

Department of Public Works

174540

Bureau of Engineering
Bureau of Contract Administration
Joint Report No. 1

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California

OCT 21 2009

October 21, 2009
CD No. 11


Secretary

BALLONA LAGOON ENHANCEMENT PHASE IIIA - CONTRACT AWARD (W.O. No. E6000776)

RECOMMENDATIONS

1. Declare Natures Image, Inc., first low bidder, to be the lowest responsive, responsible bidder and award them a contract for this project for \$499,785.41.
2. Authorize the President or two members of the Board to execute the contract after approval as to form by the City Attorney has been obtained.

TRANSMITTAL

Summary of bids received on July 8, 2009.

DISCUSSION

Background

This project will restore the west bank of Ballona Lagoon, an estuary located in the Venice Community Area. The project scope consists of replacing non-native vegetation/trees and encroachments with native dunes, installing a temporary irrigation system, and constructing a 5-foot wide decomposed granite public access pathway with a 3-foot high fence to protect indigenous wild life and the natural habitat between Topsail Street and Canal Court. A public educational/information area consisting of benches and trash receptacles will be constructed near Jib Street. The contractor will also be responsible for performing a three-year period of plant establishment.

The California Coastal Commission approved a Coastal Development Permit (No. 5-08-294) for this project, with conditions, on April 9, 2009.

The three lowest of the six bids received (Transmittal) compared with the City Engineer's estimate of \$549,700 are:

Bid No.	Contractor's Name	Bid Amount	(%) High/Low	(%) Pledged		
				MBE	WBE	OBE
Low Bid	Natures Images, Inc.	\$499,785.41	9.08% Low	0	0	29.26
2 nd Bid	Environmental Construction, Inc.	*\$ 523,098	4.84% Low	0	0	25.04
3 rd Bid	Native Landscape, Inc.	\$542,921.50	1.23% Low	29.50	2.53	0

• Corrected bid amount

Environmental Construction, Inc., the apparent second low bidder, incorrectly listed their Total Bid Amount. Staff corrected their Total Bid Amount in accordance with the procedures set forth in the General Instructions and Information for Bidders. The correction did not change the order of the bids.

Informality Noted

The third low bidder, Native Landscape, Inc., did not use the required Business Assistant Virtual Network (BAVN) service to perform and submit their Good Faith Effort. Therefore, staff recommends that their bid be deemed non-responsive.

Based on the range of bids that was submitted for this project, staff determined that the two low bids are reasonable. Staff recommends awarding the contract to Natures Image, Inc., first low bidder, subject to verification of all other bidding requirements.

Minority Business Enterprise/Women Business Enterprise/Other Business Enterprise (MBE/WBE/OBE) Subcontractor Outreach Program

This project mandated bidders to perform their Good Faith Effort (GFE) via the internet on the BAVN, a service provided by the Mayor's Office of Economic Development. The subcontractor outreach via the internet is less paper-intensive for bidders.

The project was advertised with MBE and WBE anticipated participation levels of 3 percent and 2 percent, respectively, and with mandatory GFE documentation requirements. The GFE requires bidders to provide MBE, WBE and OBE firms an equal opportunity to participate in the performance of all City Contracts. The Office of Contract Compliance (OCC), based on a review of the documents submitted by Natures Image, Inc., reported that the contractor pledged no MBE or WBE participation levels, but complied with the GFE subcontractor outreach requirements of the bid. The Mandatory Subcontracting Minimum (MSM) requirement for this project is 7 percent and the contractor has complied by pledging a subcontractor participation level of 31.13 percent. This percentage was calculated after subtracting the fixed cash allowance of \$30,000 from the total bid amount. Natures Image, Inc., submitted the following OBE subcontractor information:

Subcontractor	(%) of Bid	Dollar (\$) Amount
Minden Corp., dba, Minden Storm Drain Structures	1.45	\$ 7,225.00
Watkins Fence Co.	27.81	\$139,012.80

Compliance with the City's Non-Discrimination Policies

Natures Image, Inc., has complied with the Affirmative Action, Equal Benefits Ordinance, and Slavery Disclosure Ordinance requirements of the bid.

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Previous Work Record

Natures Image, Inc., is a first time bidder with the Board of Public Works. The Inspector of Public Works has conducted a First Time Bidder investigation of references provided by the contractor and did not find any evidence of violations of statutes, regulations, ordinances or wrong doing by the contractor. The report was submitted to the Board on August 21, 2009.

Contractor Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10, of the City of Los Angeles Administrative Code (L.A.A.C.), the Project Manager and the City Inspector for this construction contract shall submit Contractor Performance Evaluation Reports to the Bureau of Contract Administration upon completion of this contract.

Contractor Responsibility Ordinance

All contractors participating in this program are subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance No. 173677 (Article 14, Chapter 1, Division 10, L.A.A.C.). Failure to comply with all requirements specified in the Ordinance will render this bidder's contract subject to termination pursuant to the conditions expressed therein.

Conclusion

In view of the above findings, we recommend that the Board declare Natures Image, Inc., first low bidder, to be the lowest responsive, responsible bidder, and award them the contract for this project.

Bid Bond Extension

Staff contacted Natures Image, Inc., and requested that they extend their Bid Bond, which expired on October 7, 2009. The contractor has agreed to extend their Bid Bond until November 6, 2009.

STATUS OF FINANCING

The project construction is fully funded by reimbursable grant from the Los Angeles County Proposition A2 funds, administered by the Los Angeles County Regional Park and Open Space District. The grant deadline has been extended to December 31, 2014. The funding source is provided on a reimbursable basis and requires the City to front fund the contractor's invoice until reimbursements are received.

On March 1, 2002, a Council Motion requesting a temporary loan of \$527,000 from the Public Works Trust Fund (PWTF) was approved for the previous project titled "Ballona Lagoon Enhancement III." A portion of the money, \$46,801.11 was spent on an emergency project titled "Ballona Lagoon Enhancement Ph III Storm Drain Emergency Repair", which was required by the State Coastal Commission as a condition for Coastal Development Permit issuance. Due to other legal challenges brought against the Coastal Commission, the City never received a permit for the above mentioned project, and that project was canceled. The balance from the temporary loan from the PWTF is still available for this project, the Ballona Lagoon Enhancement Phase IIIA, which replaces the previous project.

The following table shows the funding account, the contract amount and the construction contingency of this project.

Fund	Contract	Contingency	Total
Fund No. 682 Department 50 Account No. S205 Ballona Lagoon Enhancement Ph III	\$499,785.41	\$100,000.00	\$599,785.41

The Director of the Office of Accounting has verified that the balance of the temporary loan deposited in the Fund No. 682, Department 50, Account No. S205 is \$480,198.89. Based on the County's reimbursement schedule of three to six months, this amount is adequate to satisfy the cash flow needs of this construction project.

The contract contains a "Financial Liability Clause" which states that "the City's liability under this contract shall only be to the extent of the present City appropriation to fund the contract. However, if the City shall appropriate funds for any succeeding years, the City's liability shall be extended to the extent of such appropriation, subject to the terms and conditions of the contract."

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(TSA MPB WHH SP WFB)

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Hannah Choi, Program Manager
Office of Contract Compliance
Bureau of Contract Administration

Statement as to Funds Approved by:


for Jean C. Su, Acting Director

Office of Accounting
Board of Public Works
Date: 10/9/09

TSA/DL/RS/10-2009-0201.PAC.klc

Questions regarding this report
may be referred to:

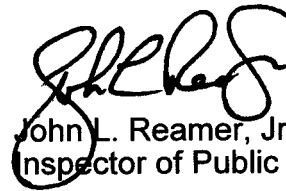
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Respectfully submitted,



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John L. Reamer, Jr.
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