



City of Carson Report to Redevelopment Agency

September 6, 2011
New Business Consent

SUBJECT: CONSIDER AN AWARD OF A CONSTRUCTION CONTRACT FOR PROJECT NO. 1223: CARSON PARK MASTER PLAN

Submitted by M. Victor Rollinger
Development Services General Manager

Approved by Clifford W. Graves
Interim Executive Director

I. SUMMARY

Project No. 1223: Carson Park Master Plan is one of the city's Capital Improvement Program (CIP) projects currently in progress (Exhibit No. 1).

On June 7, 2011, the Redevelopment Agency approved plans, specifications and estimates (PS&E), and instructed the staff to advertise the work and call for bids for Project No. 1223: Carson Park Master Plan (Exhibit No. 2).

The project was advertised from June 11, 2011 to July 31, 2011. Fifteen bids were received and opened by the Agency Secretary on August 1, 2011. The lowest responsive and responsible bidder on both the Project Labor Agreement (PLA) and Non-PLA categories is CWS Systems, Inc. with a bid in the amount of \$8,841,000.00 (Non-PLA Bid) and \$9,351,000.00 (PLA Bid).

II. RECOMMENDATION

TAKE the following actions:

1. AWARD a Construction Contract for Project No. 1223: Carson Park Master Plan, without regard to the existing PLA in effect for certain projects undertaken by the City of Carson, to the lowest responsive and responsible bidder, CWS Systems, Inc. in the bid amount of \$8,841,000.00.
2. AUTHORIZE the expenditure of a 15% construction contingency of \$1,326,150.00 for change orders such as the removal and remediation of contaminated soil, substructure conflicts, soils and material testing, and other unforeseen construction work that may be required to complete this project.
3. APPROPRIATE \$1,733,599.00 from the unreserved, undesignated Carson Consolidated Project Area fund balance, to augment the amount currently budgeted for Project No. 1223: Carson Park Master Plan.
4. AUTHORIZE the Agency Chairman to execute the construction contract following approval as to form by the Agency Counsel.

III. ALTERNATIVES

1. AWARD a Construction Contract for Project No. 1223: Carson Park Master Plan, subject to the existing PLA in effect for certain projects undertaken by the City of Carson (but NOT required by the Redevelopment Agency), to the lowest responsive and responsible bidder, CWS Systems, Inc. in the bid amount of \$9,351,000.00
2. AUTHORIZE the expenditure of a 15% construction contingency of \$1,402,650.00 for change orders such as the removal and remediation of contaminated soil, substructure conflicts, soils and material testing, and other unforeseen construction work that may be required to complete this project.
3. APPROPRIATE \$2,327,799.00 from the unreserved, undesignated Carson Consolidated Project Area fund balance, to augment the amount currently budgeted for Project No. 1223: Carson Park Master Plan.

OR:

4. REJECT all bids.

OR:

5. TAKE another action the Agency Board deems appropriate.

IV. BACKGROUND

The city's CIP calls for the construction of Project No. 1223: Carson Park Master Plan located at 21411 S. Orrick Avenue. Carson Park occupies 10.9 acres and is developed with ball fields, 2 basketball courts, a children's play area, a horseshoe area, meeting/craft rooms, picnic areas, a snack bar, volleyball courts and a swimming pool.

The Carson Park Master Plan proposes construction of a 21,210 square foot building for a gymnasium, activity room, dance room, computer room, workout area, childcare facility and a concession area. The existing community center building and the remote restroom building within Carson Park will be demolished and reconstructed as part of these improvements.

The proposed improvement plan also includes upgrades or enhancements to the basketball courts, ball fields, and other park facilities. To support the expanded park uses, 41 parking spaces will be added for a total of 139 on-site parking spaces.

On December 1, 2009, the Redevelopment Agency approved a Professional Services Agreement with Westberg and White, Inc. for the preparation of the construction PS&E for Project No. 1223: Carson Park Master Plan, for a negotiated fee not-to-exceed \$707,609.00 (Exhibit No. 3). The Redevelopment

Agency entered into an agreement with Westberg and White, Inc., and plans and specifications were prepared and completed for the construction of the Carson Park project.

On June 7, 2011, the Redevelopment Agency approved the PS&E, and instructed staff to advertise the work and call for bids for Project No. 1223: Carson Park Master Plan. During the advertisement period, bidders were advised that in order for their bids to be considered responsive, they must be presented in both of the described separate categories: (1) the bid shall be submitted without regard to whether the contract awarded is subject to the existing PLA in effect for certain projects in the City of Carson, and (2) an alternate bid must be submitted taking into account the requirements of the existing PLA in effect for certain projects in the City of Carson.

Bidders were also advised that their bids will be awarded in two steps. The Redevelopment Agency will determine whether to award this bid subject to the existing PLA in effect for certain projects in the City of Carson, or without regard to the existing PLA. Following that determination, the bid shall then be awarded to the lowest responsive and responsible bidder in the category selected by the Redevelopment Agency. The Redevelopment Agency reserves the right, in its sole and unfettered discretion, to award the contract to the lowest responsive and responsible bidder in either of the categories selected by the Redevelopment Agency.

During the bidding process, the city issued five addenda to the construction contract documents. All bidders were instructed to sign a document acknowledging the receipt of the addenda and return it with the bid. Signing and returning it acknowledged that the bidders are willing to abide by those specifications contained in the addenda.

On August 1, 2011, fifteen bids were received and opened by the Agency Secretary as listed below:

	<u>Bidder</u>	<u>Place of Business</u>	<u>Non-PLA Bid</u>	<u>PLA Bid</u>
1.	CWS Systems, Inc.	Pasadena, CA	\$8,841,000.00	\$9,351,000.00
2.	Western Group, Inc.	Woodland Hills, CA	\$8,888,800.00	\$9,000,000.00
3.	Sanders Construction	Lake Forest, CA	\$9,068,000.00	\$10,720,500.00
4.	PW Construction Inc.	Chino, CA	\$9,227,000.00	\$9,688,350.00

CONTINUED

	<u>Bidder</u>	<u>Place of Business</u>	<u>Non-PLA Bid</u>	<u>PLA Bid</u>
5.	AMG & Associates	Santa Clarita, CA	\$9,319,292.00	\$9,675,519.00
6.	Environmental Const., Inc.	Woodland Hills, CA	\$9,387,694.00	\$9,437,694.00
7.	New Creation Builders	Bellflower, CA	\$9,560,431.00	\$11,680,917.00
8.	USS Cal Builders, Inc.	Stanton, CA	\$9,596,000.00	\$9,596,000.00
9.	Acon Development, Inc.	Los Angeles, CA	\$9,600,000.00	\$11,000,000.00
10.	Western Alta Construction	Tustin, CA	\$9,620,672.57	\$9,835,411.57
11.	Sinanian Development, Inc.	Tarzana, CA	\$9,790,000.00	\$9,790,000.00
12.	ALFA 26 Construction Co.	Santa Monica, CA	\$9,826,000.00	\$9,826,000.00
13.	Delmac	Los Angeles, CA	\$10,461,134.00	\$11,536,160.00
14.	Morillo Construction, Inc.	Pasadena, CA	\$10,667,100.00	\$10,838,200.00
15.	ACE Engineering, Inc.	La Verne, CA	\$11,387,911.56	\$11,387,911.56

In reviewing the bid documents submitted by Western Group, Inc., staff determined that Western Group, Inc.:

1. Failed to meet the requirements of the Standard Specifications for Public Works Construction requiring that the General Contractor shall set forth in the bid the type and portion of the work to be performed by his listed sub contractors.
2. Sub-Contractor has 1 license out of the 14 that is in “inactive” status.

Staff consulted with the Agency Counsel's office regarding whether this discrepancy meant that Western Group, Inc. had failed to submit a responsive bid and, therefore, whether the Western Group, Inc bid should be rejected as non-responsive. The Agency Counsel advised that Western Group, Inc.'s bid shall be rejected and deemed non-responsive.

In reviewing the bid documents submitted by CWS Systems, Inc., the bidder indicated that they will perform, with their own organization, contract work amounting to 65.49% of the contract price which exceeds the minimum percentage required by the project specifications. All of the sub-contractor's licenses listed in the bid are in good standing and on "active" status.

CWS Systems, Inc. failed to include the Letter of Assent as required under the PLA category. However, at the staff's request, CWS Systems, Inc. subsequently submitted a signed copy of the Letter of Assent including a corporate resolution authorizing the Letter of Assent signatory to sign the document, thereby confirming that CWS Systems, Inc. will abide with the terms and conditions of Carson's PLA, if that option is selected.

Staff consulted with the Agency Counsel's office regarding whether this discrepancy meant that CWS Systems, Inc. had failed to submit a "responsive bid" and, therefore, whether the CWS Systems, Inc. bid should be rejected as non-responsive. Agency Counsel opined that the bid is deemed responsive and accepted. CWS Systems, Inc. is therefore deemed to be the lowest responsive and responsible bidder on BOTH the PLA and the Non-PLA bid proposals.

The Agency Board is free to exercise its discretion and determine whether to award this contract subject to the existing PLA in effect for certain projects in the City of Carson, or without regard to the existing PLA. The difference in the project construction cost between the two categories is \$510,000.00.

Staff, therefore, recommends the award of the construction contract without regard to the existing PLA in effect for certain projects undertaken by the City of Carson, to the lowest responsive and responsible bidder, CWS Systems, Inc. in the bid amount of \$8,841,000.00. CWS Systems, Inc. is a bona fide contractor licensed by the state of California and the lowest responsive and responsible bidder under state law. The bid bond, in the amount of 10% of the total bid, as supplied by International Fidelity Insurance Company, under the laws of the state of New Jersey is in order and was submitted with the bid. The contractor's references have been checked, and it has been verified that the contractor has completed similar projects in an acceptable manner.

The accomplished and anticipated timeline for this project is as follows:

Advertise Request for Qualification to select design consultants	Completed
Approval of Professional Services Agreement	Completed
Preparation of PS&E	Completed
Submittal of plans for review	Completed
Approval of PS&E	Completed
Advertise for construction bids	Completed
Award of construction contract	September 2011
Start of construction	October 2011
Completion of construction	October 2012
Grand opening	November 2012

V. FISCAL IMPACT

If this contract is determined as being subject to the existing PLA, the total construction bid amount for this improvement project is \$9,351,000.00, and the total cost of the professional services and contingency is \$2,976,799.00. If this contract is determined as NOT being subject to the existing PLA, the total construction bid amount for this improvement project is \$8,841,000.00, and the total cost of the professional services and contingency is \$2,892,599.00. Funds for this project in the amount of \$10,000,000.00 were included in the FY 2010/11 Carson Consolidated Project Area budget, account no. 30-70-710-996-8004/0122301, but the total contract price exceeds the \$10,000,000.00 budget. Therefore, if the Redevelopment Agency approves proceeding with the next steps of this project, the budget will need to be increased by \$2,327,799.00 if subject to the PLA, or by \$1,733,599.00 if not subject to the PLA. Funds should be appropriated from the unreserved, undesignated Carson Consolidated Project Area fund balance.

ANTICIPATED USES AND SOURCES OF FUNDS

Use	Amount (PLA)	Amount (Non-PLA)
Design (Westberg and White, Inc.)	\$707,609.00	\$707,609.00
Staff augmentation	160,000.00	160,000.00
Construction cost estimate	9,351,000.00	8,841,000.00
Construction contingency (15%)	1,402,650.00	1,326,150.00
Construction management cost	706,540.00	698,840.00
TOTAL FUNDING SOURCES / ESTIMATED PROJECT COST	\$12,327,799.00	\$11,733,599.00


VI. EXHIBITS

1. Location Map. (pg. 8)
2. Minutes, June 7, 2011, Item No. 4. (pgs. 9-10)
3. Minutes, December 1, 2009, Item No. 4. (pg. 11)

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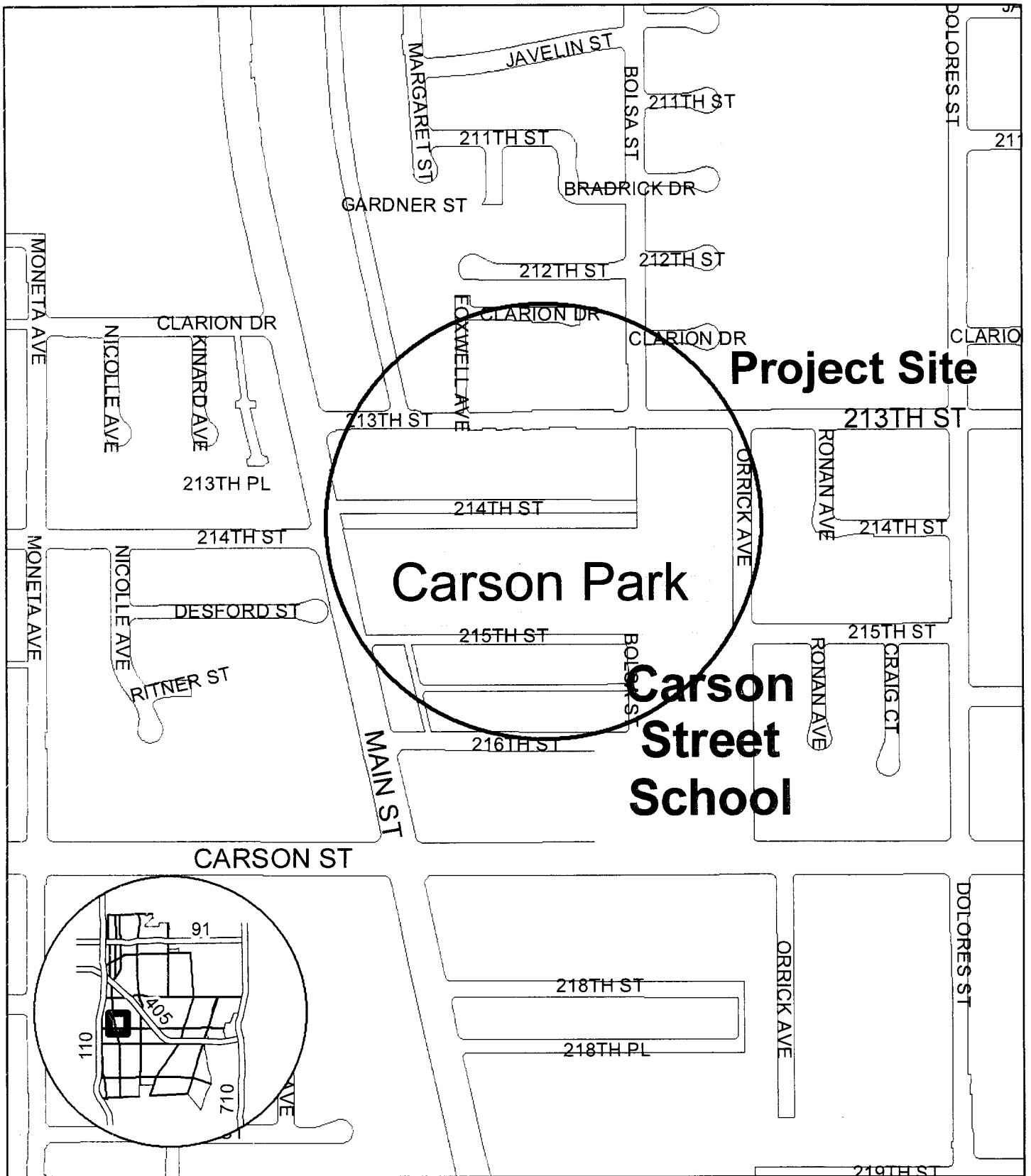
Prepared by: Gilbert M. Marquez, P.E., Senior Civil Engineer
 TO: Rev032811

Reviewed by:

City Clerk	City Treasurer
Administrative Services 	Development Services
Economic Development Services	Public Services

Action taken by Redevelopment Agency

Date _____ Action _____



Location Map
Project No. 1223
Carson Park Master Plan



EXHIBIT NO. 1

**ITEM NO. (4) CONSIDER APPROVAL OF PLANS, SPECIFICATIONS, AND ESTIMATES
AND AUTHORIZATION TO ADVERTISE FOR CONSTRUCTION BIDS
FOR PROJECT NO. 1223: CARSON PARK MASTER PLAN
(DEVELOPMENT SERVICES)**

Item No. 4 was heard at 11:38 P.M.

Development Services General Manager Rollinger summarized the staff report and recommendation and reported that a regular and an alternate bid with a Project Labor Agreement and timeline would be brought back for consideration.

Interim Executive Director/Economic Development General Manager Graves reported that all elements were included with minor design changes. He suggested that when the item is brought back that staff would include a presentation to refresh the elements that would be included in the construction project.

RECOMMENDATION for the Redevelopment Agency:

TAKE the following actions:

1. APPROVE the plans, specifications, and estimates and order the work for Project No. 1223: Carson Park Master Plan.
2. AUTHORIZE staff to advertise the work and call for construction bids for Project No. 1223: Carson Park Master Plan.

ACTION: It was moved to approve staff recommendation Nos. 1 and 2 on motion of Dear and seconded by Santarina.

During discussion of the motion, Agency Member Davis-Holmes requested a status report on the timeline for the funding request, and Public Services General Manager Cruz clarified that the funding request was for \$3.5 million, not \$5 million, as recommended by Townsend, and that the timeline was from mid-to-late Fall.

The motion was unanimously carried by the following vote:

Ayes: Chairman Dear, Vice Chairman Ruiz-Raber, Agency Member Davis-Holmes, Agency Member Gipson, and Agency Member Santarina
Noes: None
Abstain: None
Absent: None

Chairman Dear referred to the two versions of the bid to be brought back for consideration and requested the inclusion of a compliance officer for local hiring and a compliance officer for the project labor agreement. Whereupon, Interim Executive Director/Economic Development General Manager Graves clarified that pursuant to City Council direction, a separate firm for local hiring would be brought on board to include an active monitoring program for all development projects and was different from a project labor agreement. Further, that a separate report would be brought back on the monitoring program for local hiring.



ITEM NO. (4) CONSIDERATION OF A PROFESSIONAL SERVICES AGREEMENT WITH WESTBERG AND WHITE, INC. TO PREPARE PLANS, SPECIFICATIONS AND ESTIMATES FOR PROJECT NO. 1223: CARSON PARK MASTER PLAN (DEVELOPMENT SERVICES)

RECOMMENDATION for the Redevelopment Agency:

TAKE the following actions:

1. APPROVE a Professional Services Agreement with Westberg and White, Inc. to prepare plans, specifications and estimates for Project No. 1223: Carson Park Master Plan, for a negotiated fee not to exceed \$707,609.00.
2. AUTHORIZE the Agency Chairman to execute the Professional Services Agreement following approval as to form by the Agency Counsel.

ACTION: Item No. 4 was approved on the New Business Consent Calendar on motion of Dear, seconded by Gipson and unanimously carried by the following vote:

Ayes: Chairman Dear, Chairman Pro Tem Davis-Holmes, Agency Member Santarina,
Agency Member Gipson, and Agency Member Ruiz-Raber
Noes: None
Abstain: None
Absent: None

