

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: August 11, 2022

To: Municipal Facilities Committee

From: Steven Fierce, AIA
Municipal Facilities Program Manager
Bureau of Engineering

Subject: **MADRID THEATRE – (COUNCIL DISTRICT 3) – APPROVAL TO AWARD THE CONSTRUCTION CONTRACT AND TO IDENTIFY FUNDS IN THE 2023-24 FISCAL YEAR TO CLOSE THE FUNDING SHORTFALL OF \$3.31 MILLION DOLLARS**

RECOMMENDATION

The Bureau of Engineering (BOE) recommends that the Municipal Facilities Committee (MFC):

1. Recommend that the Board of Public Works (Board) approve the award of the construction contract for the Madrid Theatre Renovations Project (Work Order No. E1908443) to Waisman Construction, Inc. (Waisman), for an amount not to exceed Ten Million, Seven Hundred Forty-Three Thousand Dollars (\$10,743,000).
2. Instruct CAO staff to work with Council District 3 (CD 3) to identify supplemental funding sources to address the anticipated shortfall of \$3.31 Million, which may include additional contributions of City capital funds that will be pursued as a last recourse through the City Budget process for the upcoming 2023-24 Fiscal Year budget.

Discussion/Background:

The Madrid Theatre Renovations project is located at 21622 Sherman Way, Canoga Park, CA 91303, and is in Council District 3. The Theatre, constructed in 1997, has a total capacity of 430 seats, and services programs organized by City's Department of Cultural Affairs (DCA).

DCA and CD3 initiated the efforts to renovate the Madrid Theater in 2016. The Council Office has been an ardent supporter of the project and looks forward to completing the project and inviting the community back to enjoy this Canoga Park cultural institution.

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The renovations designed for the Project include upgrades to the front façade, lobbies, theatre, and back-of-house support spaces. Specifics of the work are as follows:

- The façade work includes enclosing an existing exterior balcony with a new curtain wall above, and the installation of a new marquee with custom signage.
- Improvements near the entry include the installation of a new ornate ceiling under the marquee, and a new sidewalk with top-seeded mirror glass.
- Improvements in the lobbies include the installation of new restrooms, millwork, lighting, carpets, minor food service, and the relocation of the elevator machine room.
- Improvements to the theatre include new seating, stage lighting equipment, audio video equipment, and the replacement of the stage floor.
- Improvements to the backstage area include the installation of a new restroom with a shower, and various tenant improvements.

Bid Solicitation

The Board of Public Works (Board) approved Motion number 2022-0238, on April 13, 2022, authorizing the solicitation of bids for the construction of the Project (Attachment No 1).

The proposed bidders submitted a request for a bid extension, and the Board subsequently approved Motion number 2022-0511, which revised the bid due date to June 1, 2022 (Attachment No. 2).

On June 1, 2022, the Board received a total of three (3) bids for the Project as summarized below:

No.	Contractor	Base Bid Amount
1	Royal Construction Corp. (Royal) (SBE)	\$ 10,736,000
2	Waisman (SBE, LBE).	\$ 10,743,000
3	Green Building Corporation (Green) (LBE)	\$ 12,260,000

BOE conducted the review of all of the bids, and while Royal Construction's bid was the lowest, they made errors in their bid package that reduced the scoring of their bid.

The Bid received from Waisman was found to be in order and it is hereby recommended that the Board award the construction contract for the Project in the amount of Ten Million, Seven Hundred Forty-Three Thousand Dollars (\$10,743,000) to Waisman as the lowest responsive and responsible bidder.

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Funding Status

Upon identifying the lowest, responsible, and responsive Bid of \$10,743,000 for the construction of the Project, the BOE updated the project budget and available funding, and subsequent project shortfall. To reduce the funding shortfall, the BOE removed its project management and construction management staff costs from the Project budget. Further funding is required to close the current shortfall. After adding the necessary contingency amount to the construction contract budget, the funding shortfall is currently projected to be approximately \$3.31 Million, as summarized in the tables below:

Total Project Funding

Funding Source	Funding Amount
CRA Bond Funds	\$ 2,990,000
MICLA Funds	\$ 5,500,000
State Funds	\$ 2,000,000
Total Project Funds	\$ 10,490,000

Project Costs

Pre-Design costs	\$ 1,292
Design Consultant	\$ 800,000
Other Direct Costs (BCA, Materials Testing, Artwork, Permits)	\$ 644,580
Construction Contract Amount	\$ 10,743,000
15% Construction Contingency	\$ 1,611,450
BOE Project Estimate	\$ 13,800,322
Project Funding Shortfall	\$ (3,310,322)

The Project Team has confirmed the construction contract for this Project currently has funding of approximately \$10.4 Million. After adding the necessary contingency amounts to the construction contract budget, there is an approximate shortfall of \$2.76 Million for construction, which is part of the overall Project shortfall of \$3.31 Million. Thus, in order to fully fund construction activities for this Project under the construction contract as well as completing the Project, additional funds will need to be requested in the 2023-24 Fiscal Year to close the funding gap.

Funding Sources	Expended/ Committed	Amount for Construction	FY 22-23 1 st Qtr.	FY 22-23 2 nd Qtr.	FY 22-23 3 rd Qtr.	FY 22-23 4 th Qtr.	FY 23-24 1 st Qtr.	FY 23-24 2 nd Qtr.
CRA Bond Funds	\$780,203	\$2,209,797	\$400,000	\$1,500,000	\$ 309,797			
MICLA Funds	\$108,000	\$5,392,000			\$3,390,203	\$2,001,797		
State Funds		\$2,000,000				\$2,000,000		
Subtotal	\$888,203	\$9,601,797						
<i>Projected Shortfall</i>		\$3,310,322					\$2,400,000	\$910,322
TOTALS		\$13,800,322	\$400,000	\$1,500,000	\$3,700,000	\$4,001,797	\$2,400,000	\$910,322
<i>*Staff to identify supplemental funding sources to address the anticipated funding shortfall, which may include additional contributions of City capital funds that will be pursued as a last recourse through the City budget process in the 2023-24 FY.</i>								

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In order to protect the City in instances of projects that are awarded but that may be underfunded at the time of the construction award, a funding clause has been included in the contract which limits the City's liability for an awarded project to the amount of funding then appropriated at the time of the award of the project. The language is as follows:

“Notwithstanding the foregoing, the CITY’s liability for each Awarded Project shall be limited to the amount of funding then appropriated for the Awarded Project, which may be less than the Awarded Amount. If the CITY appropriates additional funds for the Awarded Project, the City’s liability shall be to the extent of such appropriation(s), subject to the terms and conditions of this Contract and the Bid Documents for the Awarded Project. CONTRACTOR shall not be required to perform any work on an Awarded Project in excess of the amount appropriated for the Awarded Project.”

This report recommends the Committee recommend that the Board of Public Works approve the award of the construction contract for the Project to Waisman, as described in this report, and direct CAO staff to work with Council District 3 (CD 3) and the Department of Cultural Affairs to identify funds to address the shortfall of approximately \$3.31 Million Dollars in the 2023-24 Fiscal Year. Once additional funds are identified, BOE staff will return to the Steering Committee to recommend the allocation of such identified funds to the Project.

cc:

Bernyce Hollins, City Administrative Officer
LaTanya Roux, City Administrative Officer
Elis Lee, City Administrative Officer
Deborah Weintraub, Bureau of Engineering
Bernadette Hernandez, Bureau of Engineering
Steven Lane, Bureau of Engineering

PROJECT DESCRIPTION

Madrid Theatre Renovations Project 21622 Sherman Way, Canoga Park, CA 91303 -

W.O. E1908443

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

APR 13 2022


Executive Officer
Board of Public Works

NOTICE TO BIDDERS

The bid documents for this project will be issued through the City of Los Angeles (CLA) Regional Alliance Marketplace for Procurement (www.RAMPLA.org). Refer to the section entitled "Bid Documents" in this "Project Description" for information on how to obtain these bid documents.

WORK DESCRIPTION

The Madrid Theatre renovation includes the front façade, lobbies, theatre, and back-of-house. All construction must be sensitive to the challenges and complex coordination that come with working in a theatre. The façade features an existing exterior balcony enclosed with curtainwall above a new marquee with custom signage and an ornate ceiling, anchored by a new sidewalk with top-seeded mirror glass. Lobbies include new restrooms, millwork, lighting, carpets, minor food service, and elevator machine room relocation. The theatre features new seating, equipment, stage floor, and extensive AV. The back-of-house includes one new restroom with a shower.

COUNCIL DISTRICTS

3

DESIGN AND FUNDING

The plans and specifications were prepared by the City of Los Angeles, Bureau of Engineering's Architectural Division (ARC). The funding for this project is from the Madrid Theatre, 50SMDT, Dept #50 Fund Number 298, Reseda/Canoga Park Account 22L9PN Fund Number 57D, and SB-170 Budget Act of 2021 (SEC. 19.56, Item#187).

CITY ENGINEER'S ESTIMATE: \$7,620,000

BOARD ADOPTION DATE: April 13, 2022

PRE-BID MEETING: April 19, 2022 at 10:00 A.M. via Google Meet. Join by phone: 1-575-912-1333 PIN: 610 073 631# or by video at meet.google.com/icy-yyah-yat

JOB WALK: April 19, 2022 at 1:00 P.M. at 21622 Sherman Way Canoga Park, CA 91303.

BID OPENING DATE:

May 18, 2022 at 10:00 A.M. at Los Angeles City Hall, 200 N. Spring St., Room 355, Los Angeles, CA 90012

ENVIRONMENTAL COMPLIANCE:

The City has complied with the requirements of the California Environmental Quality Act (Public Resource Code, Sec. 21000 et. sec.) for the project.

CONTRACT BONDS

A "Bid Bond" is required. The successful bidder shall provide two good and sufficient surety bonds. The "Payment Bond" and "Performance Bond" shall each be for not less than 100 percent of the contract Price.

CONTRACTOR'S LICENSE CLASSIFICATION

At the time of bid, the contractor must possess a valid State of California Contractor's License Classification of "B."

ESCROW BID DOCUMENTS

All Bidders must abide by the requirements listed in the General Requirements, Section 01351 "Escrow Bid Documents," including the timely submittal of the Escrow Bid Documents by the three low Bidders.

The Escrow Bid Documents shall be submitted to the Board of Public Works Office, by the three (3) low Bidders, in sealed containers, within forty-eight (48) hours after the time for receipt of Bids. The containers shall be clearly marked on the outside with the Bidder's name, date of submittal, project name and the words "Escrow Bid Documents."

BID DOCUMENTS

Bidders shall follow the instructions below to find this project and then obtain the bid documents for downloading from the CLA Regional Alliance Marketplace for Procurement (www.RAMPLA.org):

- Go to the CLA Regional Alliance Marketplace for Procurement (www.RAMPLA.org) and log in with your log in name and password. If you do not have a password, sign up for free on the www.RAMPLA.org website.
- Click on "Search."
- For the drop down boxes in the "Search for Bid Opportunities" window, set "Status" to **Open** and "Department" to **Engineering Bureau, Public Works**. Leave the default setting for "Category" and "Type" as **All**, and the other drop down boxes blank.
- Click on the gray "Search" button.
- *Click on the Project entitled "Madrid Theatre Renovations Project"

- Scroll to the bottom of the page to download all necessary documents.

*If you cannot locate the “Madrid Theatre Renovations Project” project, change “Status” to **Amended** (as one or more addenda may have been issued on this project).

Click on each of the documents listed under “Scope of Work Documents and Standard Requirements Documents” near the bottom of the page to open each file and then save them onto your computer. These are the documents that you will use to submit your bid for this project. If any bidders have any questions in regards to obtaining the bid documents for this project from the CLA Regional Alliance Marketplace for Procurement (www.RAMPLA.org), call the Bureau of Engineering’s Plan Distribution Counter at (213) 847-0100 Monday through Friday from 9:00 a.m. to 3:00 p.m.

PROJECT LABOR AGREEMENT

This project is subject to the provisions of the Department of Public Works Project Labor Agreement in Part IV of the Bid Proposal.

LOCAL BUSINESS PREFERENCE PROGRAM

This project is subject to the provisions of the City’s Local Business Preference Program. The Local Business Preference Program, which was recently passed by Ordinance No. 181910, provides an 8% bid preference to qualified local businesses. A copy of the Local Business Preference Program is provided in Part IV of the bid proposal. Any contractor or subcontractor meeting the “local business” criteria as defined in the Ordinance should self-certify by completing and uploading the Local Business Certification Affidavit of Eligibility under the Certifications tab in RAMP, as soon as possible, in order to qualify for a bid preference. Knowingly and willfully providing false information on the Affidavit of Eligibility is a violation of City Ordinance No. 181910 and could subject the contractor to fines, contract termination or debarment from transacting business with the City. Further information regarding the Local Business Preference Program may be issued by addendum.

ADDITIONAL INFORMATION

For additional information, contact the Project Manager:

Steven Lane
Architectural Division
1149 S Broadway
Suite 830
Los Angeles, CA 90015
E-MAIL: Steven.Lane@lacity.org

CD No. 3

MOTION

The **Madrid Theatre Renovations Project (21622 Sherman Way, Canoga Park, CA 91303), Work Order No. E1908443** (Project) was advertised on April 13, 2022. The Madrid Theatre renovations includes the front façade, lobbies, a theatre, and the back-of-house. The façade features an existing exterior balcony enclosed with curtainwall above a new marquee with custom signage and an ornate ceiling, anchored by a new sidewalk with top-seeded crushed mirror glass aggregate. Lobbies include new restrooms, millwork, lighting, carpets, minor food service, and an elevator machine room relocation. The theatre features new seating, equipment, stage floor, and extensive audio visual. The back-of-house includes one new restroom with a shower. The City Engineer's estimate for the Project is \$7,620,000.

The Project is scheduled to receive bids on May 18, 2022. Several bidders have encountered technical difficulties with conducting the required Business Inclusion Program outreach on the new Regional Alliance Marketplace for Procurement website and have requested additional time to prepare their bids. The extension would not significantly impact the Project's schedule and would allow the contractors more time to submit competitive bids.

I THEREFORE MOVE that the Board of Public Works (Board) grant an extension of the bid date from May 18, 2022 to June 1, 2022.

I FURTHER MOVE that the City Engineer advise all prospective bidders of the Board's action by Addendum.

(SF RMK GV DW)

Motion reviewed by:

BOE (ADM and PAC)

Motion prepared by:

Architectural Division

Steven Fierce
Principal Architect
Phone No. (213) 485-4402

Motion No. MO04-2022_ARC.gva

Questions regarding this Motion
may be referred to:
Steven Lane, Architect
Phone No. (213) 485-4532
E-mail: steven.lane@lacity.org

Respectfully submitted,


Electronically Signed by Deborah Weintraub
on 05/09/2022 4:23:13 PM

Gary Lee Moore, PE, ENV SP
City Engineer