



MOUNTAINS RECREATION & CONSERVATION AUTHORITY

Los Angeles River Center & Gardens
570 West Avenue Twenty-six, Suite 100
Los Angeles, California 90065
Phone (323) 221-9944

MEMORANDUM

TO: The Governing Board

FROM: Executive Officer

DATE: September 24, 2007

SUBJ: **Agenda Item V: Consideration of resolution authorizing an amendment to contract MRCA 110-07 with Powell Constructors Inc. for the Tujunga Wash Stream Restoration project.**

Staff Recommendation: That the Governing Board adopt the attached resolution authorizing an amendment to contract MRCA 110-07 with Powell Constructors Inc. in an amount not to exceed \$200,000 for the Tujunga Wash Stream Restoration project.

Background: The Tujunga Wash Stream Restoration project is a nine acre park along the channelized portion of the Tujunga Wash in Van Nuys. The area is owned by the Los Angeles County Flood Control District and has been long been a blight to the surrounding neighborhood. Most of the one mile long project was previously covered with asphalt and was frequented by homeless people and local gangs. The project is adjacent to approximately 120 single family residences and 10 apartment complexes. This improvement project has taken the area and transformed it into a green corridor, planted with native trees and shrubs.

The Tujunga Wash Stream Restoration is also the first project along the Los Angeles River or its tributary system to divert water from the concrete channel into a naturalized stream. This one mile streambed runs along the east side of the project and will provide wildlife habitat, ground water infiltration and an opportunity for residents of an under served community to experience a more naturalized waterway. The stream will take up to 25 cubic feet per second of water from the channel and infiltrate it into the soil.

Bidding History: The project was publicly bid in 2006 and Powell Constructors was the low bidder with a bid of \$3,735,234.

Change Orders: The fact that at 98% completion change orders are less than 6% of total project cost, shows both the efficiency of the contractor and the diligence of the Authority's staff in supervising the contract.

Need for Additional Public Amenity Improvements: The project was originally conceived of as primarily a storm water diversion project combined with introduction of natural vegetation along the stream bed. The public amenities were limited to a recreational bike and walking

path with occasional seating opportunities. This is still the essential objective of the project, but during construction it has become apparent that public use is likely to be much greater than anticipated. Grant High School is directly south of the project and this, combined with a dearth of community recreation space, has greatly increased the demand for additional public use areas and further accommodation of pedestrian uses in the area along the west side Coldwater Canyon Avenue and south of Oxnard Street. This is a welcome opportunity to meet recreational as well as water quality needs of the community.

Proposed Additional Improvements: The Powell Constructors contract would be augmented for them to build and install the hardscape and turf portions of the additional public amenities staff is proposing. These additions include:

- (a) Relocating the stone pilasters further south so as to extend the fence to provide a secure picnic/shade/rest area;
- (b) Construct additional fencing as per item (a) above;
- (c) Construct two stone and wood shade structures (along the model of those at Temescal Gateway Park);
- (d) Install turf grass at the entryway and around the picnic/shade structure, and
- (e) Make associated miscellaneous landscape changes and hardscape demolition.

Appropriateness of Contract Amendment as Opposed to Re-Bid: The following factors should be considered when determining the appropriateness of a contract amendment:

- (a) Extent of completion of the project. This is an over \$3.7 million project that is now 98% complete. Stopping the construction process at this stage to re-bid would be a waste of time and resources. Powell Constructors is entitled to finish the original contract prior to mobilizing a new contractor, even if a one were to chosen. Then that new contractor would have to mobilize their crews and suppliers for what would be a relatively small project (*i.e.*, less than \$200,000).
- (b) Magnitude of the amendment. Changes will be less than 10% of the original contract amount. The Authority does not have a policy on contract amendments, and nobody has a policy on rebidding change orders because, by definition, change orders are a change to the *existing* contract. It is instructive, however, to note that for the State of California, a contract amendment of less than 30% (up to a maximum of \$250,000) is *exempt* from advertising and re-bid (Sec. 5.80 B.2).
- (c) Change of scope: A contract amendment as opposed to a re-bid would not be appropriate if the amendment significantly changed the nature and scope of the

undertaking such that it was, in fact, a new project. What is proposed by this recommendation is not a new project. It involves the exact same project area, merely rearranging existing features to accommodate a change from planted area to picnic and seating area. The new features added are consistent with a typical project of this nature. The contract for this project is still in effect and this change order, as with all previous, change orders, is based on the materials and labor costs provided in the original bid.

- (d) Ability of contractor to complete proposed additional work. The Authority staff has been very satisfied with the work completed so far and the contractor has been very responsive. Powell Constructors is a large company and has the equipment and staff to complete the changes prior to the November 7 opening date. Because of our previous experience with them and the existing contract, Powell is virtually the only contractor that can complete the work prior to the scheduled November 7 park opening. (See attachment for list of recent projects completed by this firm.)

Inappropriateness of Using Force Account: Because there is no feasible private sector alternative to the use of the existing contractor, should the Governing Board decide against augmenting the Powell contract, the only practical alternative is the use of force account (the Authority's own staff) and direct purchase of supplies. This would result in a *greater* overall cost to the agency. This is true because:

- (a) The construction unit staff would have to be de-mobilized from their existing projects (Temescal Canyon water pipe replacement, King Gillette Ranch caretakers residence, and Mentryville improvements) and re-mobilized for this project. This is a time inefficiency that will adversely affect all these projects.
- (b) Not all skill sets are represented by existing Authority employees. Short term employees with special skills such as stonemasonry would have to be hired just for this project. The availability and cost of such temporary hires is unknown, but virtually certain to be overall more costly than using the existing contractor's specially skilled crews, including the stonemasons who have done such a superior job on the project to date.
- (c) As opposed to use of a private contractor, using force account does not give the Authority the benefit of a guarantee of workmanship or materials. While we have faith in the work of our construction crews, the Authority does bear full responsibility should there be a problem. That is why, for advanced projects like this, the Authority has generally chosen to protect itself by use of private contractors.

Conclusion: Because it is totally appropriate to use a contract augmentation for the proposed change order, as discussed above, and the inappropriateness of using force account, the Governing Board should adopt the attached resolution.