

**DATE:** October 15, 2018  
**TO:** RMC Governing Board  
**FROM:** Mark Stanley, Executive Officer  
**SUBJECT:** Item 14: Consideration of a resolution approving a grant to the Watershed Conservation Authority for the Duck Farm Phase IA Implementation.

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**PROGRAM AREA:** Rivers and Tributaries

**PROJECT TYPE:** Development

**JURISDICTION:** County of Los Angeles

**PROJECT MANAGER:** Joseph Gonzalez

**RECOMMENDATION:** That the RMC authorize a \$1.2 million grant to the Watershed Conservation Authority (WCA) to complete construction of the Duck Farm Phase 1A Implementation Phase 1A-Step 2 Project.

**PROJECT DESCRIPTION:** The Duck Farm Phase 1A Implementation Project (Duck Farm) involves the development of a 31-acre river adjacent park that includes a pocket park and entry, parking, pedestrian amenities and access improvements, interpretive features, 1.25-mile trail, riparian landscape, a wildflower meadow and a river overlook. See Exhibit A: Project Vicinity Map.

The WCA completed a 9-month constructability and Value Engineering (V/E) process, beginning in January 2018, to undertake a bid solicitation process that would result in a contract with a qualified general contractor to complete Phase 1A-Step 2 of the Duck Farm Park Project within available funding. At the beginning of the process there was a funding gap of approx. \$2.5 million. By the end of the V/E process, taking into account the uncertainties of current market conditions, the funding gap was reduced to \$1.2 million, a savings of \$1.3 million. See Exhibit B: Project Budget Summary.

A Request for Bid (RFB) was prepared and published August 3, 2018. The original bid solicitation strategy yielded 16 firms sending representatives to the mandatory bid walk on August 15. However, only one (1) bid was ultimately submitted. This bid was rejected for several reasons, including the fact that the bid exceeded the V/E engineer's estimate by 340%. See Exhibit C: Gap Funding Request Letter, which provides feedback on why contractors chose not to submit bids.

The WCA team is proceeding with an alternative contractor solicitation strategy to obtain a viable bid proposal, allowing qualified Contractors to suggest additional V/E and construction methodology savings to bring project into line with funding.

Qualified contractors from the original 16 firms attending the mandatory bid walk were engaged and two have moved forward to propose a value-engineered design-build project not-to-exceed lump sum of \$4 million. The value includes the 10% contingency from the engineer's estimate, all materials, equipment, and labor required to complete the general contractor elements of the project all mobilization costs, and the 12-month establishment period. See Exhibit D: Project Schedule.

**BACKGROUND:** The Duck Farm is a significant regional project accomplishing the mission of the RMC and WCA which seeks to preserve open space and habitat to provide for low-impact recreation and educational uses, wildlife habitat restoration and protection, and watershed improvements within the San Gabriel River and the Lower Los Angeles River watersheds. Furthermore, the Duck Farm will expand access to public open space, trails and park features in a park poor area of the San Gabriel Valley and will help realize the goals of the San Gabriel River Corridor Master Plan and will serve as a key destination along the Emerald Necklace—a vision for an interconnected trail network of river-based parks.

Due to the complexity of this multi-jurisdictional park development the project has experienced both regulatory/entitlement hurdles and funding challenges that are being resolved with final permit and agency approvals expected to be completed by the end of November 2018 and a construction contract awarded by January 2019.

### **Summary of Progress**

#### **2010-2012**

- **Implemented Two-Step Construction Strategy:** The State's financial crisis and bond freeze of December 2008 resulted in a two-step construction approach utilizing non-State funds to continue progress on the project.
  - Exhibit E: Site Plan Step 1 and Step 2
  - **Completed Step 1: Supplemental Environmental Program (SEP) funded portion of the project.**
    - Included phytoremediation and infrastructure improvements such as site development, grading, trails, a multipurpose road and underground utilities including a new water supply line, fire hydrant and irrigation system.

#### **2013 – 2014**

- **Step 2 Construction Documents and Funding**
  - **Entitlements and Permitting**
    - Completed Step 2 construction drawings (CD) and submitted for All Agency approvals. Completed Approvals:
      - LA County Regional Planning (2013)
      - U.S. Army Corps of Engineers (2013; Renewed 2016)
      - LA County Flood Control District (LACFCD) (2013)
      - LA County Health Department and State Regional Water Quality Control Board approvals for Restroom Facility and On-Site Wastewater System. (2014)
      - LA County Fire
      - Los Angeles City Department of Water and Power (2014)
  - **Funding**
    - WCA secured \$1.4 Million from State River Parkway Grant (third attempt)
    - WCA secured \$100K tree planting grant from LA County Prop A

- WCA secured \$280,000 contribution from LA County Flood Control District (LACFCD)

#### 2015 - 2016

- **Step 2 Entitlements and Permitting Continued**
  - **Outside Factors Delay Project**
    - Completed Southern California Edison Consent delayed (2016);
      - 18-month delay related to TRRP and an update to SCE's Environmental Documents to address FAA safety concerns.
    - LA County Plan Check Comments received 2015
      - AECOM Design team experiences loss of Design Team Staff three times between 2014 and 2016 resulting in a variety of delays to achieve approvals.
    - Completed LA County Permit Reviews (2016)
      - LA County Land Development Landscape
      - LA County Parks and Rec Trail Easement
      - LA County EPD: Recycling/Reuse Plan
      - SWPPP

#### 2017 - Current

- **Step 2 Entitlement and Permitting Process Continued**
  - **Status of Permit Approvals** Exhibit E Permit Status Matrix
    - Completed LA County Permit Reviews (2017-2018)
      - LA County GMED
      - LA County EPD: LID Covenant and Industrial Waste Permit
      - LA County Electrical
      - Caltrans Encroachment
      - Caltrans R/W Access Easement: Record easement
      - LA County Building and Safety: Architecture
      - LA County Building and Safety: Plumbing
      - LA County Land Development: Roads and Streets
    - Pending Approvals
      - ACOE Extension of 408 Permit
      - LA County Building and Safety: Grading

#### LOOK-AHEAD

- **Step 2 Construction**
  - Bid and Award (November 2018)
  - Construction (January 2019 – December 2019)
  - Plant Establishment (June 2019 – June 2020)
  - Grant Closeout (June 2020)

**FISCAL INFORMATION:** RMC 3609 was encumbered from Prop 40 (PCA 30111); Prop 50 (PCA 30118) and Prop 84 (PCAs 32700, 30115, 32800).

The new \$1.2 million grant to the Watershed Conservation Authority for the Duck Farm recommendation for funding is through a \$404,550.82 grant from Proposition 84, Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 and a \$795,449.18 grant from

Proposition 1, Water Quality, Supply, and Infrastructure Improvement Act of 2014. It is anticipated that the project will close by June 2020.

Funding for this project will be allocated from the following Proposition 84 allocations.

75050. The sum of nine hundred twenty eight million dollars (\$928,000,000) shall be available for the protection and restoration of rivers, lakes and streams, their watersheds and associated land, water, and other natural resources in accordance with the following schedule:... (g) The sum of seventy two million dollars (\$72,000,000) shall be available for projects within the watersheds of the Los Angeles and San Gabriel Rivers according to the following schedule:

(1) \$36,000,000 to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy pursuant to Division 22.8 (commencing with Section 32600).....

75060. The sum of five hundred forty million dollars (\$540,000,000) shall be available for the protection of beaches, bays and coastal waters and watersheds, including projects to prevent contamination and degradation of coastal waters and watersheds, projects to protect and restore the natural habitat values of coastal waters and lands, and projects and expenditures to promote access to and enjoyment of the coastal resources of the state, in accordance with the following schedule:.... (3) To the Rivers and Mountains Conservancy.....\$15,000,000.

Funding for this project will be allocated from the following Proposition 1 allocations:

Funding for this project will be allocated from Chapter Six (6) of Proposition 1, under statute 79731 (f): San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, the sum of thirty million dollars (\$30,000,000).

RMC 3609 grant was initially authorized by the RMC on March 26, 2007, as specified in Resolution 2007-25 and amended as specified in Resolutions 2008-15, 2009-30, 2010-87,2011-23,2012-13, 2013-07, 2014-01, and 2017-08.

**LEGISLATIVE AUTHORITY AND RMC ADOPTED POLICIES/AUTHORITIES:** The Rivers and Mountains Conservancy (RMC) statute provides in part that:

Section 32602: There is in the Resources Agency, the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, which is created as a state agency for the following purposes:

- (a) To acquire and manage public lands within the Lower Los Angeles River and San Gabriel River watersheds, and to provide open-space, low-impact recreational and educational uses, water conservation, watershed improvement, wildlife and habitat restoration and protection, and watershed improvement within the territory.
- (b) To preserve the San Gabriel River and the Lower Los Angeles River consistent with existing and adopted river and flood control projects for the protection of life and property.
- (c) To acquire open-space lands within the territory of the conservancy.

Section 32604: The conservancy shall do all of the following:

- (a) Establish policies and priorities for the conservancy regarding the San Gabriel River and the Lower Los Angeles River, and their watersheds, and conduct any necessary planning activities, in accordance with the purposes set forth in Section 32602.
- (b) Approve conservancy funded projects that advance the policies and priorities set forth in Section 32602.

- (d) To provide for the public's enjoyment and enhancement of recreational and educational experiences on public lands in the San Gabriel Watershed and Lower Los Angeles River, and the San Gabriel Mountains in a manner consistent with the protection of lands and resources in those watersheds.

Section 32614: The conservancy may do all of the following:

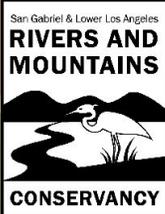
- (b) Enter into contracts with any public agency, private entity, or person necessary for the proper discharge of the conservancy's duties, and enter into a joint powers agreement with a public agency, in furtherance of the purposes set forth in Section 32602.
- (e) Enter into any other agreement with any public agency, private entity, or person necessary for the proper discharge of the conservancy's duties for the purposes set forth in Section 32602.
- (f) Recruit and coordinate volunteers and experts to conduct interpretive and recreational programs and assist with construction projects and the maintenance of parkway facilities.

Further, Section 32614 provides that: The conservancy may do all of the following:

- (g) Undertake, within the territory, site improvement projects, regulate public access, and revegetate and otherwise rehabilitate degraded areas, in consultation with any other public agency with appropriate jurisdiction and expertise, in accordance with the purposes set forth in Section 32602. The conservancy may also, within the territory, upgrade deteriorating facilities and construct new facilities as needed for outdoor recreation, nature appreciation and interpretation, and natural resources projection. The conservancy may undertake those projects by itself or in conjunction with another local agency; however, the conservancy shall provide overall coordination of those projects by setting priorities for the projects and by ensuring a uniform approach to projects. The conservancy may undertake those projects with prior notification to the legislative body of the local agency that has jurisdiction in the area in which the conservancy proposes to undertake that activity.

Section 32614.5:

- (a) The conservancy may award grants to local public agencies, state agencies, federal agencies, and nonprofit organizations for the purposes of this division.
- (b) Grants to nonprofit organizations for the acquisition of real property or interests in real property shall be subject to all of the following conditions:
  - (1) The purchase price of any interest in land acquired by the nonprofit organization may not exceed fair market value as established by an appraisal approved by the conservancy.
  - (2) The conservancy approves the terms under which the interest in land is acquired.
  - (3) The interest in land acquired pursuant to a grant from the conservancy may not be used as security for any debt incurred by the nonprofit organization unless the conservancy approves the transaction.
  - (4) The transfer of land acquired pursuant to a grant shall be subject to the approval of the conservancy and the execution of an agreement between the conservancy and the transferee sufficient to protect the interests of the state.
  - (5) The state shall have a right of entry and power of termination in and over all interests in real property acquired with state funds, which may be exercised if any essential term or condition of the grant is violated.



# San Gabriel & Lower Los Angeles Rivers and Mountains Conservancy Territory



Location: Duck Farm River Park



- Rivers and Mountains Conservancy Territory
- Existing Park and Open Space

## Exhibit B - Budget Summary

<b>Duck Farm Riverfront Park: Phase 1A - RMC3609</b>			
<b>Deliverables</b>	<b>Proposed RMC Budget</b>	<b>Funding By Other</b>	<b>Total Project</b>
<b>Step 1 - Site Demo, Grading, Infrastructure and Native Plantings</b>			
<b>Sub-total Step 1 Hardcost</b>	<b>\$2,298,126</b>	<b>\$186,175</b>	<b>\$2,484,301</b>
<b>Step 2 - Area Development and Park Amenities - General Contractor</b>			
1 Demolition and Prep			
2 Pocket Park and Entry			
3 East Tunnel Entry Plaza and Parking Area			
4 Tunnel Pedestrian Interior Improvements			
5 West Park Entry Plaza			
9 Riparian			
<b>Sub-total Step 2 General Contractor Hardcost</b>	<b>\$1,814,523</b>	<b>\$2,185,477</b>	<b>\$4,000,000</b>
<b>Step 2 - Restroom Facility and Utilities/Other - OFI and SCE</b>			
<b>Sub-total Step 2 Other Hardcost</b>	<b>\$395,000</b>	<b>-</b>	<b>\$395,000</b>
<b>Total Hardcost</b>	<b>\$4,507,649</b>	<b>\$2,371,652</b>	<b>\$6,879,301</b>
<i>Design, Permit Support, V/E, Construction Oversight</i>			
<i>WCA PM/Grant Admin/Other</i>			
<i>Construction Management</i>			
<i>Permit Plan Checks/Permitting/Inspections/Misc Exp</i>			
<b>Total Softcost</b>	<b>\$2,492,351</b>	<b>\$584,503</b>	<b>\$3,076,854</b>
<b>Duck Farm Phase 1A Grand Total</b>	<b>\$7,000,000</b>	<b>\$2,956,155</b>	<b>\$9,956,155</b>
<b>Funds Secured</b>	<b>\$5,800,000</b>	<b>\$2,956,155</b>	<b>\$8,756,155</b>
<b>Funding GAP</b>	<b>\$1,200,000</b>	<b>-</b>	<b>\$1,200,000</b>

**LETTER TO RMC BOARD JUSTIFYING GAP FUNDING REQUEST = \$1.2M**

The WCA has undertaken a 9 month process, beginning in January 2018 to complete the required Value Engineering (V/E), and to develop and implement a bid solicitation process that would result in a contract with a qualified general contractor to complete Phase 1A-Step 2 of the Duck Farm Park Project. This report is both a culmination of that effort and a request to fund the \$1.2M funding gap so that the WCA can proceed with the final negotiations toward executing an agreement with a qualified general engineering contractor.

In January 2018, Blue Green Consulting, and Larry Smith, dba Atlas Green Works, were contracted to complete the aforementioned V/E, and develop the bid/construction strategy. At the June 2018 WCA Board Meeting, senior WCA staff and the consulting team presented a summary of the V/E completed and the proposed bid solicitation and construction strategy. At the beginning of the process the funding gap was approx. \$2.5M. By the end of the V/E process the funding gap had been reduced by \$1.87M, reducing the gap to \$630K. However, at the same time, there remained some uncertainty related to market conditions within the construction industry that could have an impact on the bidding process. In addition, there remained some uncertainties related to construction methodology that the team felt could result in still higher construction costs.

Therefore, the team outlined an initial bid solicitation process that could address these concerns while ensuring that the process would result in a highly qualified contractor committed to completing Phase 1A-Step 2 within the required timeline and within the final confirmed and fully funded budget. Towards that end a Request for Bid (RFB) was prepared and published August 3, 2018. In order to allow for additional V/E as needed, and to adequately compare the bids to the engineer's estimate, the RFB used a unit price bid schedule. A standard bid advertisement process and period was utilized that ultimately allowed bidders seven (7) weeks to prepare their bid submittals. Instructions to the prospective bidders stipulated a bid evaluation process that would result in award to the lowest fully responsive, responsible and qualified bidder, and the WCA reserved the right to reject any bids based on price (too high), lack of responsiveness to all bid submittal requirements, evidence of poor prior performance for other agencies, or insufficient evidence of capacity to perform the work or of having completed projects of similar scope.

At the same time, the team strategized alternative contractor solicitation strategies in the event that the above outlined bid solicitation process did not result in the identification of a contractor that could meet the bid award requirements. The primary contractor solicitation strategy would be "Value-Engineered Design-Build" project delivery approach that would result in "Not-to-Exceed Lump Sum" contract. Such a contract would still pay out invoices using a final negotiated "Schedule of Values" very similar to the original RFB "Bid Schedule". However, there would be a stipulation that there would be no Change Orders.

The original bid solicitation strategy yielded 16 firms sending representatives to the mandatory bid walk on August 15. However, only one (1) bid was ultimately submitted. This bid was rejected for a number of reasons, including the fact that the bid exceeded the engineer's estimate by 340%. Inquiries were made to the firms that attended the bid walk, but did not submit to get feedback on why they chose not to submit. This feedback included: 1) could not demonstrate experience with RFB scope of work; 2) did not have internal capacity to perform enough of the work; 3) too busy to be able to complete construction within the required timeline; 4) firm too small to meet the bonding requirements; 5) too much of the materials were identified as "Owner Furnished Items (OFI's)", thereby impacting their competitiveness and ability to recover sufficient overhead and profit to justify the risk; 6) not enough estimating resources

to prepare a fully responsive bid package relative to other higher value projects; 7) challenges with understanding the construction documents; and 8) challenges with accountability for their work relative to work previous completed (existing conditions) in Phase 1A-Step1.

As a result of this feedback, the team proceeded with the alternative contractor solicitation strategy, which is a form of a modified “sole source” solicitation. The justification is that the traditional low bid strategy did not result in any responsive bids, and that the feedback clearly pointed to a very limited pool of available and qualified contractors. The team reached out to American Landscape, BrightGreen Landscape, Los Angeles Engineering and Fast-Track Construction, as the only firms that had attended the bid walk and were clearly qualified to construct the project. Only Los Angeles Engineering and Fast-Track affirmed their interest in this alternative solicitation process.

E-mails were then sent to both firms with the following requirements for a “value-engineered design-build not-to-exceed lump sum” proposal:

1. Commitment to a Not-to-Exceed lump sum contract value = \$4M
2. The quantity of elements remaining in the construction documents
3. Recommendations for additional value engineering as needed in the following areas:
  - a. Simplifying the design of some components of the overhead structures
  - b. Simplifying the design and substitution of materials for some of the decorative metal element requiring fabrication (fencing, guard rails, gates)
  - c. Revisions to the design of the lower riparian “landscape mounds” that could reduce the amount of earthwork required for the project
  - d. Clarification of the security and lighting and other electrical requirements for the project
  - e. Suggestions for additional value engineering for the various paving requirements
  - f. Or any other suggestions that would not reduce the presence or quantity of the following elements:
    - i. Overhead Structures
    - ii. Interpretive Elements
    - iii. Upper Riparian Stream as currently designed
    - iv. Extent of paving
    - v. Landscape and Irrigation
4. Project to be completed with 150 working days as specified
5. All other submittal requirements from original RFB still required
6. All General Provisions and specifications in the RFB remain the same

The \$4M value was determined based on the following:

1. Starting value = \$4.5M that was used as the “high” of the “value range” for Phase 1A-Step 2 as represented at the June WCA Board Meeting
  - a. This “high” value includes higher costs related to market conditions and additional “escalation” from the original engineer’s estimate, 100% of the contingency
2. Removal of all WCA non-construction costs = \$350K
3. SCE utility undergrounding and existing irrigation maintenance work = \$150K

The \$4M value includes the 10% contingency (as mentioned above) from the engineer’s estimate, all materials (including OFI items that had been removed during the original RFB process), equipment, and labor required to complete the project, all mobilization costs (including required bonding and temporary facilities), and the specified 12 month plant establishment period.

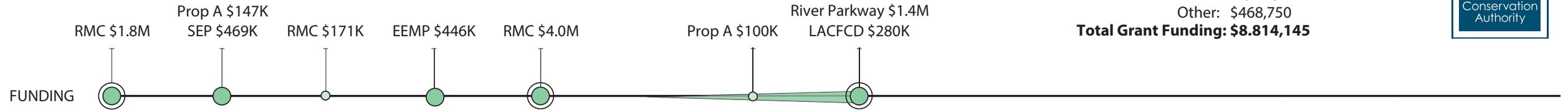
As the total cost for construction including all of the WCA non-construction costs is \$4.5 and the available funding is \$3.3M, the gap funding needed to complete the project is \$1.2M



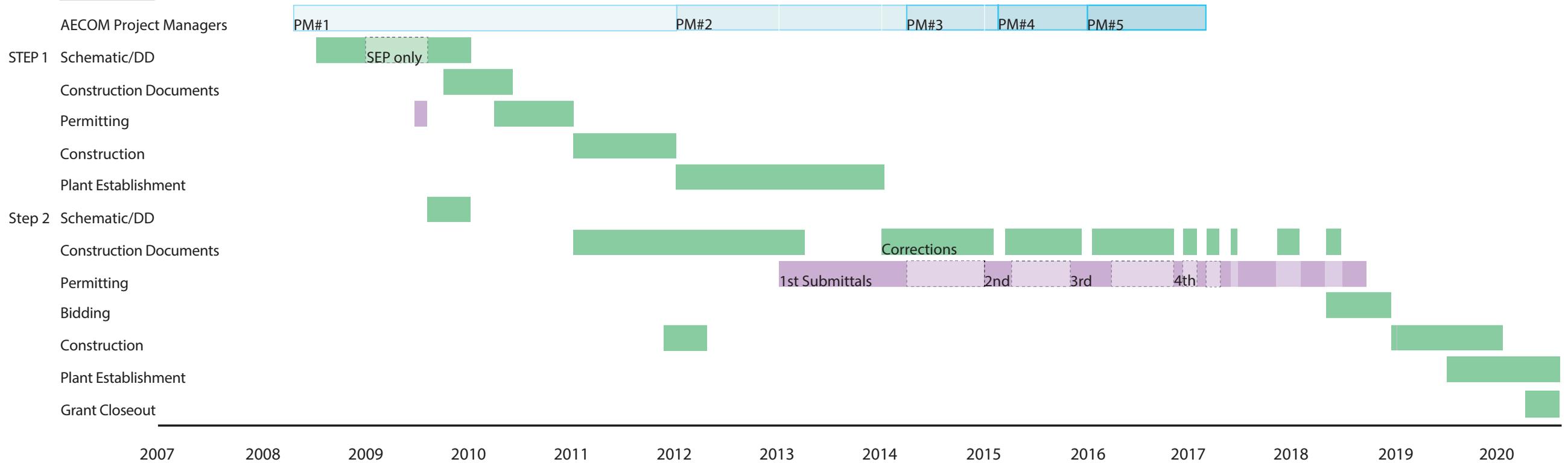
DUCK FARM RIVERFRONT PARK: PHASE 1A - Step 1 + 2

Local: \$527,477  
 State: \$7,817,918  
 Other: \$468,750

**Total Grant Funding: \$8.814,145**



PROJECT TIMELINE





October 15, 2018 – Item 14

RESOLUTION NO. 2018-25

RESOLUTION OF THE SAN GABRIEL AND LOWER LOS ANGELES RIVERS  
AND MOUNTAINS CONSERVANCY (RMC) APPROVING A GRANT TO THE WATERSHED  
CONSERVATION AUTHORITY FOR THE DUCK FARM PHASE 1A PROJECT

WHEREAS, The legislature has found and declared that the San Gabriel River and its tributaries, the Lower Los Angeles River and its tributaries, and the San Gabriel Mountains, Puente Hills, and San Jose Hills constitute a unique and important open space, environmental, anthropological, cultural, scientific, educational, recreational, scenic, and wildlife resource that should be held in trust to be preserved and enhanced for the enjoyment of, and appreciation by, present and future generations; and

WHEREAS, The people of the State of California have enacted the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, which provides funds for the RMC grant program; and

WHEREAS, the State of California has authorized an expenditure of funds from Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy for capital outlay and local assistance multi-benefit grants for ecosystem and watershed protection and restoration projects; and

WHEREAS, The RMC may award grants to local public agencies, state agencies, federal agencies, and nonprofit organizations for the purposes of Division 22.8 the Public Resources Code; and

WHEREAS, The Applicant has submitted a project which is consistent with the purposes of Division 22.8 of the Public Resources Code and the Bond Act; and

WHEREAS, The proposed project meets an objective of the California Water Action Plan for more reliable water supplies, restoration of important species and habitat, more resilient and sustainably managed water infrastructure; and

WHEREAS, The proposed project meets the goals of reducing greenhouse gas emissions consistent with AB 32; and

WHEREAS, The proposed project is consistent with the San Gabriel and Los Angeles River Watershed and Open Space Plan; and

WHEREAS, The proposed project protects land and water resources; and

WHEREAS, The grantee has requested a grant from Proposition 1, Section 79731 (f) and Section 79735 (a) of the Water Code; and

WHEREAS, this action is exempt from the environmental impact report requirements of the California Environmental Quality Act (CEQA); and NOW

*Therefore be it resolved that* the RMC hereby:

Resolution 2018-25

1. FINDS that this action is consistent with the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy Act and is necessary to carry out the purposes and objectives of Division 22.8 of the Public Resources Code.
2. FINDS that the grant is consistent with the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, which provides funds for the RMC grant program.
3. FINDS that the Proposition 1 RMC Grant Program is consistent with the Water Quality, Supply, and Infrastructure Improvement Act of 2014 ("Proposition 1"), which provides funds for the RMC grant program
4. FINDS the proposed project meets at least one of the purposes of Proposition 1.
5. FINDS the proposed project meets at least one of the three objectives of the California Water Action Plan.
6. FINDS that the proposed action is consistent with the San Gabriel and Lower San Gabriel and Los Angeles River Watershed and Open Space Plan as adopted by the Rivers and Mountains Conservancy;
7. FINDS that the actions contemplated by this resolution are exempt from the environmental impact report requirements of the California Environmental Quality Act.
8. ADOPTS the staff report dated October 15, 2018 for this item.
9. AUTHORIZES a grant to the Watershed Conservation Authority for the Duck Farm Phase 1A Project for \$1,200,000, funded through a \$404,550.82 grant from Proposition 84 and \$795,449.18 grant from Proposition 1.

~ End of Resolution ~

Motion \_\_\_\_\_ Second: \_\_\_\_\_

Ayes: \_\_\_\_\_ Nays: \_\_\_\_\_ Abstentions: \_\_\_\_\_

Passed and Adopted by the Board of the  
SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS  
CONSERVANCY on October 15, 2018

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Frank Colonna, Chair

ATTEST:

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David Edsall  
Deputy Attorney General