



# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
www.ladpw.org

DONALD L. WOLFE, Director

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE

REFER TO FILE: **AS-0**

January 23, 2006

TO: Each Supervisor

FROM: Donald L. Wolfe  
Director of Public Works

**BOARD AGENDA DATE: JANUARY 24, 2006, ITEM 12  
ARMED AND UNARMED SECURITY SERVICES FOR VARIOUS  
PUBLIC WORKS FACILITIES**

This memo will provide your Board with the necessary information to approve Item 12 of the Agenda for the January 24, 2006, Board meeting (continued from the Agenda of January 17, 2006, Item 28) regarding the award of a contract to provide the above-referenced services. At the Board meeting, Garry Martin of California Security, Inc., disagreed with the disqualification of California Security from the solicitation process. The facts concerning this solicitation process are as follows:

- Public Works released a notice of Request For Proposals (RFP) for Armed and Unarmed Security Services for Various Public Works Facilities as well as a similar RFP for the Headquarters Complex on October 26, 2005.
- **The RFPs contained a requirement in Part I, Section 2, 16 Bid Guaranty, (Attachments 1A and 1B) that each Proposer submit a bid guaranty payable to the County of Los Angeles in the amount of 10 percent of the Proposer's Annual Price to perform the service.** The bid guaranty could only be in the form of cash, a certified check, a cashier's check, or an original bid bond. **In this same Section, it was clearly stated that "Proposals failing to provide the requested bid guaranty at the time of proposal submission will be immediately rejected as nonresponsive."** The bid guaranty is to safeguard the County and pay for costs that would be incurred if the awardee is unable to enter into the contract for this vital service.

- A mandatory Proposers' Conference was held for both RFPs on November 7, 2005, and attended by a representative of California Security. During the Conference, the bid guaranty requirement was specifically mentioned twice during the presentation, and its specific Section in the RFP was noted for the attendees during a review of the RFP. Additionally, the bid guaranty requirement was reiterated again in response to questions from attendees about the bid guaranty and performance bond requirements.
- Public Works never received a request for Solicitation Requirements Review from anyone regarding any part of the RFP, including the bid guaranty requirement.
- Public Works received five proposals by the deadline on November 21, 2005. Four of the proposals contained a bid guaranty. **One proposal, from California Security, did not contain the required bid guaranty payable to the County of Los Angeles in the amount of 10 percent of the Proposer's Annual Price to perform the service.**
- **California Security did not provide any documentation that proves that an actual bid guaranty was submitted in their proposal.** California Security asserts that they met the RFPs' requirements because they provided a letter (Attachment 2) that was received from an insurance services company stating that the company was working to secure a performance bond for California Security. Such a letter does not constitute a bid guaranty in and of itself, and California Security has never shown proof of a bid guaranty from a Surety.
- In compliance with the Countywide Services Contract Solicitation Protest Policy (Protest Policy), Public Works notified California Security of their disqualification from both RFPs in a letter dated December 7, 2005 (Attachment 3). We specifically cited failure of the bid guaranty requirements in Part I, Section 2,16 Bid Guaranty, and provided a form for them to request a review of the disqualification.
- California Security only requested a review of their disqualification on the Headquarters Complex RFP. **Their request did not state facts demonstrating that their disqualification was erroneous and neither asserted nor proved that their proposal contained the required bid guaranty (Attachment 4).** To ensure fairness, we reviewed their disqualification on both RFPs for security services. We notified California Security that our review confirmed that they

Each Supervisor  
January 23, 2006  
Page 3

failed to meet the terms of both the RFPs and confirmed their disqualification in a letter dated December 21, 2005 (Attachment 5).

- Public Works followed all of the procedures of the Protest Policy concerning the disqualification of a proposal.

It is our understanding that the Auditor has completed his review as requested by the Board of Supervisors and is forwarding his findings under separate cover.

If you have any questions or need additional information, please call me or your staff may contact Paul Goldman of our Administrative Services Division at (626) 458-4179.

PAG:lb

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Attach.

cc: Auditor-Controller  
Chief Administrative Office  
County Counsel  
Executive Office

## 16. Bid Guaranty

- a. A bid guaranty is required of each Proposer and shall be made payable to the County of Los Angeles in an amount of ten percent of the Proposer's "Total Proposed Annual Price" from Form PW-2, Schedule of Prices. The bid guaranty can either be in the form of cash, a certified check, a cashier's check, or an original bid bond, executed by the Proposer and issued by a California-admitted Surety (including power of attorney). No other form of bid guaranty will be accepted. The bid guaranty may be prepared on the Surety's standard form. Proposers shall pay all bid guaranty premiums, costs, and incidentals.
- b. The successful Proposer's bid guaranty will be retained until the successful Proposer has executed the Agreement and provided all required proof of insurance and contract security and the Board has awarded the contract, whereupon the bid guaranty will be returned. If the successful Proposer fails to execute and deliver the Agreement and to furnish the required proof of insurance and contract security, all within 14 calendar days of the County's presentation of the Agreement to the Proposer for execution, the County may annul the recommendation of award and the bid guaranty of the Proposer shall be forfeited. All other proposers' bid guaranties will be returned upon the successful proposers' execution of the Agreement, providing all required proof of insurance and contract security, and Board award.

Proposals failing to provide the requested bid guaranty at the time of proposal submission will be immediately rejected as nonresponsive.

17. The Proposer is required to comply with State and Federal labor regulations and record keeping requirements. The objective of this subsection A.17 is to determine the appropriateness, scope, and suitability of the procedures the Proposer uses and the internal controls in place to ensure the Proposer complies with State and Federal labor regulations and record keeping requirements. In order to appropriately evaluate this area, it is critical that the Proposer submit a detailed description of the processes and the steps associated with those processes that the Proposer has in place.

It behooves the Proposer to provide additional details to ensure a clear picture of the Proposer's processes and controls. Proposers must answer all questions thoroughly and in the same sequence as provided below. If a question is not applicable, indicate with "N/A" and explain why such question is not applicable.

Proposer must describe its employee labor-payroll record keeping system and the controls in place that ensure ongoing regulatory compliance. Include, at a minimum, a detailed discussion of the following:

**16. Bid Guaranty**

- a. A bid guaranty is required of each Proposer and shall be made payable to the County of Los Angeles in an amount of ten percent of the Proposer's "Total Proposed Annual Price" from Form PW-2, Schedule of Prices. The bid guaranty can either be in the form of cash, a certified check, a cashier's check, or an original bid bond, executed by the Proposer and issued by a California-admitted Surety (including power of attorney). No other form of bid guaranty will be accepted. The bid guaranty may be prepared on the Surety's standard form. Proposers shall pay all bid guaranty premiums, costs, and incidentals.
  
- b. The successful Proposer's bid guaranty will be retained until the successful Proposer has executed the Agreement and provided all required proof of insurance and contract security and the Board has awarded the contract, whereupon the bid guaranty will be returned. If the successful Proposer fails to execute and deliver the Agreement and to furnish the required proof of insurance and contract security, all within 14 calendar days of the County's presentation of the Agreement to the Proposer for execution, the County may annul the recommendation of award and the bid guaranty of the Proposer shall be forfeited. All other proposers' bid guaranties will be returned upon the successful proposers' execution of the Agreement, providing all required proof of insurance and contract security, and Board award.

Proposals failing to provide the requested bid guaranty at the time of proposal submission will be immediately rejected as nonresponsive.

- 17.** The Proposer is required to comply with State and Federal labor regulations and record keeping requirements. The objective of this subsection A.17, is to determine the appropriateness, scope, and suitability of the procedures the Proposer uses and the internal controls in place to ensure the Proposer complies with State and Federal labor regulations and record keeping requirements. In order to appropriately evaluate this area, it is critical that the Proposer submit a detailed description of the processes and the steps associated with those processes that the Proposer has in place.

It behooves the Proposer to provide additional details to ensure a clear picture of the Proposer's processes and controls. Proposers must answer all questions thoroughly and in the same sequence as provided below. If a question is not applicable, indicate with "N/A" and explain why such question is not applicable.

Proposer must describe its employee labor-payroll record keeping system and the controls in place that ensure ongoing regulatory compliance. Include, at a minimum, a detailed discussion of the following:

# Venture Pacific

Insurance Services, Inc.

www.venturepacificinsurance.com

License No OD10299

November 21, 2005

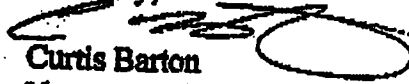
County of Los Angeles - Dept. of Public Works

Re: Performance Bond for California Security

To Whom It May Concern:

Please be advised that once California Security is awarded the contract for County of Los Angeles - Department of Public Works Garry Martin has instructed me to secure a performance bond to bring his company into compliance with their contract. We already have received the paperwork from Gary and we are securing a market for placement. If you have any question I encourage you to call. Thank you for your time and attention to this matter.

Sincerely,



Curtis Barton  
Venture Pacific Insurance  
United Agencies  
Lic #0252636



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ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

December 7, 2005

IN REPLY PLEASE  
REFER TO FILE: AS-0

Mr. Garry Martin  
California Security, Inc.  
3250 Wilshire Boulevard, Suite 1501  
Los Angeles, CA 90010

Dear Mr. Martin:

### NOTIFICATION OF DISQUALIFICATION

Thank you for responding to our Request for Proposals for Armed and Unarmed Security Services for Public Works Headquarters Complex and Armed and Unarmed Security Services for Various Public Works Facilities. After careful review, we have determined that your Proposal is incomplete and nonresponsive and has been disqualified from further consideration for the following reason(s):

Per Part I, Section 2, 16, Bid Guaranty (page 1.11), "a bid guaranty is required... The bid guaranty can either be in the form of cash, a certified check, a cashier's check, or an original bid bond, executed by the Proposer and issued by a California-admitted Surety (including power of attorney). No other form of bid guaranty will be accepted... Proposals failing to provide the requested bid guaranty at the time of proposal submission will be immediately rejected as nonresponsive."

Unfortunately, your Proposal failed to comply with this requirement. There was no original bid bond nor any type of check or cash as indicated above. Since your proposal failed to meet this requirement, your proposal is disqualified and is being returned.

Please refer to Part I, Section 5.E, Disqualification Review, (page 1.28) of the RFP that outlines the Disqualification Review Process. You may request a disqualification review by submitting the enclosed Transmittal Form to Request a Disqualification Review and your supporting documentation by **Monday, December 19, 2005**, to: County of Los Angeles Department of Public Works, Administrative Services Division, Attention Ms. Leticia Gordo, 900 South Fremont Avenue, Alhambra, California 91803. Your request for a disqualification review must provide factual support on each ground asserted where our disqualification was erroneous.

Mr. Garry Martin  
December 7, 2005  
Page 2

The County appreciates your effort in submitting this proposal. Your company will remain on our notification list. We thank you for participating in our solicitation process. If you have any questions regarding our Disqualification Review Process, please contact Ms. Gordo at (626) 458-4057, Monday through Thursday, 7 a.m. to 5 p.m.

Very truly yours,

DONALD L. WOLFE  
Director of Public Works



*for* DAWNNA B. LAWRENCE, Chief  
Administrative Services Division

LG

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Enc.

bc: Facilities Management (Guido w/o enc., Cholakian w/o enc., Valles w/o enc.)



# CALIFORNIA SECURITY, INC.

ATTACHMENT 4

3250 WILSHIRE BLVD. SUITE 1501  
LOS ANGELES, CA 90010  
(213) 386-7085 • (213) 386-7088 FAX

December 19, 2005

Ms. Leticia Gordo  
Administrative Services Division  
County of Los Angeles  
Department of Public Works  
900 South Freemont Avenue  
Alhambra, CA 91803-1331

Dear Ms. Gordo,

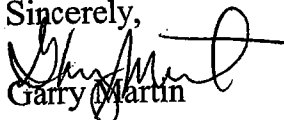
California Security was awarded the contract to provide security for Department of Public Works field services in February of 2003. We have since worked under the same requirements for the Performance Bond.

After 2 years of continued service, Public Works advised California Security that they had forgotten to get a Performance Bond from us. Our insurance broker advised us that no insurance company would forfeit a Performance Bond so far into a contract with the possibility that we may be terminated and they in turn loose their money. We in turn advised Public Works of this matter and it was eventually put aside.

California Security has secured a Performance Bond from our insurance company (see letter). It clearly stated that upon award, the bond would become part of the contract.

California Security has performed extremely adequate during the 3 years that we have serviced Public Works. Our proposal was not even reviewed before it was returned to us. We will appeal this to the County Board of Supervisors.

Sincerely,

  
Garry Martin

Enclosure

## TRANSMITTAL FORM TO REQUEST A DISQUALIFICATION REVIEW

**A Request for a Disqualification Review must be received by the County  
by the date specified in the Non-Responsive Letter**

Vendor Name: <i>California Security Inc.</i>	Date of Request: <i>12.19.05</i>
Project Title: <i>Security Service for Public Works Headquarters</i>	Project No. <i>AS-0</i>

As stated in the Disqualification Letter, I am requesting a Disqualification Review. I understand that this request must be received by the County by the **date specified in the Non-Responsive Letter**.

I have attached my detailed letter and all necessary documentation in response to each non-responsive issue that was stated in the Disqualification Letter.

Request submitted by:

*GARRY MARTIN*  
(Name)

*President*  
(Title)

*For County use only*

Date Transmittal Received by County: _____	Date Request Due: _____
Reviewed by: _____	
Results of Review - Comments: _____ _____ _____ _____ _____ _____ _____ _____ _____	
Date Response sent to Vendor: _____	



DONALD L. WOLFE, Director

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P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE  
REFER TO FILE: **AS-0**

December 21, 2005

Mr. Garry Martin  
California Security, Inc.  
3250 Wilshire Boulevard, Suite 1501  
Los Angeles, CA 90010

Dear Mr. Martin:

### **DISQUALIFICATION REVIEW**

You were notified on December 7, 2005, that Public Works had determined that your Proposals for Armed and Unarmed Security Services for Public Works Headquarters Complex, and for Armed and Unarmed Security Services for Various Public Works Facilities were incomplete, nonresponsive, and were disqualified from further consideration for failure to include a bid guaranty as required in Part I, Section 2.16, Bid Guaranty (page 1.11), of the Request for Proposals (RFP).

On December 19, 2005, we received your request for a disqualification review on your proposal for Armed and Unarmed Security Services for Public Works Headquarters Complex. Enclosed is our response to your request.

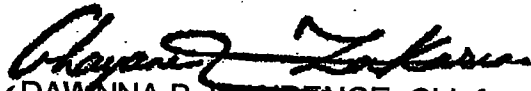
We have completed this review and have confirmed that the decision to disqualify your proposal as nonresponsive to the RFP was correct. In addition, although you did not request it, we have reviewed and found to be correct the disqualification of your proposal for Armed and Unarmed Security Services for Various Public Works Facilities as nonresponsive to the RFP for the reasons stated in the enclosure.

Mr. Garry Martin  
December 21, 2005  
Page 2

Your company will remain on our notification list for future solicitations. If you have any questions regarding the Disqualification Review Process, please contact Ms. Leticia Gordo at (626) 458-4057, Monday through Thursday, 7 a.m. to 5 p.m.

Very truly yours,

DONALD L. WOLFE  
Director of Public Works



DAWNNA B. LAWRENCE, Chief  
Administrative Services Division

LG

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Enc.

bc: Facilities Management (Guido, Cholakian, Valles) (w/o enc.)



## **RESULTS OF REVIEW**

Because the request for a disqualification review does not state facts showing that disqualification was erroneous, Public Works must reject the protest. California Security was notified on December 7, 2005, that its proposal was rejected for failure to include a bid guaranty. The RFP state on page 1.11 that "a bid guaranty is required...The bid guaranty can either be in the form of cash, a certified check, a cashier's check, or an original bid bond, executed by the Proposer and issued by a California-admitted Surety (including power of attorney). No other form of bid guaranty will be accepted...Proposals failing to provide the requested bid guaranty at the time of proposal submission will be immediately rejected as nonresponsive." The proposal did not include a bid guaranty of any kind and California Security's request for review neither asserts nor proves that the proposal contained the required bid guaranty.