

REPORT OF GENERAL MANAGER

NO. 06-43

DATE February 15, 2006

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GARVANZA PARK – SKATE PARK AND FACILITY IMPROVEMENTS (#1122A) (W.O. #E170955F) - REJECTION OF BIDS AND APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF RECREATION AND PARKS, THE BUREAU OF ENGINEERING AND THE DEPARTMENT OF GENERAL SERVICES

J. Combs _____	J. Kolb _____
H. Fujita _____	F. Mok _____
S. Huntley _____	K. Regan _____
B. Jensen _____	*M. Shull _____

C.M. for M.S.

Robert H. Jensen (for)
General Manager

FEB 15 2006

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Reject all bids received November 15, 2005;
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 Bureau of Engineering (BOE), and the Department of General Services (GSD) for construction services for the Garvanza Park – Skate Park and Facility Improvements (#1122A) (W.O. #E170955F), located at 6240 East Meridian Street, Los Angeles, California, 90042, subject to the approval of the City Attorney as to form;
3. Authorize the Department’s Chief Accounting Employee, subject to Council approval, to transfer funds in the amount of \$275,038 from the available funds in the following fund and account numbers under the authority of this Board Report, through Account Y140, GSD, to the appropriate material and salary accounts in Fund 100, Department 40, in GSD, as listed below:

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From:

<u>FUNDING SOURCE</u>	<u>FUND/ ACCOUNT NO.</u>	<u>AWARD AMOUNT</u>	<u>APPROPRIATION AMOUNT</u>
Site & Facilities	209/W237	\$ 500,000.00	\$ 268,131.00
Prop.12 1/3 – Per Capita	45W/W447	\$ 193,000.00	\$ 6,907.00
TOTAL		\$ 693,000.00	\$ 275,038.00

To:

<u>ACCOUNT NO.</u>	
1101 – Hiring Hall Salaries	\$ 115,516.00
1121 – Hiring Hall Fringe Benefits	\$ 49,507.00
<u>3180 – Construction Materials, Supplies, and Services</u>	<u>\$ 110,015.00</u>
Total:	\$ 275,038.00

4. Upon receipt of the remaining Proposition 12 1/3 funds from the State, authorize the Department's Chief Accounting Employee, subject to Council approval, to transfer funds in the amount of \$137,843 from Fund/Account No. 45W/W447 through Account Y140, in GSD, to Fund 100, Department 40 in GSD, to the appropriate material and salary accounts, as listed below:

From:

<u>FUNDING SOURCE</u>	<u>FUND/ ACCOUNT NO.</u>	<u>AWARD AMOUNT</u>	<u>APPROPRIATION AMOUNT</u>
Prop.12 1/3 – Per Capita	45W/W447	\$ 193,000.00	\$ 137,843.00
TOTAL		\$ 193,000.00	\$ 137,843.00

To:

<u>ACCOUNT NO.</u>	
1101 – Hiring Hall Salaries	\$ 57,894.00
1121 – Hiring Hall Fringe Benefits	\$ 24,812.00
<u>3180 – Construction Materials, Supplies, and Services</u>	<u>\$ 55,137.00</u>
Total:	\$ 137,843.00

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5. Request the Community Development Department to appropriate funds in the amount of \$680,045 from the available funds in the following fund and account numbers for use by GSD to construct the Garvanza Skate Park Project, as listed below:

From:

<u>FUNDING SOURCE</u>	<u>FUND/ ACCOUNT NO.</u>	<u>AWARD AMOUNT</u>	<u>APPROPRIATION AMOUNT</u>
CDBG 29 th Year	424/V448	\$ 510,000.00	\$ 470,045.00
CDBG 30 th Year	424/W443	\$ 210,000.00	\$ 210,000.00
TOTAL		\$ 720,000.00	\$ 680,045.00

To:

<u>ACCOUNT NO.</u>	
1101 – Hiring Hall Salaries	\$ 373,053.00
1121 – Hiring Hall Fringe Benefits	\$ 89,620.00
<u>3180 – Construction Materials, Supplies, and Services</u>	<u>\$ 217,372.00</u>
Total:	\$ 680,045.00

6. Instruct GSD to submit expenditure reports to the Bureau of Engineering Project Manager, the Department of Recreation and Parks, and the Community Development Department. Funds (cash) will be transferred to GSD, upon approval of billings to the appropriate materials and salary accounts, as indicated herein;
7. Direct the Board Secretary to transmit the proposed MOU to the City Attorney for review and approval as to form; and
8. Authorize the Department’s General Manager to execute the proposed MOU after the appropriate signatures by the other parties thereto, and approval as to form by the City Attorney has been obtained.

SUMMARY:

On September 21, 2005, (Board Report No. 05-262), the Board approved final plans and call for bids for the Garvanza Park – Skate Park and Facility Improvements (#1122A) (W.O. #E170955F), located at 6240 East Meridian Street, Los Angeles, California 90042.

On November 15, 2005, the following bids were received:

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Designer

Sparano + Mooney Architecture

Estimate

\$857,000.00

	HMI Construction Services	4-Con Engineering, Inc	Trimax Construction Corp	Ryco Construction, Inc
Base Bid	\$ 1,100,000.00	\$ 1,384,000.00	\$ 1,830,000.00	\$ 1,853,581.00
Ded. Alt. No. 1	\$ 105,000.00	\$ 136,000.00	\$ 45,000.00	\$ 70,000.00
Ded. Alt. No. 2	\$ Not Submitted	\$ 39,000.00	\$ 60,000.00	\$ 30,000.00
Ded. Alt. No. 3	\$ 66,000.00	\$ 51,500.00	\$ 14,000.00	\$ 30,000.00
Ded. Alt. No. 4	\$ 21,000.00	\$ 27,000.00	\$ 1,350.00	\$ 5,000.00
Ded. Alt. No. 5	\$ 25,000.00	\$ 21,000.00	\$ 12,000.00	\$ 4,000.00

HMI Construction Services submitted the lowest base bid as shown above. Five deductive alternates were also included in the bid packages.

On December 15, 2005, the City Attorney's Office deemed HMI Construction Services to be non-responsive. First, HMI Construction did not pass the Good Faith Effort (GFE), achieving only 28 points out of the minimum 75 points needed for a 'Good Faith' approval. Second, neither HMI nor its subcontractor, Valley Concrete, met the minimum experience of having constructed at least three skate parks in the past five years.

The responsive low bidder, therefore is 4-Con Engineering, Inc. However, there are insufficient funds to award the contract even when all deductive alternates are exercised.

The project has been bid twice and in both instances, the bids received were significantly above the Engineer's Estimate of \$857,000. Previously, on September 21, 2005, the Board rejected the bids called for on June 15, 2005, and received September 6, 2005, as all bids exceeded available construction funds. It is highly improbable that bidding the project a third time will produce favorable results without re-scoping or identification of additional funds.

BOE is currently seeking additional sources of funds for the construction of the project. In the meantime, it is recommended that the Board enter into an MOU with BOE and GSD to construct the project to avoid loss of time and material and labor cost escalation.

Currently, there is \$955,083.00 available for appropriation in CDBG, Public Trust Fund, Sites &

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Facility, and Proposition 12 funds, as indicated below, in the following accounts:

<u>FUNDING SOURCE</u>	<u>FUND/ ACCOUNT NO.</u>	<u>AWARD AMOUNT</u>	<u>APPROPRIATION AMOUNT</u>
CDBG-YR29	424/V448	\$ 510,000.00	\$ 470,045.00
CDBG-YR30	424/W443	\$ 210,000.00	\$ 210,000.00
Site & Facilities	209/W237	\$ 500,000.00	\$ 268,131.00
<u>Prop. 12 1/3 - Per Capita</u>	<u>45W/W447</u>	<u>\$ 193,000.00</u>	<u>\$ 6,907.00*</u>
Available Funds		\$ 1,413,000.00	\$ 955,083.00

* This amount represents a portion of the total grant award. The remaining funds will be requested from the State

GSD will be notified of the amount of any appropriation being added to the construction funds available from any additional funding, and will continue working until the appropriated funding for the project is expended.

In accordance with the requirements of the California Environmental Quality Act (CEQA), a Mitigated Negative Declaration (SCH #2004011138) was prepared for the project and adopted by the Board on June 15, 2005. A Notice of Determination was filed with the Los Angeles City Clerk and the Los Angeles County Clerk on June 21, 2005, and June 23, 2005, respectively.

FISCAL IMPACT STATEMENT:

There is no anticipated fiscal impact to the Department's budget. The assessments of the future operations and maintenance costs have yet to be determined.

Prepared by Gary Lam and Alice Gong, Proposition K Group, Bureau of Engineering, and reviewed by Neil Drucker, Proposition K – Program Manager, and Bradley Smith, Chief Deputy City Engineer.