonding company

**AMERICAN CONTRACTORS INDEMNITY COMPANY.**

Effective Date: 01/01/2004

Contractor's Bonding History

**BOND OF QUALIFYING INDIVIDUAL(1):** The Responsible Managing Officer (RMO) ZHIRAYR ROBERT MEKIKYAN certified that he/she owns 10 percent or more of the voting stock/equity of the corporation. A bond of qualifying individual is not required.

Effective Date: 04/02/2003

\*\*\* Workers Compensation Information \*\*\*

This license has workers compensation insurance with the

**STATE COMPENSATION INSURANCE FUND**

Policy Number: 548-0000279 Effective Date: 01/01/2006 Expire Date: 01/01/2007

Workers Compensation History

Personnel listed on this license (current or disassociated) are listed on other licenses.

[Personnel List](#)   [Other Licenses](#)



California Home

Tuesday, November 14, 2006



**License Detail**

**Contractor License # 657995**

**CALIFORNIA CONTRACTORS STATE LICENSE BOARD**

**DISCLAIMER**

A license status check provides information taken from the CSLB license data base. Before relying on this information, you should be aware of the following limitations:

- CSLB complaint disclosure is restricted by law (B&P 7124.6). If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.
- Per B&P 7071.17, only construction related civil judgments reported to the CSLB are disclosed.
- Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.
- Due to workload, there may be relevant information that has not yet been entered onto the Board's license data base.

Extract Date: 11/14/2006

**\*\*\* Business Information \*\*\***

ALL WEST IRON INC  
 2881 SACO ST  
 VERNON, CA 90058  
 Business Phone Number: (323) 588-5111

Entity: Corporation

Issue Date: 11/04/1992 Reissue Date: 05/08/2002 Expire Date: 05/31/2008

**\*\*\* License Status \*\*\***

This license is current and active. All information below should be reviewed.

\*\*\* Classifications \*\*\*

Class	Description
B	GENERAL BUILDING CONTRACTOR

\*\*\* Bonding Information \*\*\*

**CONTRACTOR'S BOND:** This license filed Contractor's Bond number **14581334** in the amount of **\$10,000** with the

bonding company

**WESTERN SURETY COMPANY.**

Effective Date: **04/23/2004**

Contractor's Bonding History

**BOND OF QUALIFYING INDIVIDUAL(1):** The Responsible Managing Officer (RMO) **ZHIRAYR ROBERT MEKIKYAN** certified that he/she owns 10 percent or more of the voting stock/equity of the corporation. A bond of qualifying individual is not required.

Effective Date: **05/08/2002**

\*\*\* Workers Compensation Information \*\*\*

This license has workers compensation insurance with the

**STATE COMPENSATION INSURANCE FUND**

Policy Number: **548-0000279** Effective Date: **01/01/2006** Expire Date: **01/01/2007**

Workers Compensation History

\*\*\* Miscellaneous Information \*\*\*

Date	Description
<b>05/08/2002</b>	<b>LICENSE REISSUED TO ANOTHER ENTITY</b>