



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE REFER TO FILE: **PM-2**

January 6, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**ALHAMBRA HEALTH CENTER
EARTHQUAKE RECOVERY PROJECT
AWARD CONSTRUCTION CONTRACT
SPECS. 5596; LACO 0901; DSR 02475
SUPERVISORIAL DISTRICT 5
3 VOTES**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER THAT
YOUR BOARD:**

1. Approve the revised total project budget of \$2,350,000 for the repair of the Alhambra Health Center.
2. Find that HMI Construction Services is the apparent lowest responsible and responsive bidder and award and authorize the Interim Director of Public Works to execute a construction contract with HMI for the Alhambra Health Center Building project, subject to the satisfactory and timely completion by the contractor of the consultant services agreement to prepare a baseline construction schedule for the project and receipt by the County of acceptable Faithful Performance and Labor and Materials Bonds and insurance certificates filed by the contractor.

3. Delegate to the Interim Director of Public Works the authority to determine, in accordance with the applicable contract and bid specifications, whether the contractor has satisfied the above conditions for contract award; authorize the Interim Director to execute the construction contract, in the form previously approved by County Counsel, to HMI for the Alhambra Health Center Building project for \$1,370,000; and establish the effective date of the construction contract if the Interim Director determines that the above conditions have been satisfied.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Alhambra Health Center is a two-story unreinforced masonry building with a partial basement totaling 25,300 square feet and was constructed in the early 1930s as an outpatient clinic. Because of its age and architectural characteristics, the facility has historical significance and is eligible for listing in the National Register of Historic Places as determined by the State Historical Preservation Office. As a result of the Northridge earthquake and its aftershocks, this building experienced structural cracks and damage to unreinforced brick-masonry walls. This project will comply with code requirements for the repair of unreinforced masonry bearing-wall buildings, and will include accessibility features for disabled persons as required by the State of California and the Federal Americans with Disabilities Act.

On October 5, 2004, your Board adopted plans and specifications for this project and instructed the Executive Officer to advertise for construction bids. Of the five bids received on November 2, 2004, HMI was the apparent lowest responsible bidder meeting the criteria adopted by your Board.

Implementation of Strategic Plan Goals

These actions meet the County's Strategic Plan Goal of Service Excellence by taking appropriate actions to complete the project and provide the community with a structurally sound building.

FISCAL IMPACT/FINANCING

The recommended construction contract with HMI is for \$1,370,000. Since HMI's bid was less than Public Works' fair construction cost estimate of \$1,721,280, and significantly less than the other bids, additional review and evaluation of HMI's bid package was conducted to confirm their understanding of the work and accuracy of their bid. Public Works concluded from its review that HMI demonstrated an acceptable level

of knowledge of the work. Public Works now recommends awarding a construction contract to HMI.

Repair of the facility is funded through the FEMA Grant Acceleration Program and Net County Cost commitment as appropriate. Sufficient funds are available in the Federal and State Disaster Aid Budget to cover the total estimated project cost of \$2,350,000.

The Project Schedule and Budget Summary are included in Enclosure A.

A change order contingency fund of \$205,500 is included in the project budget. No expenditures from the fund will be made without the review and authorization from the Chief Administrative Office.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

A standard contract, in the form previously approved by County Counsel, will be used. The standard Board-directed clauses that provide for contract termination, renegotiation, and hiring qualified displaced County employees will be included in the contract.

As requested by your Board on August 12, 1997, and as a threshold requirement for consideration of contract award, HMI is willing to consider Greater Avenues for Independence Program/General Relief Opportunity for Work participants for future employment.

The project specifications contain provisions requiring the contractor to report solicitations of improper consideration by County employees and allowing the County to terminate the contract if it is found that the contractor offered or gave improper consideration to County employees.

As required by your Board, language has been incorporated into the project specifications stating that the contractor shall notify its employees, and shall require each subcontractor to notify its employees, about Board Policy 5.135, the Safely Surrendered Baby Law, and that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws.

HMI is in full compliance with Los Angeles County Code Chapter 2.200 (Child Support Compliance Program) and Chapter 2.203 (Contractor Employee Jury Service Program).

HMI, as required on all publicly funded projects in excess of \$1,000, will be required to pay prevailing State wage rates to all persons employed on the project.

ENVIRONMENTAL DOCUMENTATION

On October 5, 2004, your Board found that the repairs to the Alhambra Health Center are statutorily exempt under the California Environmental Quality Act.

CONTRACTING PROCESS

On October 5, 2004, your Board adopted plans and specifications for the project at an estimated construction cost of \$1,721,280 and instructed the Executive Officer to advertise for construction bids. On November 2, 2004, five bids were received. HMI submitted a bid of \$1,370,000 to perform the work and was the apparent lowest responsible bidder meeting the criteria adopted by your Board. The bid results are summarized in Enclosure B.

HMI's Community Business Enterprises participation data and three-year contracting history with the County are on file with Public Works.

As requested by your Board on February 3, 1998, this contract opportunity was listed on the "Doing Business with Us" website.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The Department of Health Services staff were relocated to 10953 Ramona Boulevard, El Monte, California, in October 2003; therefore, there will be no impact on current County services during construction.

The Honorable Board of Supervisors
January 6, 2005
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CONCLUSION

Please return one adopted copy of this letter to the CAO and Public Works.

Respectfully submitted,

DONALD L. WOLFE
Interim Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

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cc: County Counsel
Department of Health Services
Department of Public Social Services (GAIN/GROW Program)

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ENCLOSURE A

**ALHAMBRA HEALTH CENTER
EARTHQUAKE RECOVERY PROJECT
AWARD CONSTRUCTION CONTRACT
SPECS. 5596; LACO 0901; DSR 02475**

I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date	Revised Completion Date
Project Program	N/A	N/A
Design		
Contract Execution	06/25/02*	N/A
Construction Document Submittal	08/15/03*	N/A
Jurisdictional Approvals	11/04/03*	N/A
Construction Bid and Award	12/07/04	01/18/05
Construction		
Start Construction	01/10/05	01/24/05
Substantial Completion	08/11/05	08/23/05
Acceptance	10/06/05	10/13/05

*Indicates completed activity.

PROJECT BUDGET SUMMARY

Budget Category	Project Budget	Impact of this Action	Revised Project Budget
Construction			
(a) Construction Contract	\$ 1,721,280	\$ (351,280)	\$1,370,000
(b) Market Condition Contingency (20 Percent)	344,000	(344,000)	0
(c) Change Orders (15 percent)	<u>258,200</u>	<u>(52,720)</u>	<u>205,480</u>
Subtotal	\$ 2,323,480	\$ (748,000)	\$1,575,480
Consultant Services			
(a) Design Services	\$ 225,370	0	\$ 225,370
(b) Construction Management	245,320	0	245,320
(c) Survey, Testing, & Inspection	<u>86,810</u>	0	<u>86,810</u>
Subtotal	\$ 557,500	0	\$ 557,500
Miscellaneous Expenditures			
(a) Printing/Blueprinting	\$ 3,200	0	\$ 3,200
(b) Legal Advertising	<u>6,000</u>	0	<u>6,000</u>
Subtotal	\$ 9,200	0	\$ 9,200
Jurisdiction Reviews/Plan Check	\$ 17,700	0	\$ 17,700
County Services	\$ 190,120	0	\$ 190,120
TOTAL	\$ 3,098,000	\$ (748,000)	\$2,350,000

January 6, 2005

ENCLOSURE B

**ALHAMBRA HEALTH CENTER
EARTHQUAKE RECOVERY PROJECT
AWARD CONSTRUCTION CONTRACT
SPECS. 5596; LACO 0901; DSR 02475**

The project will repair the earthquake damage to the Alhambra Health Center building. The repair consists of cracks in plaster walls; structural strengthening of unreinforced masonry walls, wood floor, and roof; and accessibility features required by the Americans with Disabilities Act.

Bid Opening Date: November 2, 2004

Bid Summary:

<u>Bidder</u>	<u>Total Lump Sum Bid</u>
HMI Construction Services	\$1,576,525
Tobo Construction, Inc.	\$2,445,725
Gonzales Construction	\$2,461,883
Cal-City Construction, Inc.	\$3,004,000
DJM Construction Co., Inc.	Nonresponsive

- NOTES: 1. The low bid was determined based on the combined sum of the base contract lump sum, extended home office overhead, and unit price amounts for three additional items.
2. The contract will be issued to HMI Construction Services for their base contract lump sum bid of \$1,370,000.