



GAIL FARBER, Director

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
<http://dpw.lacounty.gov>

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

IN REPLY PLEASE

REFER TO FILE: **A-0**

December 1, 2011

TO: Each Supervisor

FROM: Gail Farber *Gail Farber*
Director of Public Works

BOARD MOTION OF NOVEMBER 1, 2011, ITEM 24 ADDRESSING ISSUES WITH CONTRACTOR NOT PERFORMING

As part of your Board's November 1, 2011, Item 24, approval of the recommendation to find the contractor, Dalaj International Corp., in default of its contract, you requested that Public Works, in consultation with County Counsel, (1) use a pre-qualification process for bidders on the remaining bridge seismic retrofit projects, and (2) create a process that can more quickly address issues with a contractor who is not performing to expectations and report back to you.

Over 100 bridge seismic retrofit projects, of varying complexity, have been constructed by Public Works in the last ten years with only two in recent months where we have recommended a termination for default of the low-bid contractor to your Board. In order to stem any future project delays due to poor contractor performance, County Counsel and Public Works propose to take the following action on all road, flood control, waterworks, and sewer facility low-bid contracts:

Using existing as-needed construction support contracts, we will bring in a private sector facilitator at the first indication that communication between my staff and the contractor is deteriorating. While this is not a guarantee that communication will improve, it is expected to at least ensure that communication will be focused on moving the work forward. The facilitator's role will be to review project correspondence and directly challenge either Public Works staff or the contractor's staff to be more proactive in achieving results. This is especially important when we suspect the communication from the contractor is merely intended to illicit a defensive response that could lead to a more protracted dispute and associated delay claims instead of achieving constructive and professional dialogue.

Each Supervisor
December 1, 2011
Page 2

In the matter of the Dalaj International Corp. contract, one contributing factor in the timeframe to address nonperformance was that the contractor was either unwilling to make a change of an unqualified subcontractor or oblivious to the problems that the subcontractor was having in meeting contract provisions. Therefore, Public Works' construction project management staff will be empowered, after consultation with County Counsel, to set an administrative hearing to quickly establish if a subcontractor has failed to perform as required by the contract terms and use the result of the hearing to potentially direct the contractor to substitute a different subcontractor.

Your Board's action also included direction that Public Works is to carry out a contractor pre-qualification process for the remaining four bridge seismic retrofit projects, when they are advertised for construction bids, that includes requirements that bidders and, as necessary, their major subcontractors meet minimum qualifications for experience, expertise, and financial capacity. We expect that the technical experience component will be specific to the unique aspects of each project and require past experience successfully constructing similar work. Additionally, the financial qualifications will be based on demonstrating bonding capacity and successful completion of work within similar bid ranges. We anticipate that the first of these remaining bridge seismic retrofit projects to use this new qualification process will be advertised for bids in March 2012. After evaluating the effectiveness of having a contractor perform to expectations on these four projects, we will take lessons learned and apply them towards our other road, flood control, waterworks, and sewer facility contracts.

If you have any questions, please contact me or your staff may contact Mr. Bill Winter, Deputy Director, at (626) 458-4018.

WJW:ad

C:\AD\BWMemos\Board Motion Dalaj International

cc: Chief Executive Office (Rita Robinson)
County Counsel (John Krattli, Rosa Linda Cruz)
Executive Office