REQUEST TO AWARD A CONTRACT FOR THE HYPERION WATER RECLAMATION PLANT (HWRP) CENTRAL STORM DRAIN REROUTING (CIP 8143) - WORK ORDER NO. SZH11860

RECOMMENDATIONS

1. Declare PPC Construction, Inc. (PPC), first low bidder, to be the lowest responsive, responsible bidder, and award PPC a contract for this project for $2,865,180.

2. 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.

TRANSMITTAL

Summary of bids received on January 23, 2019.

DISCUSSION

Background
The purpose of the project is to remove debris, solids, and hydrocarbons from stormwater conveyed by the existing Central Storm Drain to the wet well and thereby ensure that solids and debris in stormwater do not enter the 1-mile outfall and avoid any National Pollutant Discharge Elimination System permit violations. The project scope of work includes the conversion of an abandoned wet well to capture first-flush rain events, installation of a hydrodynamic separator and three pumps, and install 100 linear feet of 18-in diameter reinforced concrete pipe from the wet well to the influent channel of Primary Battery D. Flows will be monitored through associated instrumentation and controls. An overview of the project can be seen in Figure No. 1 below. The contact duration is of 365 calendar days.

Figure No. 1 - Overview of Central Storm Drain Rerouting
The project has been reviewed for environmental considerations. It was determined to be categorically exempt pursuant to the provisions of the California Environmental Quality Act (CEQA) of 1970 under Article III of the City of Los Angeles’ (City) CEQA Guidelines.

**Bid Review**
The lowest of the three bids received (Transmittal) compared with the City Engineer’s estimate of $3,362,905 is:

Business Codes:

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

<table>
<thead>
<tr>
<th>Bid No.</th>
<th>Contractor Name</th>
<th>Bid Amount</th>
<th>(%) High/Low</th>
<th>(%) Pledged</th>
<th>MBE</th>
<th>WBE</th>
<th>SBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Bid</td>
<td>PPC (SBE, LBE)</td>
<td>$2,865,180.00</td>
<td>14.80% Low</td>
<td></td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.88%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>EBE DVBE OBE</td>
<td></td>
<td></td>
<td>12.08%</td>
</tr>
</tbody>
</table>

Green Building Corporation (GBC), third low bidder, listed their Total Bid Amount incorrectly. Staff corrected GBC’s Total Bid Amount in accordance with the procedures set forth in the General Instructions and Information for Bidders. GBC was 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. The contract may be awarded to PPC, first low bidder, 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 (BCA) verified that the first low bidder, PPC, is 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 service.

This project was advertised with anticipated participation levels of 4 percent MBE, 2 percent WBE, 25 percent SBE, 8 percent EBE, 3 percent DVBE, and with mandatory BIP documentation requirements. The Office of Contract Compliance, based on a review of the documents submitted by PPC, reported that the contractor pledged participation levels of 0 percent MBE, 0 percent WBE, 0.88 percent SBE, 0 percent EBE, 0 percent DVBE, 12.08 percent OBE, and complied with the BIP outreach requirements of the bid. The Mandatory Subcontracting Minimum requirement for this project is 15 percent and the contractor has complied by pledging a subcontractor participation level of 15.23 percent. This percentage was calculated after subtracting the fixed cost items of $429,300 from the total bid amount.

PPC pledged the following subcontractor utilization:

Gender/Ethnicity Codes:

- AA = African American
- APA = Asian Pacific American
- NA = Native American
- M = Male
- HA = Hispanic American
- SAA = Subcontinent Asian American
- C = Caucasian
- F = Female

<table>
<thead>
<tr>
<th>Subcontractors</th>
<th>MBE/WBE/SBE/EBE/DVBE/OBE</th>
<th>Gender/Ethnicity</th>
<th>(%) of Bid</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Concrete Cutting, Inc.</td>
<td>SBE</td>
<td></td>
<td>0.88%</td>
<td>$ 25,100.00</td>
</tr>
<tr>
<td>Big Sky Electric, Inc.</td>
<td>OBE</td>
<td></td>
<td>11.78%</td>
<td>$337,500.00</td>
</tr>
<tr>
<td>Performance Abatement Services, Inc.</td>
<td>OBE</td>
<td></td>
<td>0.30%</td>
<td>$ 8,500.00</td>
</tr>
</tbody>
</table>

**Compliance with the City’s Non-Discrimination Policies**

PPC 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, Slavery Disclosure Ordinance, and Disclosure of Border Wall Contracting Ordinance requirements of the bid.

**Previous Work Record**

PPC has worked on numerous contracts issued by the Board. No significant or unresolved problems in inspection, contract compliance, or bidder responsibility have been experienced by the BCA.

The following table summarizes the previous MBE/WBE/SBE/EBE/DVBE/OBE participation levels pledged by PPC in the past five years under the BIP:
Contractor Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10, of the City 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 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.

Conclusion

In view of the above findings, staff recommends that the Board declare PPC, first low bidder, to be the lowest responsive, responsible bidder, and award PPC the contract for this project.

Program Review Committee (PRC) Approval

The PRC approved a total budget of $3,540,000, including contingency, for this project on September 12, 2018.

STATUS OF FINANCING

There is no impact to the General Fund. The total funding for this project is not-to-exceed $3,151,698. No funding is required in the current Fiscal Year. Funds will be budgeted within the Sewer Construction and Maintenance Fund, as indicated below:

<table>
<thead>
<tr>
<th>Fund No.</th>
<th>Appropriation Unit No.</th>
<th>Budget Fiscal Year</th>
<th>Contract</th>
<th>Contingencies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBD*</td>
<td>TBD*</td>
<td>Future</td>
<td>$2,865,180.00</td>
<td>$286,518.00</td>
<td>$3,151,698.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$2,865,180.00</td>
<td>$286,518.00</td>
<td>$3,151,698.00</td>
</tr>
</tbody>
</table>

*To be determined by the Director of the Bureau of Sanitation or appointed designee.
However, funds and appropriations for future fiscal years are not yet identified and existing appropriations may change based on available cash balances. Therefore, funds and appropriations will be determined by the Director of Sanitation or designee.

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.”

Report reviewed by:
BOE (ADM and EED) and BOS

Report prepared by:
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Compliance Review performed and approved by:

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Questions regarding this report may be referred to:
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Respectfully submitted,

Gary Lee Moore, PE
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