

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE  
REDEVELOPMENT AGENCY  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

227



**SUBMITTAL DATE:**  
June 16, 2011

**FROM:** Redevelopment Agency

**SUBJECT:** Mead Valley Community Center – Project Award

**RECOMMENDED MOTION:** That the Board of Directors:

1. Waive any minor irregularities in the bid by A.W.I. Builders, Inc.;
2. Accept and award the construction contract to the lowest, responsive, and responsible bidder, A.W.I. Builders, Inc., in the amount of \$16,900,000;
3. Authorize the Chairman of the Board of Directors to sign the contract documents on behalf of the Redevelopment Agency;
4. Delegate change order authority to the Executive Director of the Redevelopment Agency, or designee, in accordance with Public Contract Code; and

**BACKGROUND:** (Commences on Page 2)

*Robert Field*  
Robert Field  
Executive Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 20,652,500	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

**COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA:** No

<b>SOURCE OF FUNDS:</b> I-215 Corridor – Redevelopment Project Area Capital Improvement Project Funds – Mead Valley Sub-Area	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE

**County Executive Office Signature** BY: *Elizabeth J. Olson*  
Elizabeth J. Olson

**Prev. Agn. Ref.:** 3.61 & 4.3 of 5/3/11; 3.28 & 4.10 of 12/14/10 | **District:** 1 | **Agenda Number:** 4.17

FISCAL PROCEDURES APPROVED  
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
 BY: *Samuel Wong*  
 DATE: 6/22/11  
 DEPARTMENT: Public Works  
 MARSHAL L. VICTOR

Dept't Recomm.:  Consent  Policy  
 Per Exec. Ofc.:  Consent  Policy

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

**RECOMMENDED MOTION:** (Continued)

5. Approve a total project budget of \$20,652,500.

**BACKGROUND:** On December 14, 2010, the Board of Directors approved the consulting services agreement with TKE Engineering and Planning for the complete design services of the Mead Valley Community center project, located at 21091 Rider Street located between Brown Street and Lee Street in the unincorporated community of Mead Valley. The project involves the demolition of the existing facilities and the construction of a new 40,000 square foot community center. The full scope includes the demolition of the existing facilities and construction of childcare classrooms, community room, senior center, medical/dental clinic, kitchen, multi-purpose recreational field, basketball court, community garden, tot-lot, parking lot, landscaping, and off-site street and sewer infrastructure improvements.

The Redevelopment Agency (RDA) has prepared an Initial Study to assess the potential environmental effects of the project. The Initial Study indicated all issues of environmental concern can be adequately mitigated to a level of insignificance. The development of the project is consistent with RDA's Implementation Plan, which calls for the building of community facilities for area residents.

On May 3, 2011 the Board approved the plans and specifications for the Mead Valley Community Center project and authorized the Clerk of the Board to advertise the Notice Inviting Bids. The project was advertised in the Press Enterprise on May 5, 2011 and May 12, 2011, and was advertised on the Riverside County Economic Development Agency's website. A mandatory job walk was held on May 19, 2011. On June 7, 2011, at 2:00 p.m. ten sealed bids were received and opened by the Clerk of the Board.

The Agency received a letter of protest from PWCI dated June 9, 2011 and second letter dated June 13, 2011 regarding the Mead Valley Community Center Project bid submitted by A.W.I. Builders, Inc. In summary, the June 9, 2011 letter contends A.W.I. Builders, Inc. did not list several subcontractors but after review of the California Contractors License Board, the subcontractors listed are licensed. Second, A.W.I. Builders, Inc. listed more than one subcontractor for several trades. After review, the prime contractor has listed the work to the specific subcontractors. Third, the protest stated A.W.I. Builders, Inc. did not list numerous trades that are over ½ of 1% of their total bid. A.W.I. Builders, Inc. holds a "B" contractor's license which under Section 7057 of the Business and Professions Code means it can perform work other than framing and carpentry if there are more than two other unrelated trades on the project. Based on the list of trades involved on this project, A.W.I. Builders, Inc. may perform these various trades.

The second letter dated June 13, 2011 contends A.W.I. Builders, Inc. proposal was signed by a Vice-President and did not include a copy of the by-laws or resolution of the corporation showing signature authority. The Agency has verified Mr. Robert Mekikyan is not only the Vice-President but is also the Secretary of the corporation which satisfies the signature requirements of the bid conditions. The failure to include the by-laws in the bid package or specifically include his title as Secretary of the corporation is a minor irregularity which can be waived without given any advantage to the bidder as the bid was in fact appropriately signed. The second contention was that A.W.I. Builders, Inc. bid bond was not filled out completely. After review by counsel, the form contains all required information. The third contention was that A.W.I. Builders, Inc. second page of the bid bond was not filled out properly and did not have the corporate seal affixed.

**BACKGROUND:** (Continued)

After review, the second page of the bid bond unfortunately had a typographical error that was the fault of the Agency in not clearly identifying the blocks for the principal's signature and the surety representative's signature. Nonetheless, it is clear given the names typed in, which signature block is for each party signing, and that both the bidder and surety representative signed. The presence of the corporate seal does not affect the legal authority of the corporation in signing and being bound on a document, therefore this is a minor irregularity. The last contention was that A.W.I. Builders, Inc. failed to have the majority of their document properly notarized as they did not utilize a jurat form. The non-collusion affidavit is the form that requests a specific jurat, and in this case was filled out. There was also a notary acknowledgement attached.

County Counsel reviewed the bid protest information and advises that the minor irregularities may be waived as they do not impact the validity of the bid or give the bidder an economic advantage. Therefore, RDA staff recommends that the Board award the contract to A.W.I. Builders, Inc., in the amount of \$16,900,000 and approve the construction project budget as follows:

**Project Budget:**

Construction	\$	16,900,000
Project Management	\$	200,000
Testing & Inspection	\$	275,000
Fixtures, Furniture, & Equipment	\$	300,000
Information Technology	\$	100,000
Utility Relocation & Miscellaneous Costs	\$	475,000
Construction Management Costs	\$	500,000
County Counsel Fees	\$	25,000
Project Contingency	\$	1,877,500
<b>Total:</b>	<b>\$</b>	<b>20,652,500</b>

**Source of Funds:** I-215 Redevelopment Capital Improvement Funds in the amount of \$20,652,500.

## AGREEMENT FORM

THIS AGREEMENT entered into this 21 day of JUNE, 2011, by and between A.W.I. Builders, Inc., hereinafter called the "Contractor" and the Redevelopment Agency for the County of Riverside, hereinafter called the "Owner".

### WITNESSETH

That the parties hereto have mutually covenanted and agreed as follows:

CONTRACT: The complete Contract includes all of the Contract Documents, to wit: The Notice Inviting Bids, the Instructions to Bidders, the Contractor's Proposal, the Payment and Performance Bonds, the Plans and Specifications plus any Addenda thereto, the General Conditions, Specific Conditions, and this Agreement. All contract documents are intended to cooperate and be complementary so that any work called for in one and not mentioned in the other, or vice versa, is to be executed the same as if mentioned in all contract documents.

STATEMENT OF WORK: The Contractor hereby agrees to furnish all tools, equipment, services, apparatus, facilities, transportation, labor, and materials for the construction of: Mead Valley Community Center Project in strict accordance with the plans and specifications dated, March 2011, prepared by TKE Engineering, Inc., hereinafter called the "Architect/Engineer", including Addenda thereto as listed in the Contractor's Proposal, all of which are made a part hereof.

TIME FOR COMPLETION: The work shall be commenced on a date to be specified in a written order of the Engineer and shall be completed within four hundred eighty-seven (487) calendar days from and after said date. It is expressly agreed that except for extensions of time duly granted in the manner and for the reasons specified in the General Conditions, time shall be of the essence.

COMPENSATION TO BE PAID TO CONTRACTOR: The Owner agrees to pay and the Contractor agrees to accept in full consideration for the performance of the Contract, subject to additions and deductions as provided in the General Conditions, the sum of Sixteen Million Nine Hundred Thousand Dollars (\$16,900,000.00), being the total of the Base Bid.

The sum is to be paid according to the schedule as provided in the General Conditions.

Pursuant to Labor Code Section 1861, the Contractor gives the following certifications: I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workmens' Compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract.

IN WITNESS WHEREOF, the parties hereto on the day and year first above written have executed this agreement in 3 counterparts.

Type of Contractor's organization

If other than individual or corporation, list names of all members who have authority to bind firm.

\_\_\_\_\_  
\_\_\_\_\_

IF OTHER THAN CORPORATION EXECUTE HERE

Attest: Firm Name \_\_\_\_\_

Signature \_\_\_\_\_

Address \_\_\_\_\_

Contractor's License No. \_\_\_\_\_

IF CORPORATION, FILL OUT FOLLOWING AND EXECUTE

Name of President of Corporation ANNA MERIKYAN

Name of Secretary of Corporation ROBERT MERIKYAN

Corporation is organized under the laws of the state of CALIFORNIA

Firm Name AWI BUILDERS, INC

Signature [Signature]

Title of Office VICE PRESIDENT

Address 2881 SAGE STR. VERNON, CA 90058

Contractor's License No. 818478

AFFIX  
SEAL

Attest:

Deputy

Owner

By

Seal

Chairman, Board of Directors

FORM APPROVED COUNTY COUNSEL

BY: [Signature] 10/22/11  
MARSHAL VICTOR DATE



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
6/17/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).


<b>PRODUCER</b> Target Financial & Insurance Services 6630 Flanders Drive License #0743582 San Diego CA 92121		<b>CONTACT NAME:</b> Customer Service Department <b>PHONE (A/C, No, Ext):</b> (800) 450-8013 <b>FAX (A/C, No):</b> (800) 434-8053 <b>E-MAIL ADDRESS:</b> customerservice@targetinsuranceservices.com <b>PRODUCER CUSTOMER ID #:</b> 00002971	
<b>INSURED</b> AWI Builders, Inc 2881 Saco Street Vernon CA 90058		<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Rockhill Insurance Company <b>INSURER B:</b> State National Insurance <b>INSURER C:</b> National Union Fire Ins. Co. <b>INSURER D:</b> Benchmark Insurance Company <b>INSURER E:</b> <b>INSURER F:</b>	

**COVERAGES** CERTIFICATE NUMBER: GL/BA/WC11-12, EX10-11 AI REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b>						
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			RCGLAR00010600	2/6/2011	2/6/2012	DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
							MED EXP (Any one person) \$ 5,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$ 1,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						GENERAL AGGREGATE \$ 2,000,000
B	<b>AUTOMOBILE LIABILITY</b>						
	<input type="checkbox"/> ANY AUTO						COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> ALL OWNED AUTOS			CAV10C00753	3/31/2011	3/31/2012	BODILY INJURY (Per person) \$
	<input checked="" type="checkbox"/> SCHEDULED AUTOS						BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> NON-OWNED AUTOS						Hired/borrowed \$ 1,000,000
C	<input checked="" type="checkbox"/> UMBRELLA LIAB						Non-owned \$ 1,000,000
	<input type="checkbox"/> EXCESS LIAB						EACH OCCURRENCE \$ 9,000,000
	<input type="checkbox"/> OCCUR						AGGREGATE \$
	<input type="checkbox"/> CLAIMS-MADE			BE037714157	9/7/2010	9/7/2011	\$
D	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>						
	<input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	<input type="checkbox"/> If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	CST5001363	1/8/2011	1/8/2012	E.L. EACH ACCIDENT \$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
						E.L. DISEASE - POLICY LIMIT \$ 1,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
 Re: Mead Valley Community Center Project @ 21091 Rider St., Perris, CA 92570  
 The County of Riverside, Agency, Directors, Officers, special Districts, Board of Supervisors, employees, agents, representatives are Named as Additional Insured per the Attached Endorsement. Waiver of Subrogation applies per the attached Endorsements. \*10 Days Notice of Cancellation for Non-Payment of Premium/30 Days All Others.

<b>CERTIFICATE HOLDER</b> (951) 955-9495 The County of Riverside 3403 10th St. Ste. 500 Riverside, CA 92501	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Carl Savoia/BX 

Policy Number: RCGLAR00010600

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED ENDORSEMENT  
COMMERCIAL CONSTRUCTION PROJECTS**

This endorsement modifies insurance under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
CONTRACTORS POLLUTION LIABILITY COVERAGE PART**

- A. SECTION II – WHO IS AN INSURED is amended to include any person or organization with whom you have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy.
- B. A person or organization that qualifies as an "insured" under paragraph A of this Endorsement shall be an additional insured solely with respect to such additional insured's vicarious liability for "bodily injury," property damage" or "personal and advertising injury" caused in whole or in part by your acts or omissions in the performance of "your work" for the additional insured on or at "commercial construction projects." No coverage shall exist hereunder for such additional insured's own negligence or other wrongful conduct, or for any liability of the additional insured unrelated to "your work" for the additional insured.

For the purposes of this Endorsement, "commercial construction projects" are defined as buildings or structures constructed for commercial use and also includes apartments, hotels, homes for the aged, dormitories or barracks. However, "commercial construction projects" shall not include any building or structure which contains individual owner occupied units or dwellings.

- C. Primary Wording – Subject to the limitations on coverage set forth in this endorsement, if required by written contract or agreement, such insurance as is afforded by this policy shall be primary insurance with respect to the additional insured, and any insurance or self-insurance maintained by the above additional insured(s) shall be excess of the insurance afforded to the named insured and shall not contribute to it.
- D. Waiver of Subrogation – If required by written contract or agreement, we waive any right of recovery we may have against any entity that is an additional insured per the terms of this endorsement because of payments we make for injury or damage arising out of "your work" performed on or at "commercial construction projects" under a contract with that person or organization.
- E. Our obligation to defend and indemnify any additional insured(s) is limited to claims based upon the acts or omissions of the Named Insured for which the additional insured is alleged to be vicariously liable. No obligation exists to defend or indemnify any additional insured(s) for claims based upon any other theory of liability, including, but not limited to, (a) claims based upon the negligence or other wrongful conduct of any additional insured(s), (b) claims against any additional insured(s) that do not derive directly from the work of the Named Insured, and (c) claims for which coverage does not exist under this policy as to the Named Insured.
- F. With respect to the insurance afforded to any additional insured(s), our liability shall be limited to the lesser of:
1. The limits of insurance stated in SECTION III – LIMITS OF LIABILITY; or
  2. The limits of insurance stated in the written contract or agreement between you and such additional insured.

It is understood that irrespective of the number of entities named as insureds or additional insureds under this policy, in no event shall this policy's limits of liability exceed the limits of liability designated in the Declarations.

The words "you" and "your" refer to the Named Insured shown in the Declarations.

All other terms, conditions and exclusions under this policy are applicable to this endorsement and remain unchanged.

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT-CALIFORNIA - BLANKET**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.

The additional premium for this endorsement shall be 2% of the California workers' compensation premium otherwise due on such remuneration.

Schedule

<b>Person or Organization</b>	<b>Job Description</b>
Any person or organization for whom The named insured is required under Written contract to furnish this waiver	RE: All California Operations

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.  
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 01/08/11 to 01/08/12  
Insured: AWI Builders, Inc

Policy No. CST5001363

Endorsement No.

Insurance Company: BENCHMARK INSURANCE COMPANY



Benchmark Insurance Company

Countersigned by