

**OVERSIGHT BOARD OF THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY
TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**

INTER-DEPARTMENT MEMORANDUM

To:	Matthew J. Fertal	From:	William E. Murray
Dept:	Director	Dept:	Public Works
Subject:	ADOPTION OF A RESOLUTION AWARDING CONTRACTS FOR ON- CALL PROPERTY MAINTENANCE SERVICES TO 1) EDGAR GONZALEZ; 2) GT CONSTRUCTION INC.		Date: April 9, 2014

OBJECTIVE

The purpose of this report is to request that the Oversight Board of the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development ("Oversight Board") adopt a resolution awarding contracts to 1) Edgar Gonzalez and; 2) GT Construction Inc., for on-call property maintenance services for properties owned by the Successor Agency.

BACKGROUND/DISCUSSION

The Successor Agency is the owner of various types of real property consisting of single-family residences, multi-family rental units, automotive use property, commercial buildings, retail property, and vacant land. As the property owner, the Successor Agency is responsible for maintaining said properties in decent, safe, sanitary, and/or habitable conditions, in accordance with state and local laws and ordinances.

Staff obtained four bids from general contractors with proper licensing to handle the wide variety of requests for property maintenance services from tenants. In addition to the general contractor license, the contractors are licensed to handle hazardous materials such as lead, mold, and asbestos. The request for bids included typical projects that would be required of the contractor for the term of the contract to solicit the contractor's rates for service and ability to perform the services during the one-year term.

Bidder's Name	Total Bid
1. GT Construction Inc.	\$11,500.00
2. Edgar Gonzalez dba Superior Construction	\$12,000.00
3. Hartfield Construction Corporation	\$12,310.00
4. J&G Industries, Inc.	\$26,430.00

The lowest responsible bidders are: GT Construction Inc., with a total bid of \$11,500.00, and Edgar Gonzalez dba Superior Construction with a total bid of \$12,000.00. The licenses of each contractor have been reviewed and verified by staff see attached Contractor's License Detail taken from the State's License Board website.

RESOLUTION APPROVING THE AWARD OF CONTRACTS FOR ON-CALL PROPERTY MAINTENANCE SERVICES TO 1) EDGAR GONZALEZ; 2) GT CONSTRUCTION INC.

April 9, 2014

Page 2

Staff is recommending awarding contracts to the two lowest responsible bidders due to the amount of work, tenant repair requests, and emergency repairs typically required each year. Having two contractors on-call will ensure timely response and performance of required work during the 16-month term of the contracts.

On March 11, 2014, the Successor Agency adopted a resolution approving the contracts with approved the contract with GT Construction Inc., and Edgar Gonzalez dba Superior Construction, and transmitted the request to enter into the contracts to the Oversight Board for approval.

FINANCIAL IMPACT

The cost for the work will be paid by Successor Agency funds.

RECOMMENDATION

Staff recommends that the Oversight Board:

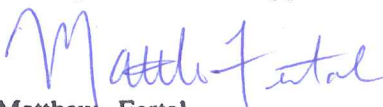
- Adopt the Resolution awarding the contracts with GT Construction, Inc. and Edgar Gonzalez dba Superior Construction for on-call property maintenance services in the amount not to exceed \$50,000 each, for a term of 16-months term each;
- Authorize the Director to execute the agreements on behalf of the Successor Agency; and
- Direct staff to transmit the contracts to the State of California Department of Finance.


WILLIAM E. MURRAY
Public Works Director

By: Carlos Marquez
Senior Real Property Agent

Attachment 1: Resolution
Attachment 2: GT Construction, Inc. Agreement
Attachment 3: Edgar Gonzalez Agreement

Recommended for Approval


Matthew Fertal
Director

OVERSIGHT BOARD

RESOLUTION NO.

A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT AWARDED CONTRACTS FOR ON-CALL PROPERTY MAINTENANCE SERVICES AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Garden Grove Agency for Community Development (herein referred to as the "Former Agency") was a community redevelopment agency duly organized and existing under the California Community Redevelopment Law (Health and Safety Code Sections 33000 *et seq.*), and was authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council ("City Council") of the City of Garden Grove ("City");

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies ("Dissolution Act");

WHEREAS, the Former Agency is now a dissolved community redevelopment agency pursuant to the Dissolution Act;

WHEREAS, as of February 1, 2012, the City serves as the "Successor Agency" and administers the enforceable obligations of the Former Agency and otherwise unwinds the Former Agency's affairs, all subject to the review and approval by a seven-member oversight board ("Oversight Board");

WHEREAS, pursuant to Section 34171(h) of the Health and Safety Code, a "Recognized Obligation Payment Schedule" ("ROPS") means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period as provided in subdivisions (l) and (m) of said Section;

WHEREAS, Assembly Bill 1484 ("AB 1484"), chaptered and effective on June 27, 2012, made certain amendments to the Dissolution Act, including with respect to the process of adopting Recognized Obligation Payment Schedules;

WHEREAS, pursuant to subdivisions (l) and (m) of Section 34177 of the Health and Safety Code, the Successor Agency, prepared its Recognized Obligation Payment Schedule ("ROPS") for the period covering January 1, 2014 through June 30, 2014;

WHEREAS, on September 24, 2013, the Successor Agency, approved the ROPS and authorized the transmittal of the ROPS to the Oversight Board and concurrently to the County Administrative Officer, the County Auditor-Controller, and the State Department of Finance ("Department of Finance");

WHEREAS, on September 25, 2013, the Oversight Board adopted a Resolution approving the ROPS for the period covering January 1, 2014 through June 30, 2014, and, pursuant to that adoption, the approved ROPS was transmitted to the Department of Finance, the State Controller's Office, and the County Auditor-Controller;

WHEREAS, pursuant to Section 34171(d)(1)(F) of the Health and Safety Code, enforceable obligations are defined as contracts or agreements necessary for the administration or operation of the successor agency, including, but not limited to the costs of providing property maintenance services;

WHEREAS, on December 17, 2013, the Department of Finance provided written confirmation approving the ROPS for the period covering January 1, 2014 through June 30, 2014, including Item 27 authorizing the Successor Agency to contract for property maintenance services;

WHEREAS, on March 11, 2014, the Successor Agency adopted a resolution approving contracts with GT Construction, Inc. and Edgar Gonzales dba Superior Construction for on-call property maintenance services pursuant to Section 34171(d)(1)(F) of the Health and Safety Code; and

WHEREAS, by this Resolution, the Oversight Board desires to approve the contracts with GT Construction, Inc. and Edgar Gonzales dba Superior Construction pursuant to Section 34171(d)(1)(F) of the Health and Safety Code and to direct the Director or his authorized designees to transmit this Resolution and the approved contract to the Department of Finance pursuant to Section 34179(h) of the Health and Safety Code.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT:

Section 1. The foregoing recitals are true and correct and constitute a substantive part of this Resolution.

Section 2. The on-call property maintenance services contracts with GT Construction, Inc. and Edgar Gonzales dba Superior Construction is approved together with such augmentation, modification, additions or revisions as the Successor Agency Director and/or the Finance Director or their authorized designees may find necessary to effectuate the services of the contractor.

Section 3. The Director or his authorized designee on behalf of the Successor Agency shall cause this Resolution and the on-call property maintenance services contracts with GT Construction, Inc. and Edgar Gonzales dba Superior Construction to be transmitted to the Department of Finance.

Section 4. This Resolution shall be effective immediately upon adoption.

Section 5. The Secretary to the Oversight Board shall certify to the adoption of this Resolution.

CONSTRUCTION CONTRACT

- Draft

THIS AGREEMENT is made this _____ day of _____, 2014, by the CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body, ("SUCCESSOR AGENCY") and GT CONSTRUCTION, INC., hereinafter referred to as "CONTRACTOR".

RECITALS

The following recitals are a substantive part of this Agreement:

- A. SUCCESSOR AGENCY desires to utilize the services of CONTRACTOR for on-call property maintenance services at various designated properties owned by the SUCCESSOR AGENCY throughout the City of Garden Grove.
- B. CONTRACTOR is qualified by virtue of experience, training, education and expertise to accomplish services.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term and Termination.** The term of the agreement shall be for period of **sixteen (16) months from full execution** of the agreement. This agreement may be terminated by the SUCCESSOR AGENCY without cause. In such event, SUCCESSOR AGENCY will compensate CONTRACTOR for work performed to date in accordance with fee schedule in the Proposal (Attachment "A"). CONTRACTOR is required to present evidence to support performed work completion.
2. **Services to be Provided.** The services to be performed by CONTRACTOR shall consist of on-call property maintenance service tasks as set forth in the Proposal. The Proposal is incorporated herein by reference. The Proposal and this Agreement do not guarantee any specific amount of work.
3. **Compensation.** CONTRACTOR shall be compensated as follows:
 - 3.1 **AMOUNT.** Compensation under this agreement shall be the Not To Exceed (NTE) amount of **Fifty Thousand Dollars (\$50,000.00)**, payable in arrears.
 - 3.2 **Payment.** For work under this Agreement, payment shall be made per invoice for work completed. For extra work not a part of this Agreement, CONTRACTOR shall provide an estimate as proof of evidence and obtain written authorization by SUCCESSOR AGENCY before commencing with work and receiving compensation.
 - 3.3 **Records of Expenses.** CONTRACTOR shall keep complete and accurate records of all costs and expenses incidental to services covered by this Agreement. These records will be made available at reasonable times to SUCCESSOR AGENCY.
 - 3.4 **Termination.** SUCCESSOR AGENCY and CONTRACTOR shall have the right to terminate this agreement, without cause, by giving thirty (30) days written notice of

termination. If the Agreement is terminated by SUCCESSOR AGENCY, then the provisions of paragraph 3 would apply to that portion of the work completed.

4. Insurance requirements.

- 4.1 COMMENCEMENT OF WORK. CONTRACTOR shall not commence work under this Agreement until all certificates and endorsements have been received and approved by the SUCCESSOR AGENCY. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify the SUCCESSOR AGENCY of any material change, cancellation, or termination at least thirty (30) days in advance.
- 4.2 WORKERS COMPENSATION INSURANCE. During the duration of this Agreement, CONTRACTOR and all subcontractors shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable.
- 4.3 INSURANCE AMOUNTS. CONTRACTOR shall maintain the following insurance for the duration of this Agreement:
- (a) Commercial general liability in an amount of \$1,000,000.00 per occurrence: **claims made and modified occurrence policies are not acceptable**; Insurance companies must be acceptable to SUCCESSOR AGENCY and have a Best's Guide Rating of A-Class VII or better, as approved by the SUCCESSOR AGENCY.
 - (b) Automobile liability in an amount of \$1,000,000.00 per occurrence. Insurance companies must be acceptable to SUCCESSOR AGENCY and have a Best's Guide Rating of A-Class VII or better, as approved by the SUCCESSOR AGENCY.

An **On-Going and Completed Operations Additional Insured Endorsement** for the policy under section 4.3 (a) shall designate SUCCESSOR AGENCY, the City of Garden Grove, their officers, officials, employees, agents, and volunteers as additional insureds for liability arising out of work or operations performed by or on behalf of the CONTRACTOR. CONTRACTOR shall provide to SUCCESSOR AGENCY proof of insurance and endorsement forms that conform to SUCCESSOR AGENCY's requirements, as approved by the SUCCESSOR AGENCY.

An Additional Insured Endorsement for the policy under section 4.3 (b) shall designate SUCCESSOR AGENCY, the City of Garden Grove, their officers, officials, employees, agents, and volunteers as additional insureds for automobiles, owned, leased, hired, or borrowed by the CONTRACTOR. CONTRACTOR shall provide to SUCCESSOR AGENCY proof of insurance and endorsement forms that conform to SUCCESSOR AGENCY's requirements, as approved by the SUCCESSOR AGENCY.

For any claims related to this Agreement, CONTRACTOR's insurance coverage shall be primary insurance as respects SUCCESSOR AGENCY, the City of Garden Grove, their officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the SUCCESSOR AGENCY, the City of Garden Grove, their officers, officials, employees, agents, and volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.

If CONTRACTOR maintains higher insurance limits than the minimums shown above, CONTRACTOR shall provide coverage for the higher insurance limits otherwise maintained by the CONTRACTOR.

5. **Non-Liability of Officials and Employees of the Successor Agency.** No official or employee of SUCCESSOR AGENCY shall be personally liable to CONTRACTOR in the event of any default or breach by SUCCESSOR AGENCY or for any amount which may become due to CONTRACTOR.
6. **Non-Discrimination.** CONTRACTOR covenants there shall be no discrimination against any person or group due to race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any activity pursuant to this Agreement.
7. **Independent Contractor.** It is agreed to that CONTRACTOR shall act and be an independent contractor and not an agent or employee of the SUCCESSOR AGENCY, and shall obtain no rights to any benefits which accrue to SUCCESSOR AGENCY's employees.
8. **Compliance with Law.** CONTRACTOR shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.
9. **Notices.** All notices shall be personally delivered or mailed to the below listed address, or to such other addresses as may be designated by written notice. These addresses shall be used for delivery of service of process.
 - a. GT Construction
Attention: Alex Yoo
2338 Robert Road
Rowland Heights, CA 91748
 - b. Carlos Marquez (with a copy to):
City of Garden Grove as
Successor Agency to the Garden
Grove Agency for Community Development Garden Grove City Attorney
Engineering Division 11222 Acacia Parkway
11222 Acacia Parkway Garden Grove, CA 92840
Garden Grove, CA 92840
10. **CONTRACTOR'S PROPOSAL.** This Agreement shall include CONTRACTOR'S proposal or bid which shall be incorporated herein by reference. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.
11. **Licenses, Permits, and Fees.** At its sole expense, CONTRACTOR shall obtain a Garden Grove Business License, all permits, and licenses as may be required by this Agreement.
12. **Familiarity with Work.** By executing this Agreement, CONTRACTOR warrants that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the facilities, difficulties, and restrictions of the work under this Agreement. Should Contractor discover any latent or unknown conditions materially differing from those inherent in the work or as represented by SUCCESSOR AGENCY, it shall immediately

inform SUCCESSOR AGENCY of this and shall not proceed, except at CONTRACTOR'S risk, until written instructions are received from SUCCESSOR AGENCY.

13. **Time of Essence.** Time is of the essence in the performance of this Agreement.
14. **Limitations Upon Subcontracting and Assignment.** The experience, knowledge, capability, and reputation of CONTRACTOR, its principals and employees were a substantial inducement for SUCCESSOR AGENCY to enter into this Agreement. CONTRACTOR shall not contract with any other entity to perform the services required without written approval of the SUCCESSOR AGENCY. This Agreement may not be assigned voluntarily or by operation of law, without the prior written approval of SUCCESSOR AGENCY. If CONTRACTOR is permitted to subcontract any part of this Agreement, CONTRACTOR shall be responsible to SUCCESSOR AGENCY for the acts and omissions of its subcontractor as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationship between any subcontractor and SUCCESSOR AGENCY. All persons engaged in the work will be considered employees of CONTRACTOR. SUCCESSOR AGENCY will deal directly with and will make all payments to CONTRACTOR.
15. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement and that by executing this Agreement, the parties are formally bound.
16. **Prevailing Wages.** The SUCCESSOR AGENCY has been advised that the Prevailing Wages Law applies to the work. CONTRACTOR shall be responsible for CONTRACTOR's compliance in all respects with the prevailing wage rates to all the laborers involved, and with California Labor Code Section 1770 et seq., including the keeping of all records required by the provisions of Labor Code Section 1776 and the implementing administrative regulations. The SUCCESSOR AGENCY shall be a third party beneficiary of the forgoing covenant with rights to enforce the same as against the CONTRACTOR.
17. **Indemnification.** CONTRACTOR agrees to protect, defend, and hold harmless SUCCESSOR AGENCY and the City of Garden Grove, and their elective or appointive boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, arising out of, or in any way connected with performance of the Agreement by CONTRACTOR, CONTRACTOR'S agents, officers, employees, subcontractors, or independent contractors hired by CONTRACTOR. The only exception to CONTRACTOR'S responsibility to protect, defend, and hold harmless SUCCESSOR AGENCY and the City of Garden Grove, is due to the active negligence of SUCCESSOR AGENCY or the City of Garden Grove, or any of their elective or appointive boards, officers, agents, or employees.

This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONTRACTOR.

18. **Agreement Limitations.** CONTRACTOR understands and agrees that the implementation and effectiveness of this Agreement shall be subject to approval by the Successor Agency Oversight Board and all provisions of ABX1-26 (2011) and AB 1484 (2012). CONTRACTOR further understands and agrees that any and all liability under this Agreement shall be solely that of the SUCCESSOR AGENCY, and not that of the City of Garden Grove, and, in accordance with Health and Safety Code Section 34173(e), shall be limited in scope and amount to the actual property tax

revenues received by, and the value of assets transferred to, the SUCCESSOR AGENCY pursuant ABX1-26 and AB 1484.

(Agreement Signature Block On Next Page)

IN WITNESS THEREOF, these parties have executed this Agreement on the day and year shown below.

Date: _____

**"SUCCESSOR AGENCY"
CITY OF GARDEN GROVE AS
SUCCESSOR AGENCY TO THE
GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT, a
public body**

By: _____
Executive Director

ATTESTED:

Secretary

Date: _____

**"CONTRACTOR"
GT CONSTRUCTION, INC.**

By: _____

Name: _____

Date: _____

Tax ID No. _____

Contractor's License: _____

Expiration Date: _____

APPROVED AS TO FORM:

Agency Counsel

Date

Exhibit A

Proposal/Scope of Services

(Attach here)

CONSTRUCTION CONTRACT - Draft

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South Gate, CA 90280
 - b. Carlos Marquez (with a copy to):
City of Garden Grove as
Successor Agency to the Garden
Grove Agency for Community Development Garden Grove City Attorney
Engineering Division 11222 Acacia Parkway
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17. **Indemnification.** CONTRACTOR agrees to protect, defend, and hold harmless SUCCESSOR AGENCY and the City of Garden Grove, and their elective or appointive boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, arising out of, or in any way connected with performance of the Agreement by CONTRACTOR, CONTRACTOR'S agents, officers, employees, subcontractors, or independent contractors hired by CONTRACTOR. The only exception to CONTRACTOR'S responsibility to protect, defend, and hold harmless SUCCESSOR AGENCY and the City of Garden Grove, is due to the active negligence of SUCCESSOR AGENCY or the City of Garden Grove, or any of their elective or appointive boards, officers, agents, or employees.

This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONTRACTOR.

18. **Agreement Limitations.** CONTRACTOR understands and agrees that the implementation and effectiveness of this Agreement shall be subject to approval by the Successor Agency Oversight Board and all provisions of ABX1-26 (2011) and AB 1484 (2012). CONTRACTOR further understands and agrees that any and all liability under this Agreement shall be solely that of the SUCCESSOR AGENCY, and not that of the City of Garden Grove, and, in accordance with Health and Safety Code Section 34173(e), shall be limited in scope and amount to the actual property tax

revenues received by, and the value of assets transferred to, the SUCCESSOR AGENCY pursuant ABX1-26 and AB 1484.

(Agreement Signature Block On Next Page)

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Date: _____

**"SUCCESSOR AGENCY"
CITY OF GARDEN GROVE AS
SUCCESSOR AGENCY TO THE
GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT, a
public body**

By: _____
Executive Director

ATTESTED:

Secretary

Date: _____

**"CONTRACTOR"
EDGAR GONZALEZ DBA
SUPERIOR CONSTRUCTION**

By: _____

Name: _____

Date: _____

Tax ID No. _____

Contractor's License: _____

Expiration Date: _____

APPROVED AS TO FORM:

Agency Counsel

Date

Exhibit A

Proposal/Scope of Services

(Attach here)