



County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
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WILLIAM T FUJIOKA
Chief Executive Officer

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Fifth District

September 29, 2009

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:

**DEPARTMENT OF PUBLIC WORKS:
ANNUL AWARD AND AWARD A PUBLIC WORKS CONSTRUCTION CONTRACT
GAGE AVENUE NEIGHBORHOOD PARK, CAPITAL PROJECT NO. 77432
UNINCORPORATED COMMUNITY OF FLORENCE-FIRESTONE
(FIRST DISTRICT) (3 VOTES)**

SUBJECT

Annul the contract award to T K Engineering Co. for failure to execute the contract previously awarded by your Board and award this Public Works' contract to the second Lowest Responsive and Responsible Bidder for Gage Avenue Neighborhood Park and authorize the Director of Public Works or her designee to execute the contract with the contractor for the completion of the project in the unincorporated community of Florence-Firestone.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Annul the contract award to T K Engineering Co., for failure to execute the contract previously awarded by your Board, for Project ID No. RDC0014807/C.P. No. 77432, Gage Avenue Neighborhood Park.

"To Enrich Lives Through Effective And Caring Service"

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2. Award and authorize the Director of Public Works or her designee to prepare the construction contract in the form previously approved by County Counsel, execute the contract, and establish the effective date following receipt of approved Faithful Performance and Labor and Material bonds and insurance filed by the contractor, to install landscaping, lighted pedestrian paths, storm water treatment features, and playground equipment, in the unincorporated community of Florence-Firestone, to C. G. Construction, in the amount of \$538,373.00.
3. Authorize the Director of Public Works or her designee to seek recovery against T K Engineering Co., and/or its bid bond surety, in the increased amount of the second lowest bidder's bid.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to annul the award of a construction contract to T K Engineering Co., and to award a construction contract to C. G. Construction, the second Lowest Responsive and Responsible Bidder for the Gage Avenue Neighborhood Park project; and to authorize the Director of Public Works or her designee to execute the contract and establish the effective contract date following receipt of approved bonds and insurance filed by the contractor for this project.

On June 16, 2009, bids were opened and the lowest responsible and responsive bid was from T K Engineering Co., in the amount of \$529,166.00. On September 1, 2009, Agenda Item 37, your Board awarded the Gage Avenue Neighborhood Park, Capital Project Number (C.P.) 77432 to T K Engineering Co.. On September 9, 2009, T K Engineering Co., informed the Department of Public Works (Public Works) that they would be unable to obtain the payment and performance bonds required by the contract and, therefore, would not be able to execute the contract. In accordance with the Instructions to Bidders, which is a contract document, Public Works will take steps to seek recovery of increased costs to the County as a result of T K Engineering's failure to execute the contract, including forfeiture of the bid bond. The second low bidder, C.G. Construction has agreed to execute the contract for the amounts stated in its bid (see Facts and Provisions/Legal Requirements section for contracting details).

The project consists of the design and construction of a 27,480 square-foot park with benches, trash receptacles, a meandering sidewalk, solar pedestrian lighting system, landscaping, and a smart irrigation system. The design will include water quality and water conservation features, as well as American with Disability Act (ADA) compliant features to provide accessibility to individuals with disabilities.

The attachments include the call for bids and bid opening date, a tabulation of bids, and financial information. The certified record of receipt of bids and the original bid proposal are also attached.

Your Board's approval of the recommended contract award and the subsequent execution of the contract will ensure the timely completion of the project.

Green Building/Sustainable Design

The project will support the County's Green Building/Sustainable Design Policy by incorporating water quality and water conservation features including drought tolerant plants and bioswales to retain and naturally filter stormwater runoff. A weather-based smart irrigation controller and solar lighting will be installed to reduce demand on conventional water and power resources. In addition, a play area and par course stations will be surfaced with recycled rubber tiles.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provisions of Operational Effectiveness (Goal 1) and Community and Municipal Services (Goal 3). Awarding this contract will provide a neighborhood park to better serve the public and will enhance the quality of life in the affected communities.

FISCAL IMPACT/FINANCING

The recommended contract amount of \$538,373 is below the engineer's estimate and sufficient funds are available in the project's construction budget. Attachment B includes the amount of the recommended contract as compared with the engineer's estimate, the other bids received; and more detailed fiscal and financial information.

The total project cost estimate of \$1,846,000 includes \$1,311,000 for the construction contract and change orders, \$250,000 for plans and specifications, and \$285,000 for County services, which includes project management and administration.

Funding for the project consists of \$1,500,000 grant from the State Proposition 40 Roberti-Z'berg-Harris Program, and \$346,000 of First District one-time net County cost allocated for enhanced unincorporated area services. Sufficient funds are available in the Fiscal Year 2009-10 Capital Projects/Refurbishments Budget, under C.P. No. 77432. The Project Schedule and Budget Summary are included in Attachment A.

Operating Budget Impact

Following completion of the project, scheduled for the Fall of 2010, the Department of Parks and Recreation (Department) will maintain the newly developed park, and anticipates one-time start-up and ongoing operating costs for utilities and maintenance. The Department will work with the Chief Executive Office to determine the appropriate level of funding when the project nears completion. Request of funds for one-time and ongoing costs will be submitted in the Department's Fiscal Year 2010-11 Proposed Budget request.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The contract agreement will be in the form previously reviewed and approved as to form by County Counsel. The recommended contract was solicited on an open-competitive basis and is in accordance with applicable Federal, State, and County requirements. The contractor is in compliance with the Chief Executive Officer's and your Board's requirements.

This contract contains terms and conditions supporting your Board's ordinances, policies, and programs, including but not limited to: County of Los Angeles' (County) Greater Avenues for Independence and General Relief Opportunities for Work Programs (GAIN and GROW), Board Policy No. 5.050; Contract Language to Assist in Placement of Displaced County Workers, Board Policy No. 5.110; Reporting of Improper Solicitations, Board Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Board Policy No. 5.135; Contractor Employee Jury Service Program, Los Angeles County Code, Chapter 2.203; Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service Notice 1015); Contractor Responsibility and Debarment, Los Angeles County Code, Chapter 2.202; the Los Angeles County's Child Support Compliance Program, Los Angeles County Code, Chapter 2.200; and the standard Board-directed clauses that provide for contract termination or renegotiation.

The State Public Contract Code requires the County to award construction contracts to a responsible contractor with the lowest responsive bid, which is defined as the firm that: 1) submits the bid with the lowest cost; (2) is deemed by the County to be responsive to specific criteria under the solicitation, including, but not limited to, licensure, bonding, and insurance requirements; and (3) is determined by the County to be a responsible bidder by exhibiting the capability, capacity, experience, trustworthiness, and financial wherewithal to perform the work required under the bid solicitation.

To ensure the contract is awarded to a responsible contractor with the lowest responsive bid and a satisfactory history of performance, bidders are required to report violations of the False Claims Act, criminal convictions, civil litigation, defaulted contracts with the County, complaints filed with the Contractor's State License Board, labor law/payroll violations, and debarment actions. As provided for in Board Policy No. 5.140, the information reported by the contractor was considered before making this recommendation to award.

The plans and specifications include the contractual provisions, methods, and material requirements necessary for this project and are on file with Public Works.

ENVIRONMENTAL DOCUMENTATION

On May 19, 2009, this project was found to be categorically exempt from the provisions of the California Environmental Quality Act. The specifics of this finding are included in the attachment.

CONTRACTING PROCESS

The contract was solicited on an open-competitive basis in accordance with the provisions of the Public Contract Code.

The State Labor Code requires contractors to pay prevailing wage rates to all persons employed on public works construction contracts. These rates are determined by the Department of Industrial Relations and include contributions for fringe benefits such as vacations, pension funds, training, and health plans for each employee.

To further increase contractor awareness of contracting opportunities with Public Works, this project was listed on the County website for upcoming bids.

Public Works will review and approve the faithful performance and payment bonds filed by the contractor.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This construction contract will result in improved public infrastructure in the community where the work is scheduled.

The Honorable Board of Supervisors
September 29, 2009
Page 6

CONCLUSION

Please return one adopted copy of this letter to the Chief Executive Office, Capital Projects Division; Public Works, Construction Division; and Parks and Recreation.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:GF:DL
DJT:RB:zu

Attachments

c: County Counsel
Department of Parks and Recreation
Department of Public Works
Office of Affirmative Action Compliance

September 29, 2009

ATTACHMENT A

**ACCEPTANCE OF GIFT OF UNIMPROVED REAL PROPERTY IN THE
UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES AND
APPROVAL OF CAPITAL PROJECT FOR THE CONSTRUCTION OF GAGE
AVENUE NEIGHBORHOOD POCKET PARK ON THE NORTHEAST CORNER OF
THE INTERSECTION OF EAST GAGE AVENUE AND CONVERSE AVENUE IN
FLORENCE/FIRESTONE AREA
CAPITAL PROJECT NO. 77432; PROJECT ID NO. RDC0014807
(FIRST DISTRICT) (3 VOTES)**

I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date
Project Needs Assessment	N/A
Project Feasibility	N/A
Project Program Validation	N/A
Design	2/14/09
Construction Contract Award	9/17/09
Construction	5/4/10
Field Acceptance	6/29/10
Final Acceptance	

II. PROJECT BUDGET SUMMARY

Project Activity	Adopted Budget
Land Acquisition	\$ 0
Construction	
Low Bid Construction Contract	\$632,000
Job Order Contract	508,000
Change Orders	171,000
Departmental Crafts	0
Youth Employment	0
Construction Consultants	0
Misc. Expense	0
Telecomm Equip – Affixed to Building	0
Civic Arts*	0
Subtotal	\$1,311,000
Programming/Development	\$ 0
Plans and Specifications*	\$ 250,000
Consultant Services	
Site Planning	\$ 0
Hazardous Materials	0
Geotech/Soils Report and Soils Testing	0
Material Testing	0
Cost Estimating	0
Topographic Surveys	0
Construction Management	0
Construction Administration	0
Environmental	0
Move Management	0
Equipment Planning	0
Legal	0
Construction/Change Order	0
Other:	0
Subtotal	\$ 0
Miscellaneous Expenditures	\$ 0
Jurisdictional Review/Plan Check/Permit	\$ 0
County Services	
Code Compliance Inspection	\$ 0
Quality Control Inspection	150,000
Design Review	5,000
Design Services	35,000
Contract Administration	35,000
Project Management	30,000
Project Management Support Services	0
ISD Job Order Contract Management	0
DPW Job Order Contract Management	0
ISD ITS Communications	0
Project Security	0
Project Technical Support	0
Office of Affirmative Action	0
County Counsel	0
Other:	30,000
Sheriff Job Order Contract Management	0
Subtotal	\$ 285,000
TOTAL	\$1,846,000

AWARD OF CONTRACT
September 29, 2009

PROJECT ID NO. RDC0014807 - GAGE AVENUE NEIGHBORHOOD PARK (in the unincorporated community of Florence-Firestone), Supervisorial District 1

TYPE OF WORK: Installation of landscaping, lighted paths, storm water treatment features, and playground equipment.

CALL FOR BIDS DATE: May 19, 2009 (Agenda Item 47)

BID OPENING DATE: June 16, 2009

BID SUMMARY:

Low	T M T Development Co., Inc., a corporation dba T K Engineering Co. 3345 Wilshire Boulevard, Suite 603 Los Angeles, California 90010 (213) 380-2349	\$529,166.00
2	*Choong Gil Construction, Inc.	\$538,373.00
3	*Mega Way Enterprises	\$567,055.00
4	Vido Samarzich, Inc.	\$594,458.00
5	International Pavement Solutions, Inc.	\$600,000.00
6	C. S. Legacy Construction, Inc.	\$609,568.00
7	Marina Landscape, Inc.	\$626,081.00
8	Pivot Group, Inc.	\$629,081.00
9	Environmental Construction, Inc.	\$646,123.00
10	*Simgel Company, Inc.	\$778,570.00

*MWBE

FINANCIAL INFORMATION:

Amount of estimate	\$631,140.00
Amount of recommended contract	\$529,166.00
Amount of recommended contract below estimate	\$101,974.00

The amount of the recommended contract is 16 percent below the estimate.

The project cost is financed with the State Proposition 40 Roberti-Z'Berg-Harris Program and First Supervisorial District funds allocated for enhanced unincorporated area services. Sufficient funds for this project are included in the Fiscal Year 2009-10 Capital Projects Refurbishments Budget.

MINORITY/WOMEN-OWNED BUSINESS ENTERPRISES DATA:

T K Engineering Co. has no MWBE subcontractors/suppliers under this contract.

ENVIRONMENTAL IMPACT:

On April 15, 2008, Agenda Item 46, your Board found this project categorically exempt.

CONSTRUCTION SCHEDULE:

This project is to be completed in 60 working days followed by 90 days of maintenance before the park is opened to the public. It is estimated the work will start in October 2009 and be completed in May 2010.