

REPORT OF GENERAL MANAGER

**APPROVED**  
DEC 11 2008

NO. 08-323

DATE December 11, 2008

C.D. 2

BOARD OF RECREATION  
and Park Commissioners

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: VAN NUYS/SHERMAN OAKS PARK – EAST VALLEY MULTIPURPOSE CENTER (PRJ#1580A) (W.O. #E1700475) – REVIEW OF BIDS AND AWARD OF CONTRACT

R. Adams	_____	J. Kolb	_____
H. Fujita	_____	F. Mok	_____
S. Huntley	_____	K. Regan	_____
V. Israel	_____	*M. Shull	<i>Chae J. H. S.</i>

*[Signature]*  
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Find the bid of FEI Enterprises, Inc., nonresponsive because they failed to comply with the Board's subcontractor outreach policy requiring "a good faith effort" to include MBE/WBE and OBE subcontractors;
2. Find Ford E. C., Inc., with a base bid of \$9,423,000, is the lowest responsive and responsible bidder for the Van Nuys/Sherman Oaks Park - East Valley Multipurpose Center (PRJ#1580A) (W.O. #E1700475) project;
3. Award the contract to Ford E. C., Inc., for a total award amount of \$9,423,000, all according to the plans and specifications;
4. Authorize the Department's Chief Accounting Employee to encumber funds in an amount not to exceed \$9,423,000 from the Municipal Improvement Corporation of Los Angeles (MICLA), Fund No. 298, Department 88, Account No. C225, appropriated through the 2007-08 project appropriations of the Capital Improvement Expenditure Program (CIEP) - Municipal Facilities; and,
5. Authorize the Board President and Secretary to execute the contract, subject to approval as to form by the City Attorney.

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### SUMMARY:

On May 7, 2008, the Board approved the final plans and call for bids for the Van Nuys/Sherman Oaks Park - East Valley Multipurpose Center (PRJ#1580A) (W.O. #E1700475) project, located at 5056 Van Nuys Boulevard, Sherman Oaks, CA 91403 on May 7, 2008 (Board Report No. 08-113). Plans for this project were prepared by the design consultant, Rios Clementi Hale Studios, under the direction of the Bureau of Engineering (BOE), Architectural Division.

The proposed construction involves the demolition of two existing buildings at Van Nuys/Sherman Oaks Park currently used for senior citizens' recreational programs and construction of a new facility to replace the demolished buildings. The two existing buildings were built in 1963 and 1978 respectively. The 1963 building has an area of 2,273 square feet and the 1978 building has an area of 6,033 square feet. The new facility is composed of three buildings, totaling 17,319 square feet. The first building, with an area of 7,707 square feet, will be used for multipurpose activities. The second building is 5,025 square feet, and will house the administration staff. The third building is 4,587 square feet, and will be utilized for fitness programs and classrooms.

The proposed sequencing of operation for the contractor is to construct the three new buildings first, while the two existing buildings continue to be in operation for Department of Recreation and Parks (RAP) programs. At the completion of the three new buildings, a partial acceptance will be processed in order to allow transfer of RAP staff and programs from the existing buildings to the new buildings, followed by demolition of the two existing buildings as mentioned above, and further development of the outdoor areas with the following improvements: reconstruction of the north parking lot including landscaping, re-stripping of the south parking lot, installation of perimeter security fencing, outdoor lighting, shuffle board courts, outdoor seating, hardscape, landscaping and new trees. At the completion of the whole project, a final acceptance by the Board will be recommended, after which, the Valley Interfaith Council (VIC) recreational and nutritional services and staff will be transferred from their leased facility at 5000 Colfax Avenue, North Hollywood to the new Van Nuys Sherman Oaks Park - East Valley Multipurpose Center. There are no religious services provided at this site.

The City Engineer's estimate was \$12,600,000. Three Deductive Alternates were identified, with the work associated with each Deductive Alternate described as follows:

#### Deductive Alternate No. 1:

The purchase and installation of the modular office furniture system in the Administration Building (B), all according to the plans and specifications.

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### Deductive Alternate No. 2:

The supply of materials and installation of the perimeter fencing surrounding the shuffleboard courts, all according to the plans and specifications.

### Deductive Alternate No. 3:

The supply of materials and installation of the vine screens at the north end of Building A and vine screens at the south end of Building B.

On September 16, 2008, the Board received a total of nine (9) bids for this project. The bid amounts received are as follows:

<u>Bidders</u>	<u>Base Bid</u>	<u>Deductive Alternate No. 1</u>	<u>Deductive Alternate No. 2</u>	<u>Deductive Alternate No. 3</u>
FEI Enterprises, Inc.	\$ 11,960	\$ 685,000	\$ 321,021	\$ 281,890
Ford E. C., Inc.	\$ 9,423,000	\$ 80,000	\$ 85,000	\$ 45,000
Mallcraft Builders, Inc.	\$ 10,241,000	\$ 86,000	\$ 94,000	\$ 57,000
G-2000 Construction, Inc.	\$ 10,248,000	\$ 107,000	\$ 101,000	\$ 47,000
Woodcliff Corporation	\$ 10,600,000	\$ 150,000	\$ 120,000	\$ 100,000
USS Cal Builders, Inc.	\$ 10,892,000	\$ 85,000	\$ 88,000	\$ 78,000
Morillo Construction, Inc.	\$ 11,084,000	\$ 81,000	\$ 31,800	\$ 64,700
Royal Construction Corp.	\$ 11,398,000	\$ 105,000	\$ 71,000	\$ 72,000
ICON West, Inc.	\$ 11,455,000	\$ 91,574	\$ 88,988	\$ 44,800

The bid documents stated that the determination of the lowest bidder would be based on the Base Bid amount without the consideration of any Deductive Alternate.

FEI Enterprises, Inc. submitted the lowest Base Bid of \$11,960 as indicated above. However, FEI Enterprises, Inc., admitted that they made an error in writing the base bid amount, and contacted the Project Manager requesting a procedure on how to correct their error. FEI Enterprises, Inc., was advised to contact the Office of the Board of Recreation and Park Commissioners for instructions. However, it never submitted written notice to the Board with the error. In the subcontractor outreach effort evaluation, it was determined that FEI Enterprises, Inc., failed to make a "good faith effort" receiving zero points (a minimum of 75 out of 100 is required) and was therefore deemed non-responsive. Therefore, Ford E. C., Inc., is the lowest responsive bidder.

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There are sufficient funds to award the Base Bid without exercising any of the Deductive Alternates; it is therefore recommended that the Board award the Base Bid to Ford E. C., Inc., for a total award amount of \$9,423,000.

The funds available to award the contract for this project are from MICLA appropriated through the 2007-08 budget of the CIEP - Municipal Facilities. Three separate accounts were established for the following expenses:

<u>Funding Source</u>	<u>Fund No./ Dept. No./Acct. No.</u>	<u>Available Amount</u>	<u>Encumbrance Amount</u>
Construction Account	298/88C225	\$ 15,685,395	\$ 9423,000
Permit Account	298/88/C226	\$ 188,763	\$ 0
Public Art Fee Account	298/88/C227	\$ <u>40,842</u>	\$ <u>0</u>
Total		\$ 15,915,000	\$ 9,423,000

The Construction Account will be solely used for construction of the project. It is expected that a substantial balance will remain out of the Permit Account after all permit expenses are accounted. An Inter-Departmental Order (IDO) was issued for Public Art Fee in the amount of \$85,000, leaving a balance of \$40,482 in the Public Art Fee Account. The unused balances remaining from the Permit Account and Public Art Fee Account will be allocated for construction contingency use of the project.

Staff has reviewed the City's Minority/Women/Other Business Enterprise Program (MBE/WBE/OBE) outreach effort made by Ford E. C., Inc., and based on the documents submitted, has determined that a "good faith" effort has been made. Ford E. C., Inc. obtained a MBE/WBE participation of 3.59% and satisfied ninety (90) out of the 100-point requirement outlined by the Board's outreach program which required a score of 75 points out of 100 to achieve a "good faith" effort. The outreach document package is on file in the Board Office, and a synopsis of the said package is attached.

The City Attorney and staff have reviewed the bid submitted by Ford E. C., Inc., and found it to be in order.

Staff reviewed the responsiveness and work performance of Ford E. C., Inc., 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 by Ford E. C., Inc. and that all other legal requirements have been complied with by the bidder.

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In accordance with the requirements of the California Environmental Quality Act (CEQA), a Negative Declaration was adopted by the Board on May 7, 2008 for this project. A Notice of Determination was filed on June 16, 2008 with the Los Angeles City and County Clerks, and is on file with the Department of Recreation and Park along with the Negative Declaration.

FISCAL IMPACT STATEMENT:

There is no immediate fiscal impact to the Department's General Fund. However, the assessments of the future operations and maintenance costs have yet to be determined and would be addressed in future budget requests.

This report was prepared by Fred O. David, Project Manager, BOE Architectural Division. Reviewed by Neil Drucker, Program Manager, Recreational and Cultural Facilities Program, Bureau of Engineering; Deborah Weintraub, AIA, Chief Deputy City Engineer, Bureau of Engineering; and by Michael A. Shull, Superintendent, Planning and Development Division, Department of Recreation and Parks.

## GUIDELINES FOR EVALUATION OF GOOD FAITH EFFORT CHECKLIST

**Bidder:** Ford E. C., Inc.

**Bid Date:** 09/16/2008

**Project Name:** VAN NUYS SHERMAN OAKS PARK – EAST VALLEY MULTIPURPOSE CENTER (PRJ#1580A) (W.O. #E1700475)

Indicator	Required Documentation	Description of Submitted or Missing Documentation	Points	
1	The bidder's or proposal's efforts to obtain participation by MBEs, WBEs and other business enterprises could reasonably be expected by the Board of Recreation and Park Commissioners (the "Board") to produce a level of participation by interested sub-contractors, including 15% MBE and 2% WBE.		0	0
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) 847-5172, or by mail to the Bureau of Engineering, Project Award and Control Division, 600 S. Spring, 6 <sup>th</sup> Floor, Los Angeles, Ca. 90014	Did not attend pre-bid meeting.	10	0
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	0
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>			<b>90</b>	

**MBE/WBE % ACHIEVED:**

**3.59/0**

MBE = 3.59% WBE = 0% OBE = 61.62% PRIME = 20.16%

**RESPONSIVE**