



**COUNTY OF LOS ANGELES**  
**DEPARTMENT OF PUBLIC WORKS**

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

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

**GAIL FARBER, Director**

March 13, 2012

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

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

34 March 13, 2012

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Supervisors:

**REJECT BIDS AND ADOPT, ADVERTISE, AND AWARD  
KANAN ROAD TUNNELS T2 AND T3  
TUNNEL LINING PROJECT  
IN THE UNINCORPORATED COMMUNITY OF CORNELL  
(SUPERVISORIAL DISTRICT 3)  
(3 VOTES)**

**SUBJECT**

This action is to reject all bids received on September 27, 2011, adopt the revised plans and specifications to strengthen two tunnels with steel liners for Kanan Road Tunnels T2 and T3 in the unincorporated community of Cornell; call for bids; authorize the Director of Public Works or her designee to award, execute, and implement a consultant services agreement for the preparation of a baseline construction schedule and environmental plans for a not-to-exceed fee of \$18,000 and a construction contract with the apparent responsible contractor with the lowest responsive bid; and approve changes or alterations to the contract.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Reject all bids received on September 27, 2011, for Project ID No. RD0015367, Kanan Road Tunnels T2 and T3 Tunnel Lining Project, in the unincorporated community of Cornell.
2. Adopt the revised plans and specifications that are on file in the Construction Division of the Department of Public Works for Kanan Road Tunnels T2 and T3, construction of steel liners, in the unincorporated community of Cornell, at an estimated construction contract cost between \$7,000,000 and \$9,500,000.
3. Instruct the Executive Officer of the Board of Supervisors to advertise for bids to be received and

opened on April 10, 2012, in accordance with the Instruction Sheet for Publishing Legal Advertisement.

4. Authorize the Director of Public Works or her designee to execute a consultant services agreement with the apparent responsible contractor with the lowest responsive bid to prepare a baseline construction schedule and environmental plans for a not-to-exceed fee of \$18,000 funded by existing project funds.

5. Authorize the Director of Public Works or her designee to award, execute, and implement a construction contract with the apparent responsible contractor with the lowest responsive bid within the estimated cost range, approve the Faithful Performance and Labor and Material Bonds and insurance submitted by the contractor, and deliver the project.

6. Delegate to the Director of Public Works or her designee the following authority in connection with this contract to: (1) approve and execute change orders within the same monetary limits delegated to the Director of Public Works under Section 2.18.050 of the Los Angeles County Code relative to the construction of County buildings; (2) allow substitution of subcontractors and relief of bidders upon demonstration of the grounds set forth in the State Public Contract Code, Sections 4100 et seq. and 5100 et seq.; (3) accept the project upon its final completion; and (4) release retention money withheld consistent with the requirements of the State Public Contract Code, Section 9203.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to reject all bids received on September 27, 2011; adopt the revised plans and specifications; advertise for bids; and authorize the Director of Public Works (Director) or her designee to award, execute, and implement a consultant services agreement to prepare a baseline construction schedule and environmental plans for a not-to-exceed fee of \$18,000 funded by existing project funds, and a construction contract with the apparent responsible contractor with the lowest responsive bid for the construction of steel liners and the performance of other appurtenant work.

The proposed consultant services agreement to prepare a baseline construction schedule and environmental plans that conforms to the County of Los Angeles' (County) specifications is critical to successfully manage construction activities by both the contractor and the County, and a responsible contractor must be able to produce these deliverables. Bid specifications provide that if the apparent lowest bidder fails to complete acceptable deliverables, the Department of Public Works (Public Works) may return to your Board to recommend that the bidder be determined nonresponsive and recommend awarding the construction contract to the next apparent responsible contractor with the lowest responsive bid contingent on that bidder completing deliverables that conform to the County's specifications.

#### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs the provisions of Operational Effectiveness (Goal 1) and Community and Municipal Services (Goal 3). The recommended actions will help achieve these goals by providing improved highway tunnels for the traveling public, which will benefit the community.

#### **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

The estimated construction contract cost to complete this project is in the range of \$7,000,000 to \$9,500,000. The total project cost is estimated to be \$11,145,000. In addition to the construction contract cost, the total project cost includes the preparation of plans, specifications, consultant services, survey, materials testing, inspection, contract administration, change order contingency, and other County services.

The project cost will be financed with \$2,160,000 in Federal Demonstration Program grant funds and \$8,985,000 from the Third Supervisorial District's Road Construction Program. The project will be administered under the Federal Surface Transportation Program covered by Agreement No. 76078 with the State of California. This project is included in the Third Supervisorial District's Road Construction Program in the Fiscal Year 2011-12 Road Fund Budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Instruction to Bidders included in the bid documents provides for the rejection of all bids by your Board if such action is in the best interest of the County. On September 27, 2011, thirteen bids were opened. The lowest bid was in the amount of \$7,500,321.80. The four lowest bids all had some level of discrepancy, clerical error, omission, vagueness, or mistake. The original solicitation had to be amended on three occasions with addenda. Re-advertising will allow these changes to be fully incorporated into the project plans and specifications. We believe rejecting all bids and re-advertising the project will allow for clarification and a better understanding of the project by all potential bidders and is in the best interest of the County.

This project, to contract for the construction of steel tunnel liners, is part of Public Works' ongoing highway construction and maintenance program. It will be re-advertised in accordance with Section 20404 of the State Public Contract Code.

This project is to be completed in 250 working days. It is estimated the work will start in September 2012 and be completed in August 2013.

Delegating to the Director or her designee the authority to award, execute, and approve changes or alterations to this contract and specified administrative authority will allow an expedited contracting process to procure a contractor and facilitate construction delivery for the strengthening of these existing tunnels.

The contract agreement will be in the form previously reviewed and approved as to form by County Counsel.

The award of the contract will not result in unauthorized disclosure of confidential information and will be in full compliance with Federal, State, and County regulations. The project specifications contain provisions requiring the contractor to comply with terms and conditions supporting your Board's ordinances, policies, and programs including, but not limited to: 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; the County's Defaulted Property

Tax Reduction Program Ordinance, County Code, Chapter 2.206; 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 that the contract is awarded to a responsible contractor with 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 will be considered before making a 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 August 9, 2011, Agenda Item 24, your Board found this project categorically exempt from the provisions of the California Environmental Quality Act.

### **CONTRACTING PROCESS**

This project will be contracted on an open-competitive bid basis. The award by the Director or her designee will be made after review of the bids meeting the criteria established by your Board and the State Public Contract Code. The County Local Small Business Enterprise preference will not be applied to the determination of the apparent responsible contractor with the lowest responsive bid. To be eligible for Federal funds to finance a portion of this project, Title 49, Code of Federal Regulations, requires award to the lowest bidder.

To increase contractor awareness of Public Works' program to contract work out to the private sector, this project will be listed on the County website for upcoming bids.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

When the project is completed, it will have a positive impact by providing improved highway tunnels for the traveling public.

### **CONCLUSION**

Please return one adopted copy of this letter to the Department of Public Works, Construction Division.

The Honorable Board of Supervisors

3/13/2012

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Respectfully submitted,

A handwritten signature in black ink that reads "Gail Farber". The signature is written in a cursive, flowing style.

GAIL FARBER

Director

GF:JTS:ma

c: Chief Executive Office (Rita Robinson)  
County Counsel  
Executive Office  
Internal Services Department (Countywide  
Contract Compliance)