



Legislation Details (With Text)

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Date	Ver.	Action By	Action	Result
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Report to Carson Reclamation Authority

Tuesday, August 06, 2019

Discussion

SUBJECT:**UPDATE ON CONTRACTING WITH DIRTMASTER, INC.****I. SUMMARY**

On September 4, 2019, the Board added as an urgency item the approval of a contract with DirtMaster, Inc. to accept delivery of 100,000 cubic yards of crushed concrete from a location in Los Angeles, under the assumption that there was an urgent need by the Authority for such material with grading work about to commence.

A caveat in the Board action was that the CRA would contract for the material only if it actually needed it. To date, the CRA has not needed a single cubic yard of rock or crushed concrete, so nothing has been procured from DirtMaster during that period.

There has recently arisen a need for a small amount of clean dirt - dirt that could be placed above the liner - of perhaps 10,000 to 20,000 cubic yards. The CRA's horizontal master developer, RE|Solutions ("RES"), has identified a potential source of such dirt, which would be free, but has not contracted for the dirt or for the delivery yet.

RES has offered to discuss with the owner of the dirt (if the dirt clears all the required environmental testing) the potential use of DirtMaster, Inc. for hauling, provided DirtMaster meets the mandated insurance and bonding requirements under the CRA's Owner

Controlled Insurance Program (OCIP).

II. RECOMMENDATION

RECEIVE and FILE.

III. ALTERNATIVES

Direct Staff to return at a future meeting with additional information.

IV. BACKGROUND

At the June 4, 2019 Board meeting, Vice Chair Santarina asked for a status report on the “contract” with DirtMaster, Inc., approved by the Board at the September 4, 2019 meeting, since the CRA had not yet executed a contract or purchased or received any material from DirtMaster during that period.

The material in question in September was crushed concrete to be delivered to the site from the demolition of a warehouse building in Downtown Los Angeles. It was not regular dirt, which is used above the liner. The quantity was anticipated to be about 100,000 cubic yards, and the price was to be in the \$9.00-\$10.00 per cubic yard range, or nearly \$1,000,000.

As part of the approval, the Executive Director asked that a provision be added to the motion that the CRA would enter the contract only if the material was needed. To date, not a single cubic yard of crushed concrete or rock has been required to be imported to the site since last September. The 100,000 cubic yards would have presented a logistical problem for the site in storage and handling and would have added to the overall project cost without any demonstrable benefit.

Additionally, the last delivery of crushed concrete received on the site, during the Tetra Tech era, has required expensive additional processing to remove embedded metal (mostly bits of heavy gauge wire mesh), at significant cost to the CRA. The material is now ready to be used for BPS and road base on Lenardo.

There has recently arisen a need for a small amount of clean dirt - dirt that could be placed above the liner - of perhaps 10,000 to 20,000 cubic yards. The CRA’s horizontal master developer, RE|Solutions (“RES”), has identified a potential source of such dirt, which would be *free*, but has not contracted for the dirt or for the delivery yet. It is also a near certainty that additional dirt and probably crushed material will be necessary for future cells, though the quantities are very uncertain because the projects have not been fully designed yet.

Grading on Cell 2 has revealed that much more waste needed to be consolidated than was

expected based on the existing “top of trash” maps. While the waste consolidation is expensive, it reduced the need for a certain amount of import needed to fill low spots in Cell 2 (such as the North Parking Lot). The finished grade on Cell 1, to, may be more similar to what it is today to reduce the amount of on-site dirt that needs to be moved or the waste that needs to be calculated. What will happen on Cells 3, 4 and 5 is uncertain.

Finally, the CRA has not directly contracted with any construction contractor - that is the purpose of the RES contract. RES undertakes the contracting process, and also ensures compliance with the OCIP provision, prevailing wage requirements, budgeting, payment, lien releases, etc., where the CRA is not set up to do any of that work. RES is aware of the Board’s desire to consider the services of DirtMaster, and walk them through the requirements imposed on every other contractor on the site.

DirtMaster sent a letter to the Executive Director and the Chairman on July 29, 2019, touting its services and reminding the CRA of the Board’s previous approval. It is included as Exhibit 1. The letter is noted as received and no comment is necessary.

V. FISCAL IMPACT

None.

VI. EXHIBITS

1. July 29, 2019 Letter from DirtMaster (pg. 4)

1.

Prepared by: John S. Raymond, Executive Director