Department of Public Works

Bureau of Engineering
Bureau of Contract Administration
Joint Report No. 3

May 13, 2019
CD No. 15

REQUEST TO AWARD A CONTRACT FOR THE SECONDARY SEWER RENEWAL PROGRAM (SSRP) T07 AVALON BOULEVARD AND LOMITA BOULEVARD - WORK ORDER NO. SZC13339

RECOMMENDATIONS

1. Declare Ramona, Inc. (Ramona), first low bidder, to be the lowest responsive, responsible bidder, and award Ramona a contract for this project for $1,473,437.

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 March 13, 2019.

DISCUSSION

Background

The scope of this project consists of removing and replacing and/or rehabilitating over 2.1 reach-miles of 6-, 8-, 10-, and 12-inch sewer lines in the Harbor area as part of the Wastewater Collection System SSRP. The project is bounded by Sepulveda Boulevard to the north, Eubank Avenue to the east, W. Anaheim Street to the south, and S. Normandie Avenue to the west, as shown in Figure No. 1. The scope of this project also includes adding and modifying sewer structures and all associated work, including, but not limited to, traffic control, shoring, trenching, sewer bypass, sewer cleaning, sewer closed circuit television, temporary street resurfacing, and final pavement. The contract duration is 365 calendar days.

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 $1,212,051 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>(%) High/Low</th>
<th>(%) Pledged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Ramona (OBE, LBE)</td>
<td>$1,473,437.00</td>
<td>21.57% High</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3.69%</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.58%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

MNR Construction, Inc. (MNR), second low bidder, and Mike Prlich and Sons, Inc. (Prlich), third low bidder, listed their Total Bid Amounts incorrectly. Staff corrected both
MNR’s and Prlich’s Total Bid Amounts in accordance with the procedures set forth in the General Instructions and Information for Bidders. MNR and Prlich were contacted and notified of the 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 Ramona, 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 a LBE subcontractor.

For this project, the Bureau of Contract Administration (BCA) verified that the first low bidder, Ramona, 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 Ramona, reported that the contractor pledged participation levels of 3.69 percent MBE, 0 percent WBE, 3.69 percent SBE, 0.58 percent EBE, 0 percent DVBE, 35.45 percent OBE, and complied with the BIP outreach requirements of the bid. The Mandatory Subcontracting Minimum requirement for this project is 25 percent and the contractor has complied by pledging a subcontractor participation level of 41.63 percent. This percentage was calculated after subtracting the fixed cost items of $88,059 from the total bid amount.
Ramona pledged the following subcontractor utilization:

Gender/Ethnicity Codes:

- AA = African American
- HA = Hispanic American
- APA = Asian Pacific American
- SAA = Subcontinent Asian American
- NA = Native American
- C = Caucasian
- M = Male
- 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>Flex Connection, Inc. dba Joints</td>
<td>MBE, SBE, EBE</td>
<td>M/HA</td>
<td>0.58%</td>
<td>$ 8,587.02</td>
</tr>
<tr>
<td>Pre-con Products</td>
<td>MBE, SBE</td>
<td>M/HA</td>
<td>3.11%</td>
<td>$ 45,815.00</td>
</tr>
<tr>
<td>Hardy &amp; Harper, Inc.</td>
<td>OBE</td>
<td>OBE</td>
<td>3.37%</td>
<td>$ 49,680.00</td>
</tr>
<tr>
<td>Southwest Pipeline &amp; Trenchless Corp.*</td>
<td>OBE</td>
<td>OBE</td>
<td>32.08%</td>
<td>$472,625.00</td>
</tr>
</tbody>
</table>

*Certified LBE.

Note: Subcontractors may be certified in multiple certification categories; therefore, per the requirements of Executive Directive No. 14, the dollar amounts were credited toward multiple pledged participation categories.

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

Ramona shall 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 Ordinance, Slavery Disclosure Ordinance, Disclosure of Border Wall Contracting Ordinance, and Disclosure of Contracts and Sponsorship of the National Rifle Association Ordinance requirements of the bid.

**Previous Work Record**

Ramona has been awarded numerous contracts issued by the Board within the last five years during which Ramona has compiled the following record of violation while performing construction contracts for the City:

<table>
<thead>
<tr>
<th>No.</th>
<th>Infraction</th>
<th>Fine Amount</th>
<th>Date</th>
<th>Contract No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Project: SSRP W32 Serrania Avenue and Dumetz Road (Work Order No. SZC12088)</td>
<td>$841.00</td>
<td>February 13, 2017</td>
<td>C-120365</td>
</tr>
<tr>
<td></td>
<td>Unauthorized Substitution</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>MBE/WBE/SBE/EBE/DVBE/OBE Pledged Utilization Table</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Contracts</td>
</tr>
<tr>
<td>Pledged MBE ($ Amount)</td>
</tr>
</tbody>
</table>
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’s 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 Ramona, first low bidder, to be the lowest responsive, responsible bidder, and award Ramona the contract for this project.

Program Review Committee (PRC) Approval

The PRC approved a total budget of $1,670,781, including contingency for this project on April 10, 2019.

Status of Financing

There is no impact to the General Fund. The total funding for this project is not-to-exceed $1,620,781. No funds are required in the current fiscal year. Funding will be budgeted within the Sewer Construction and Maintenance Fund.
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."

<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>WCIP Budget</td>
<td>2019/20</td>
<td>$260,000.00</td>
<td>$26,000.00</td>
<td>$286,000.00</td>
</tr>
<tr>
<td>TBD</td>
<td>WCIP Budget</td>
<td>Future</td>
<td>$1,213,437.00</td>
<td>$121,344.00</td>
<td>$1,334,781.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$1,473,437.00</td>
<td>$147,344.00</td>
<td>$1,620,781.00</td>
</tr>
</tbody>
</table>

*To be determined by the Director of the Bureau of Sanitation or appointed designee.

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

Report prepared by:
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Bureau of Contract Administration

Respectfully submitted,

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City Engineer
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Inspector of Public Works
Bureau of Contract Administration

Questions regarding this report may be referred to:
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