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

FROM: Redevelopment Agency

SUBMITTAL DATE:
June 28, 2011

SUBJECT: Jurupa Valley Sheriff's Evidence Warehouse – Award of Construction Contract

RECOMMENDED MOTION: That the Board of Directors:

1. Approve Addenda Nos. 1 through 4 to the plans and specifications that were issued to all plan holders prior to the June 20, 2011 bid opening;
2. Award the construction contract to PCN3, Inc. as the lowest responsive bidder in the amount of \$3,195,540 which includes bid alternates 1 through 4; and
3. Authorize the Chairman to execute the contract documents on behalf of the Board.

BACKGROUND: (Commences on Page 2)

Robert Field
 Robert Field
 Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 3,195,540	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: No

SOURCE OF FUNDS: Jurupa Valley Redevelopment Capital Improvement Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: *Jennifer L. Sargent*
 Jennifer L. Sargent
 County Executive Office Signature

Dep't Recomm.: Consent Policy Policy

Per Exec. Ofc.: Consent Policy Policy

Prev. Agn. Ref.: 4.3 of 5/10/11, 4.2 of 8/31/10 | District: 2 | Agenda Number: **4.5**

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: *Christina Harris* 6/29/11
 TANYA S. HARRIS, CPA
 Departmental Concurrence
 REVIEWED BY: *Christina Harris*
 Christopher Harris
 FORM APPROVED COUNTY COUNSEL
 BY: *Marshall Victor* 6/28/11
 DATE: 6/28/11
 MARSHALL VICTOR

BACKGROUND:

On May 10, 2011, the Board of Directors approved the total project budget as well as the plans and specifications for the Jurupa Valley Sheriff's Evidence Warehouse project and authorized the Clerk of the Board to advertise for bids. The project consists of a new 10,000 square foot warehouse including parking lot expansion, lighting, and a new secured front lobby.

During the advertisement period, four (4) addenda were issued to the plans and specifications for the project. Bidders are required to acknowledge and take into account the issued addenda on their bid proposal to be considered for award. The addenda were issued to clarify and modify the approved project contract documents. The addenda are attached.

On June 20, 2011, 21 bids were received. The Redevelopment Agency (RDA) and County Counsel reviewed the four lowest bids for the project. PCN3, Inc. was the apparent low bidder. There was a letter of protest filed by the third low bidder, Hamel Contracting Inc., against both the first and second low bidders. There was also a protest filed by the fourth low bidder, Woodcliff Corporation, against the three low bidders. The grounds for both protests are summarized in the attached response letters from County Counsel. The low bid by PCN3, Inc. has been found to be responsive and the issues raised in the protest letter do not provide a basis to change that finding and the recommendation of award. Therefore it is recommended that the Board award the construction contract to PCN3, Inc. in the amount of \$3,195,540.

Attachments:

- Addenda Nos. 1 through 4 to the plans and specifications
- Construction agreement documents between PCN3, Inc. and the Redevelopment Agency for the County of Riverside
- Bid protest response letters from County Counsel

AGREEMENT FORM

THIS AGREEMENT, entered into this 27th day of June, 2011, by and between PCN3, 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, Wage Schedule, Payment and Performance Bonds, the Plans and Specifications plus any Addenda thereto, the General Conditions, the Supplementary General Conditions, if applicable and this Agreement. All Contract Documents are intended to cooperate and be complimentary 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 the **Jurupa Sheriff's Evidence Warehouse** project. In strict accordance with the Plans and Specifications dated May 2011 prepared by Holt Architects hereinafter called the "Architect", 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 Architect and shall be completed within three hundred thirty-five (335) 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 Three Million One hundred ninety five thousand five hundred and forty dollars (\$ 3,195,540.00) being the total of the base bid, alternates 1, 2, 3, 4, plus the following addenda: 1, 2, 3 & 4. 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 certification: I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Worker's 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 four (4) counterparts.

Type of Contractor's organization: Corporation

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

Homayoun Abghari Babak Abghari

Firm Name: PCN3, INC.

Address: 5450 Katella Ave. #104, Los Alamitos, CA, 90720

Contractor's License No.: 786518

IF OTHER THAN CORPORATION EXECUTE HERE

Signature: n/a

Title: n/a

Affix Seal
If
Corporation

IF CORPORATION, FILL OUT FOLLOWING AND EXECUTE

Name of President of Corporation: Homayoun Abghari

Name of Secretary of Corporation: Babak Abghari

Corporation is organized under the laws of State of California

Signature: [Signature] 6/27/11

Title: Vice-president / Secretary

Owner: COUNTY OF RIVERSIDE REDEVELOPMENT AGENCY

Signature: _____

Title: Chairman - Board of Directors

Attest: Clerk - Board of Directors

By: _____

Title: _____

**CONTRACTOR'S CERTIFICATE
REGARDING WORKERS' COMPENSATION**

Labor Code Section 3700

Every employer, except the State and all political subdivisions or institutions thereof, shall secure the payment of compensation in one or more of the following ways:

- (a) By being insured against liability to pay compensation in one or more insurers duly authorized to write compensation insurance in this State.
- (b) By securing from the Director of Industrial Relations, a Certificate of Consent to Self-Insure, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his employees

I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' 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 this Contract.

 6/27/11
Babak Abghari / PCN3, INC.

Principal

n/a -----

Principal

Vice - President

Title

(In accordance with Article 5 [commencing at Section 1860], Chapter, Part 7, Division 2 of the Labor Code, the above Certificate must be signed and filed with the Owner prior to performing any work under this Contract.)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY
AGAINST OTHERS TO US**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:

The County, the Agency, Their Director's Officers, special Districts, Board of Supervisors, employees, agents or representatives.

County of Riverside

Attn: Economic Development Agency

PO Box 1180, Riverside, Ca. 92502-1180

RE: Evidence Warehouse for Sheriff's Department located at 7477 Mission Blvd.,
Riverside, Ca. 92509

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The **Transfer Of Rights Of Recovery Against Others To Us** Condition (**SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**) is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard." This waiver applies only to the person or organization shown in the Schedule above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS
(FORM C)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

(If no entry appears below, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.

To the extent required under contract, this policy will apply as primary insurance to additional insureds scheduled below and other insurance which may be available to such additional insureds will be non-contributory.

Section IV., Condition 4., of this policy is amended accordingly.

SCHEDULE

Name of Person or Organization:

The County, the Agency, Their Director's Officers, special Districts, Board of Supervisors, employees, agents or representatives.

County of Riverside

Attn: Economic Development Agency

PO Box 1180, Riverside, Ca. 92502-1180

RE: Evidence Warehouse for Sheriff's Department located at 7477 Mission Blvd.,
Riverside, Ca. 92509

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – LESSOR OF LEASED EQUIPMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. SECTION II – WHO IS AN INSURED** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury," "property damage" or "personal and advertising injury" caused, in whole or part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).
- B.** With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

SCHEDULE

Name of Additional Insured Person(s) or Organization(s):

All persons or organizations where required by written contract.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

Policy Change
Number

POLICY NUMBER CCA0007645 Policy Term: 11/28/2010-11/28/2011	POLICY CHANGES EFFECTIVE 6/24/2011	COMPANY Mercury Casualty Company
NAMED INSURED PCN3 Inc		AUTHORIZED REPRESENTATIVE
COVERAGE PARTS AFFECTED		
<p style="text-align: center;">CHANGES <u>WAIVER OF SUBROGATION</u></p> <p>If required by written contract or agreement, we waive any right of recovery we may have against an 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" done under a contract with that person or organization.</p>		

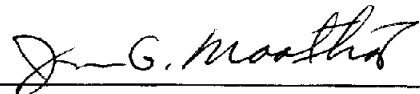

Authorized Representative Signature

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

Policy Change
Number 7

POLICY NUMBER CCA0007645 Policy Term: 11/28/2010-11/28/2011	POLICY CHANGES EFFECTIVE 6/24/2011	COMPANY Mercury Casualty Company
NAMED INSURED PCN3 Inc		AUTHORIZED REPRESENTATIVE
COVERAGE PARTS AFFECTED		
<p style="text-align: center;">CHANGES</p> <p>It is agreed and understood that the following are listed as additional insureds as covered by this policy:</p> <p>The County of Riverside, Agency, their Director's Officers, Special Districts, Board of Supervisors, employees, agents or representatives Attn: Economic Development Agency PO Box 1180 Riverside, CA 92502-1180</p>		



Authorized Representative Signature

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury."

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

(1) That the insured would have in the absence of the contract or agreement; or

(2) Assumed in a contract or agreement that is an "insured contract," provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract," reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage," provided:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

(b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract."

f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to: