REQUEST TO AWARD A CONTRACT FOR THE DEMOLITION OF PARKER CENTER/Police Facilities Building (PARKER CENTER), 150 N. Los Angeles Street, Los Angeles, CA 90012 - WORK ORDER No. E1908242

RECOMMENDATIONS

1. Find Transmittal Nos. 1 and 2 to be unmerited, as discussed in this report.

2. Receive and file Transmittal No. 3.

3. Declare Silverado Contractors, Inc. (Silverado), first low bidder, to be the lowest responsive, responsible bidder, and award them a contract for this project for $16,737,549.

4. Authorize the President or two members of the Board of Public Works (Board) to execute the contract after approval as to form has been obtained from the City Attorney.

TRANSMITTALS

1. Communication No. 122245, copy of letter dated March 5, 2018, from Mr. Gregg Miller, GGG Demolition, Inc. (GGG), 1439 West Chapman Avenue, Suite 178, Orange, CA 92868.

2. Communication No. 122246, copy of letter dated March 5, 2018, from Ms. Marcia Haber Kamine, Kamine Law, PC (Kamine), representing National Demolition Contractor (National), 523 West 6th Street, Suite 546, Los Angeles, CA 90014.


4. Summary of bids received on February 21, 2018.

DISCUSSION

Background

The Project will consist of the complete demolition of the existing Parker Center. The existing building originally opened in 1955, and served as the City’s Police Headquarters until 2009. Parker Center was named after Police Chief William H. Parker, who died shortly after the building was completed. At the time it was considered to be the most state of the art police facility in the entire nation; especially as one of the first instances where multiple
departments were combined into a single facility. However, despite its celebrated past, over
the years, the building became obsolete and costly to maintain, and necessary seismic
retrofits would have been a sizable investment for a building that was unable to provide a
modern efficient work space. Therefore, the Parker Center was replaced by the new and
more efficient Police Administration Building in October 2009. It is necessary to
demolish the Parker Center in order to make room for the new Los Angeles Street Civic
Building (LASC), to be constructed at the same location.

The Parker Center building consists of an eight story reinforced concrete framed building
with a partial basement, a utility tunnel and an underground parking level. The
demolition of the Parker Center will consist of removal of asbestos and lead containing
materials, and demolition of the entire facility, including the building, utility tunnel, partial
basement, underground parking level, foundations, and all related appurtenances.
Communication cables servicing the adjacent Metro Detention and 911 Call Centers are
currently routed through Parker Center coming from City Hall East. Therefore, the
demolition of the project will also include the construction of new buried duct banks and
the installation of communication cables and fiber optic lines to service the Metro
Detention and 911 Call Centers before the communication cables running through
Parker Center are removed. The new duct banks will also be able to accommodate
future communication lines for the LASC and other improvements. The new communication
duct banks will be located within the public right-of-ways of N. Los Angeles Street, First
Street, Temple Street, and Judge John Aiso Street. At project completion, the site will
consist of a graded excavation approximately 19 feet deep, and will include Low Impact
Development Best Management Practices, a maintenance ramp, security lighting, and a
security fence. The resulting excavation will be temporary until construction of the new
LASC begins, shortly after the demolition is completed.

The contract duration is 500 calendar days.

The project has been reviewed for environmental considerations. On March 24, 2017,
the City Council adopted the report which found that the Final Environmental Impact
Report (EIR) was completed in compliance with the California Environmental Quality
Act (CEQA).
Bid Review

This project was bid with two categories of bid items. The first category included the Bid Items 1 through 32. The subtotal of the bid amounts for Bid Items 1 through 32 is referred to as the “Total Base Bid Amount.” The second category was “Additive Alternate” (Bid Items 33 through 41) which could add various tasks if the project was able to scale up its scope of work. The bid package was clear that the award would be based on the “Total Base Bid Amount”, without the additive alternates. Thus all subcontractor pledged amounts are based on the bidder’s Total Base Bid Amount. However, the Bureau of Engineering reserves the option to add any of these additive alternate bid items’ prices to the Base Bid Price at the discretion of the City during construction.

The lowest of the five bids received (Transmittal No. 3) compared with the City Engineer’s estimate of $16,212,746 is:

Business Codes:

| MBE | Minority Business Enterprise |
| WBE | Women Business Enterprise   |
| SBE | Small Business Enterprise   |
| LBE | Local Business Enterprise   |
| EBE | Emerging Business Enterprise|
| DVBE| Disabled Veteran Business Enterprise |
| OBE | Other Business Enterprise   |

<table>
<thead>
<tr>
<th>Bid No.</th>
<th>Contractor Name</th>
<th>Bid Amount</th>
<th>(%) Pledged</th>
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<tr>
<td>Low Bid</td>
<td>Silverado (OBE)</td>
<td>$16,737,549.00</td>
<td>MBE 5.28%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td>SBE 2.01%</td>
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<td></td>
<td>DVBE 0.00%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>OBE 35.52%</td>
</tr>
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</table>

GGG, second low bidder, and Swinerton Builders (Swinerton), third low bidder, listed their Total Bid Amounts incorrectly. Staff corrected GGG and Swinerton’s Total Bid Amounts in accordance with the procedures set forth in the General Instructions and Information for Bidders. GGG and Swinerton were contacted and notified of corrections. The corrections did not change the order of the bids.

Based on the range of bids submitted for this project, staff believes this bid is reasonable. None of the Additive Alternates will be included in the award of this contract. The contract may be awarded to Silverado subject to verification of all other bidding requirements.
Local Business Preference (LBP) Program
City Ordinance No. 181910 adopted the LBP Program. This program is designed to increase local employment and expenditures in the local private sector. Bidders that qualify as a LBE may be granted an 8 percent reduction of their bid amount solely for bid evaluation purposes. Additionally, all non-LBE bidders may be granted a 1 percent reduction, up to a maximum of 5 percent, of their bid amount for bid evaluation purposes, for every 10 percent of their bid that is to be performed by an LBE subcontractor. The program also includes a provision which states that an Awarding Authority has the right to determine, at any time before the award of a contract, that it is not in the City’s best interest to grant a bid reduction to a qualifying LBE.

For this project, the Bureau of Contract Administration verified that the first low bidder, Silverado, is not a certified LBE.

Business Inclusion Program (BIP)
On January 12, 2011, the Mayor issued Executive Directive No. 14 which created the BIP. This program provides MBE, WBE, SBE, EBE, DVBE, and OBE firms an equal opportunity to compete for and participate in City contracts. Additionally, the BIP requires bidders to perform and document a BIP Outreach via the internet utilizing the Los Angeles Business Assistance Virtual Network (LABAVN) service.

This project was advertised with anticipated participation levels of 10 percent MBE, 4 percent WBE, 25 percent SBE, 8 percent EBE, and 3 percent DVBE, and with mandatory BIP documentation requirements. The Office of Contract Compliance (OCC), based on a review of the documents submitted by Silverado, reported that the contractor pledged participation levels of 5.28 percent MBE, 1.37 percent WBE, 2.01 percent SBE, 0.27 percent EBE, 0.00 percent DVBE, and 35.52 percent OBE, and complied with the BIP outreach requirements of the bid. The Mandatory Subcontracting Minimum requirement for this project is 18.00 percent and the contractor has complied by pledging a subcontractor participation level of 50.58 percent. This percentage was calculated after subtracting the fixed cost items of $2,570,000 from the total bid amount.

Silverado pledged the following subcontractor utilization:

Gender/Ethnicity Codes:

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<tr>
<th>Code</th>
<th>Description</th>
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<tbody>
<tr>
<td>AA</td>
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<tr>
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<td>Asian Pacific American</td>
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Communications Received

In a letter, dated March 5, 2018 (Transmittal No. 1), from Mr. Gregg Miller, GGG, second low bidder, stated that the bid proposal submitted by Silverado, first low bidder, should be deemed non-responsive. The following are a brief summary of the issues raised in Mr. Miller’s letter:

1. Silverado is not qualified to self-perform the design/engineering scope required by a design-build project.

2. Silverado failed to list a Shoring, Grading, Scaffolding, and Health & Safety Monitoring Subcontractor, and listed multiple Trucking firms. Silverado is not qualified to self-perform any of those tasks, nor does it own the trucks or equipment necessary to self-perform the necessary Grading and Trucking operations.

3. Silverado had an Unfair Competitive Advantage. By not listing subcontractors for the previously stated tasks, Silverado was able to submit a lower bid in reliance on either self-performing work it was not qualified to perform or being able to bid-shop the applicable scopes of work after receiving an award.

Therefore, Silverado should be deemed non-responsive, and GGG should be awarded the contract.
In a letter, dated March 5, 2018 (Transmittal No. 2), from Ms. Marcia Haber Kamine, Kamine, representing National, fourth low bidder, stated that the bid proposals submitted by Silverado, first low bidder, GGG, second low bidder, Swinerton, third low bidder, and American Integrated Services, Inc. (AIS), fifth low bidder, should all be deemed non-responsive. The following are a brief summary of the issues raised in Ms. Kamine’s letter:

**Silverado**

1. Silverado failed to list a Subcontractor for Art Preservation & Restoration as stated in Section 02 4292, “Qualified Removal and Storage of Art”, and Silverado is not qualified to self-perform those tasks.

2. Silverado failed to list a Subcontractor for Parker Center Demolition Construction Noise and Vibration Mitigation Plan Requirements as stated in the Parker Center Demolition Noise Control Plan Requirements, and Silverado is not qualified to self-perform those tasks.

3. Silverado listed an amount for the anticipated scope of work in their Traffic Control Plan, as stated in Addendum No. 7, that was much lower than GGG or Swinerton’s bid-listed amount, allowing Silverado to bid-shop this portion of the work outside of the Subcontractor Listing Laws.

4. Silverado does not possess a Class C-31 License for a Construction Zone Traffic Control Contractor, and failed to list a Subcontractor with a Class C-31 License for Construction Zone Traffic Control Contractor, as required for this project’s Traffic Control, and Silverado’s Class A License does not qualify Silverado to self-perform those tasks.

**GGG**

1. GGG failed to list a Subcontractor for Art Preservation & Restoration as stated in Section 02 4292, “Qualified Removal and Storage of Art”, and GGG is not qualified to self-perform those tasks.

2. GGG failed to list a Subcontractor for Parker Center Demolition Construction Noise and Vibration Mitigation Plan Requirements as stated in the Parker Center Demolition Noise Control Plan Requirements, and GGG is not qualified to self-perform those tasks.

3. GGG failed to list a Subcontractor with a Class C-31 Construction Zone Traffic Control required for this project’s Traffic Control, and GGG’s Class A License does not qualify GGG to self-perform those tasks.

**Swinerton**

1. Swinerton failed to provide an All Purpose Acknowledgment by a Notary for the signature of Ray Haj, as dictated by Page Nos. 1-4: “Note: All signatures must be properly completed and witnessed by a notary.”
2. Swinerton failed to provide Bid Item numbers and a description of work for subcontractors Crown Fence Co., Inc. and Condon-Johnson & Associates, which would prevent the City from properly evaluating whether or not Swinerton met the MSM.

3. Swinerton failed to list a Subcontractor for Parker Center Demolition Construction Noise and Vibration Mitigation Plan Requirements as stated in the Parker Center Demolition Noise Control Plan Requirements, and Swinerton is not qualified to self-perform those tasks. Swinerton must perform these tasks by itself.

Therefore, Silverado, GGG, and Swinerton should be deemed non-responsive, and National should be awarded the contract.

Staff's Response
Since neither GGG nor Swinerton are being considered for award of this project, staff recommends that the Board disregard those portions of Transmittal No. 2 relating to GGG or Swinerton.

In response to the statements made by GGG (Transmittal No. 1) and Kamine, Counsel for National (Transmittal No. 2), L&R, Counsel for Silverado, submitted responses to those statements in a letter dated April 23, 2018 (Transmittal No. 3).

City staff's responses to each of the statements made against Silverado are listed below.

GGG
1. Silverado is not qualified to self-perform the design/engineering scope required by a design-build project.

Addendum No. 1 dated December 28, 2017 directed all bidders to add the General Contractor Qualification Requirements document to Part I of the Bid Proposal. This document required all bidders to respond to four questions and submit project information and the Project Manager experience and qualifications as required to the Board of Public Works within three working days after bids were received by the Board of Public Works. Requirement No. 4 stated the following:

   The General Contractor shall provide the name, location and other pertinent information that demonstrates experience as the lead contractor for at least one design build project within the past 5 to 10 years, with no project having less than a $3 million construction cost.

Silverado submitted their General Contractor Qualification Requirement package on February 23, 2018 at 8:03 am, within the time frame specified. Their package
demonstrates that they have met the above requirement, as well as all other requirements related to the General Contractor Qualification Requirements.

Based on Silverado’s package submitted in response to the General Contractor Qualification Requirements, the City found no reason to dispute their qualifications to self-perform the tasks specified in the Contract Specifications Section 01112 Description of Work. California Public Contracting Code Section 4106 states that if a prime contractor fails to specify a subcontractor or if a prime contractor specifies more than one subcontractor for the same portion of work to be performed under the contract in excess of one-half of one percent of the prime contractor's total bid, the prime contractor agrees that he or she is fully qualified to perform that portion himself or herself, and that the prime contractor shall perform that portion himself or herself. If after award of contract, the prime contractor subcontracts, except as provided for in Sections 4107 or 4109, any such portion of the work, the prime contractor shall be subject to the penalties named in Section 4111.

Therefore, prime contractors are not required to subcontract the work specified under Contract Specifications Section 01112 Description of Work, and may perform it with their own forces as long as they have the proper licenses as required by the specifications and State and local codes. Silverado did not list a subcontractor for any of the specified work so they can perform this work with their own forces. Silverado’s workers must possess the proper licenses and/or qualifications prior to the start of any work on the project.

The California Business and Professional Code Chapter 9 Contractors, Article 3 Exemptions, Section 7051 states that this chapter does not apply to a licensed architect or a registered civil or professional engineer acting solely in his or her professional capacity. Neither the Bid Proposal nor the Specifications for this project contain a requirement that bidders must list engineers or architects in their bid package.

The Inspector of Public Works shall verify that the contractor holds the proper license classifications and/or qualifications for the work described and will approve them prior to the start of this work. Staff expects Silverado to be properly licensed prior to the execution of the work described. The City finds no reason to declare Silverado’s bid non-responsive regarding this matter.

2. Silverado failed to list a Shoring, Grading, Scaffolding, and Health & Safety Monitoring Subcontractor, and listed multiple Trucking firms. Silverado is not qualified to self-perform any of those tasks, nor does it own the trucks or equipment necessary to self-perform the necessary Grading and Trucking operations.

Based on Silverado’s package submitted in response to the General Contractor Qualification Requirements, the City found no reason to dispute their qualifications to self-perform the tasks specified in the Contract Specifications Section 01112 Description of Work, Section 01573 Excavation Shoring, Forms and Falsework, Division 31
Earthwork, and Exhibit C Hazardous Materials Survey Report of Parker Center Building, dated November 1, 2017. California Public Contracting Code Section 4106 states that if a prime contractor fails to specify a subcontractor or if a prime contractor specifies more than one subcontractor for the same portion of work to be performed under the contract in excess of one-half of one percent of the prime contractor’s total bid, the prime contractor agrees that he or she is fully qualified to perform that portion himself or herself, and that the prime contractor shall perform that portion himself or herself. If after award of contract, the prime contractor subcontracts, except as provided for in Sections 4107 or 4109, any such portion of the work, the prime contractor shall be subject to the penalties named in Section 4111.

Therefore, prime contractors are not required to subcontract the work specified under Contract Specifications Section 01112 Description of Work, Section 01573 Excavation Shoring, Forms and Falsework, Division 31 Earthwork, and Exhibit C Hazardous Materials Survey Report of Parker Center Building, dated November 1, 2017, and may perform it with their own forces. If Silverado did not list a subcontractor for any of the specified work they may perform this work with their own forces. Silverado’s workers must possess the proper licenses and/or qualifications prior to the start of any work on the project. The Inspector of Public Works shall verify that the contractor holds the proper license classifications and/or qualifications for the work described and will approve them prior to the start of this work. Staff expects Silverado to be properly licensed prior to the execution of the work described.

The California Business and Professional Code Chapter 9 Contractors, Article 2 Application of Chapter, Section 7026 defines the term Contractor. Health and Safety Monitoring is not listed as one of the activities that must be performed by a Licensed Contractor. Neither the Bid Proposal nor the Specifications for this project contain a requirement that bidders must list a Health and Safety Monitoring firm in their bid package.

Transmittal No. 3 explains Silverado’s reasoning for listing the trucking firms in the List of Subcontractors of their bid package: “…these firms are SBEs and WBEs, and the City’s bidding requirements called for SBE and WBE firms to be identified.” Also, in this case the listing of multiple trucking firms does not violate California Public Contracting Code Section 4106 since each of the firms will be performing only part of the trucking work and a description the specific trucking work and amount that each will perform is contained in their bid package.

Based on Silverado’s package submitted in response to the General Contractor Qualification Requirements and Transmittal No. 3, the City finds no reason to dispute their qualifications to self-perform the tasks specified. The City finds no reason to declare Silverado’s bid non-responsive regarding this matter.
3. **Silverado had an Unfair Competitive Advantage.** By not listing subcontractors for the previously stated tasks, Silverado was able to submit a lower bid in reliance on either self-performing work it was not qualified to perform or being able to bid-shop the applicable scopes of work after receiving an award.

See Staff’s Response to No. 2 above.

**Kamine, Counsel for National**

1. **Silverado failed to list a Subcontractor for Art Preservation & Restoration as stated in Section 02 4292, “Qualified Removal and Storage of Art”, and Silverado is not qualified to self-perform those tasks.**

California Public Contracting Code Section 4106 states that if a prime contractor fails to specify a subcontractor or if a prime contractor specifies more than one subcontractor for the same portion of work to be performed under the contract in excess of one-half of one percent of the prime contractor’s total bid, the prime contractor agrees that he or she is fully qualified to perform that portion himself or herself, and that the prime contractor shall perform that portion himself or herself. If after award of contract, the prime contractor subcontracts, except as provided for in Sections 4107 or 4109, any such portion of the work, the prime contractor shall be subject to the penalties named in Section 4111.

Therefore prime contractors are not required to subcontract the work specified under Contract Specifications Section 02 4292 Qualified Removal and Storage of Art, Part 1.1B, and may perform it with their own forces. Silverado did not list a subcontractor for any of the specified work so they may perform this work with their own forces. Silverado’s workers must possess the proper qualifications as specified prior to the start of any such related work on the project.

The California Business and Professional Code Chapter 9 Contractors, Article 2 Application of Chapter, Section 7026 defines the term Contractor. Art Preservation and Restoration is not listed as one of the activities that must be performed by a Licensed Contractor. The Project Specifications Section 02 4292 Qualified Removal and Storage of Art, Subsection 1.3 B Qualifications of Contractors allows the Prime Contractor to utilize an Art Conservator to perform this task. Neither the Bid Proposal nor the Specifications for this project contain a requirement that bidders must list an Art Conservator firm in their bid package.

Based on Silverado’s response in Transmittal No. 3, the cost of this portion of the work that requires a licensed contractor is less than one-half of one percent of the total bid amount.

The Inspector of Public Works shall verify that the contractor’s personnel have the specified qualifications and experience for the work described and will approve them prior to the start of this work. Staff expects Silverado to have properly qualified and
experienced personnel prior to the execution of the work described. The City finds no reason to declare Silverado’s bid non-responsive regarding this matter.

2. Silverado failed to list a Subcontractor for Parker Center Demolition Construction Noise and Vibration Mitigation Plan Requirements as stated in the Parker Center Demolition Noise Control Plan Requirements, and Silverado is not qualified to self-perform those tasks.

Based on Silverado’s package submitted in response to the General Contractor Qualification Requirements, the City found no reason to dispute their qualifications to self-perform the tasks specified in the Contract Specifications Section 01112 Description of Work, Exhibit D Construction Noise and Vibration Mitigation Plan Requirements dated October 30, 2017 and Appendix U Noise Plan Addendum, dated January 31, 2018 (per Addendum No. 9). The California Public Contracting Code Section 4106 states that if a prime contractor fails to specify a subcontractor or if a prime contractor specifies more than one subcontractor for the same portion of work to be performed under the contract in excess of one-half of one percent of the prime contractor’s total bid, the prime contractor agrees that he or she is fully qualified to perform that portion himself or herself, and that the prime contractor shall perform that portion himself or herself. If after award of contract, the prime contractor subcontracts, except as provided for in Sections 4107 or 4109, any such portion of the work, the prime contractor shall be subject to the penalties named in Section 4111.

Therefore prime contractors are not required to subcontract the work specified under Contract Specifications Section 01112 Description of Work, Exhibit D Construction Noise and Vibration Mitigation Plan Requirements, dated October 30, 2017 and Appendix U Noise Plan Addendum, dated January 31, 2018 (per Addendum No. 9), and may perform it with their own forces. Silverado did not list a subcontractor for any of the specified work so they may perform this work with their own forces. Silverado’s workers must possess the proper licenses and/or qualifications prior to the start of any work on the project.

The California Business and Professional Code Chapter 9 Contractors, Article 2 Application of Chapter, Section 7026 defines the term Contractor. Noise and vibration monitoring is not listed as one of the activities that must be performed by a Licensed Contractor. Neither the Bid Proposal nor the Specifications for this project contain a requirement that bidders must list an Noise and Vibration Monitoring firm in their bid package.

The Inspector of Public Works shall verify that the contractor holds the proper license classification and/or qualifications for the work described and will approve them prior to the start of this work. Staff expects Silverado to utilize staff that is properly licensed
and/or qualified prior to the execution of the work described. The City finds no reason to declare Silverado’s bid non-responsive regarding this matter.

3. Silverado listed an amount for the anticipated scope of work in their Traffic Control Plan, as stated in Addendum No. 7, that was much lower than GGG or Swinerton’s bid-listed amount, allowing Silverado to bid-shop this portion of the work outside of the Subcontractor Listing Laws.

The City cannot find a Contractor to be non-responsive because a line item in their bid is lower than that of the other bidders. A Contractor can only be paid for the amount of any Bid Item as listed.

The City finds no reason to declare Silverado’s bid non-responsive regarding this matter.

4. Silverado does not possess a Class C-31 License for a Construction Zone Traffic Control Contractor, and failed to list a Subcontractor with a Class C-31 License for Construction Zone Traffic Control Contractor, as required for this project’s Traffic Control, and Silverado’s Class A License does not qualify Silverado to self-perform those tasks.

California Public Contracting Code Section 4106 states that if a prime contractor fails to specify a subcontractor or if a prime contractor specifies more than one subcontractor for the same portion of work to be performed under the contract in excess of one-half of one percent of the prime contractor’s total bid, the prime contractor agrees that he or she is fully qualified to perform that portion himself or herself, and that the prime contractor shall perform that portion himself or herself. If after award of contract, the prime contractor subcontracts, except as provided for in Sections 4107 or 4109, any such portion of the work, the prime contractor shall be subject to the penalties named in Section 4111.

Therefore, prime contractors are not required to subcontract the work specified under Contract Specifications Addendum No. 7, Section 01582 Roadway Traffic Control, and may perform it with their own forces. The Inspector of Public Works shall verify that the contractor holds the proper license classification and/or qualifications for the work described and will approve them prior to the start of this work. Staff expects Silverado to be properly licensed prior to the execution of the work described. The City finds no reason to declare Silverado’s bid non-responsive regarding this matter.

It is staff’s opinion that none of the specified protest items as described in connection with Silverado in Transmittal Nos. 1 and 2 are grounds for finding their bid non-responsive. Therefore, staff recommends that the Board find those portions of Transmittal Nos. 1 and 2 relating to Silverado to be unmerited, and that the Board receive and file Transmittal No. 3.

The Assistant City Attorney, Mr. Edward Jordan, was briefed on May 9, 2018, and has concurred with the recommendations contained in this report.
Compliance with the City’s Non-Discrimination Policies
Silverado shall continue to comply with the Affirmative Action, Non-Discrimination, and Equal Employment Practices Provisions, Equal Benefits Ordinance, Contractor’s Use of Criminal History for Consideration of Employment, Living Wage Ordinance, Worker Retention Ordinance, First Source Hiring, and Slavery Disclosure Ordinance requirements of the bid.

Previous Work Record
Silverado has no record of having worked on any previous contracts awarded by the Board within the last five years. The OCC has checked with various State agencies and none of these agencies reported any labor compliance problems on file concerning the contractor.

The Inspector of Public Works has conducted a First Time Bidder investigation of references provided by the contractor and did not find any evidence of violations of statutes, regulations, ordinances, or wrong doing by the contractor. The report was submitted to the Board on April 2, 2018.

Contractor Performance Evaluation
In accordance with Article 13, Chapter 1, Division 10, of the City of Los Angeles Administrative Code (L.A.A.C.), the Project Manager and the City Inspector for this construction contract shall submit Contractor Performance Evaluation Reports to the BCA (Department of Public Works) upon completion of this contract.

Peak Hour Construction and Right-of-Way Obstruction Regulations
All contractors must comply with the requirements specified in the Los Angeles Municipal Code Section 62.61 related to peak hour traffic restrictions, unless an exemption from the Peak Traffic Hours Prohibition is approved.

Contractor Responsibility Ordinance
All contractors participating in this program are subject to compliance with the requirements specified in the City of Los Angeles’ Contractor Responsibility Ordinance No. 173677 (Article 14, Chapter 1, Division 10, L.A.A.C.). Failure to comply with all the requirements specified in the Ordinance may render this bidder’s contract subject to termination pursuant to the conditions expressed therein.

Project Labor Agreement (PLA)
The project incorporates a PLA. The PLA will facilitate an orderly settlement of labor disputes and grievances without strikes, work stoppages, or lockouts to assure the timely and economical completion of the project. The PLA will also promote employment opportunities for local residents and will provide apprenticeship training for the duration of the construction. The contractor will be bound on all the provisions of the PLA.
**Bid Bond Extension**

Silverado, GGG, Swinerton, National, and AIS were all requested to extend their Bid Bonds which expired on May 22, 2018. On May 14, 2018, Swinerton, third low bidder, and AIS, fifth low bidder, informed BOE staff that they were declining to extend their Bid Bond. Therefore, BOE staff determined that Swinerton and AIS are not eligible for award of this project. Silverado, GGG, and National have all agreed to extend their Bid Bonds until June 22, 2018.

**Conclusion**

In view of the above findings, staff recommends that the Board find Transmittal Nos. 1 and 2 to be unmerited; receive and file Transmittal No. 3; declare Silverado, first low bidder, to be the lowest responsive, responsible bidder; and award Silverado the contract for this project.

**STATUS OF FINANCING**

The total funding source for the Project is the Municipal Improvements Corporation of Los Angeles (MICLA). Because MICLA funds are borrowed, repayment of the loan will include interest on the amount borrowed. It is therefore in the best interest of the City to only borrow the amount of money that is necessary to fund the project within a specific fiscal year, thus minimizing the amount of interest paid on the loan. The funding appropriations will be split into the two fiscal years in which the construction takes place, and appropriated as necessary.

The contract contains a “Financial Liability Clause” which states that “the City’s liability under this contract shall only be to the extent of the present City appropriation to fund the contract. However, if the City shall appropriate funds for any succeeding years, the City’s liability shall be extended to the extent of such appropriation, subject to the terms and conditions of the contract.”

The funding for Fund Number 298, Department No. 50, Appropriation Unit No. 50NTCD has been verified and approved by the Director of the Office of Accounting and the Office of the City Administrative Officer, subject to the conditions described above. The total amount paid to the Contractor will not exceed $5,000,000 this fiscal year, 2017-2018. Additional money will be appropriated as needed for the subsequent two fiscal years, 2018-2019 and 2019-2020, as shown in the table below:

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<th>Appropriation Unit No.</th>
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<td>2019-2020</td>
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<td>$16,737,549</td>
<td>$3,462,451</td>
<td>$20,200,000</td>
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</tbody>
</table>
Report reviewed by:
BOE (ADM and CAB)

Report prepared by:
Project Award and Control Division
Edick Ohanian, PE, ENV SP
Division Engineer
Phone No. (213) 847-0577

Compliance Review performed and approved by:

Hannah Choi, Assistant Director
Bureau of Contract Administration

Statement as to Funds approved by:

Jacqueline Wagner
Chief Administrative Analyst
Office of City Administrative Officer
Date: ______________

Victoria A. Santiago, Director
Office of Accounting
Fund Ref. 298/50/50NTCD/$5,000,000
Date: ______________ 5/8/18

ED/RB/05-2018-0078.PAC.gva

Questions regarding this report may be referred to:
Reza Bagherzadeh, Project Manager
Phone No. (213) 485-4773
E-mail: Reza.Bagherzadeh@lacity.org

Respectfully submitted,

Gary Lee Moore, PE, ENV SP
City Engineer
Bureau of Engineering

John E. Reamer, Jr.
Inspector of Public Works
Bureau of Contract Administration