Department of Public Works

Bureau of Engineering
Bureau of Contract Administration
Bureau of Street Services
Joint Report No. 1

June 14, 2019
CD No. 3

REQUEST TO AWARD A CONTRACT FOR THE LOS ANGELES RIVER HEADWATER BIKEWAY-
OWENSMOUTH AVENUE TO MASON AVENUE [FEDERAL PROJECT NO. ATPL-5006(830)] -
WORK ORDER NO. M0014091

RECOMMENDATIONS

1. Declare Reyes Construction, Inc. (Reyes), first low bidder, to be the lowest responsive, responsible bidder, and award Reyes a contract for this project for $5,717,891.

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.

TRANSMITTALS

1. Summary of bids received on March 20, 2019.

2. Copy of letter dated March 26, 2019, from Ricardo Jimenez, Vice President, Reyes, 1383 S. Signal Drive, Pomona, CA 91766, to the Board.

DISCUSSION

Background
This project is located in the City of Los Angeles (City) in the West San Fernando Valley, which will construct the bicycle/pedestrian path from Owensmouth Avenue to Mason Avenue (1.25 miles) along the south bank of the Los Angeles River. It will include underpasses at De Soto Avenue and Canoga Avenue/Busway bridges. The project will include bikeway lighting, railing, striping and signage, retaining walls, and asphalt concrete pavement. The contract duration is 600 working days and is being managed by the Bureau of Street Services.
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’s CEQA Guidelines and that the project complies with the provisions of the National Environmental Policy Act under categorical exclusion.

**Bid Review**

The lowest of the twelve bids received (Transmittal No. 1) compared with the City Engineer’s estimate of $5,464,692 is:

<table>
<thead>
<tr>
<th>Bid No.</th>
<th>Contractor’s Name</th>
<th>Bid ($) Amount</th>
<th>(%) High/Low</th>
<th>(% Pledged) DBE</th>
<th>(% Pledged) OBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Bid</td>
<td>Reyes (OBE)</td>
<td>$5,717,891.00</td>
<td>4.63% High</td>
<td>13.60%</td>
<td>15.42%</td>
</tr>
</tbody>
</table>

Disadvantaged Business Enterprise Program Outreach Codes:

DBE = Disadvantaged Business Enterprise       OBE = Other Business Enterprise
Reyes, Los Angeles Engineering, Inc., Ford E. C., Inc., Granite Construction Company, Metro Builders & Engineers Group, Ltd., and John S. Meek Company, Inc., the first, second, third, fifth, eighth, and eleventh low bidders, respectively, listed their Total Bid Amounts incorrectly. Staff corrected these bidders’ Total Bid Amounts in accordance with the procedures set forth in the General Instructions and Information for Bidders. These bidders 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. The contract may be awarded to Reyes, first low bidder, subject to verification of all other bidding requirements.

Communications Received - Bid Correction Request
In a letter dated March 26, 2019 (Transmittal No. 2), Reyes, the first low bidder, stated that it had inadvertently left blank the Item Total Amount for “Bid Item 1 - Mobilization” in its Bid Proposal, when it intended to provide the amount for Bid Item 1 as $300,000. Reyes requested that City staff correct the missing Item Total Amount to $300,000. The correction, according to Reyes, is in conformance to Reyes’ Total Bid Amount of $5,717,891, and pursuant to the Bid Proposal documents, Part III, General Instructions and Information for Bidders, 1. Instructions to Bidders, paragraph d.3. Paragraph d.3 states, “In the situation when the Item Total for (one) item is left blank… and (all) other Item Totals and the Total Bid Amount have been filled in, the value of that Item Total will be calculated by totaling all Item Totals and subtracting their value from the Total Bid Amount.”

Staff Response
In a fax transmittal dated March 26, 2019 (included in Transmittal No. 2), from the BOE staff to Reyes, the BOE staff has already adjusted the Bid Item Amount for Bid Item No. 1 to $300,000 based on the bid item calculation rules in the Bid Proposal Documents, Part III, General Instructions and Information for Bidders, 1. Instructions to Bidders, paragraph d.3.

DBE Program
This project is federally-funded and is subject to the City’s DBE Program in accordance with regulations of the U.S. Department of Transportation, 49 Code of Federal Regulations, Part 26 and California Department of Transportation’s (Caltrans) DBE Program. The Race-Conscious DBE participation level was calculated using the dollar amounts of the DBE-certified Subcontractors. Subcontractors not certified as DBE were considered OBE. Caltrans requires that staff calculate the DBE pledged participation levels based on the information provided on the bidder’s Exhibit 15-G.

The project was advertised with a DBE goal of 13.00 percent. The Office of Contract Compliance, based on the review of the documents submitted by Reyes, reported that...
the contractor pledged a DBE commitment of 13.60 percent and an OBE participation level of 15.42 percent. Under the Caltrans Race-Conscious DBE Program, the bidder must either meet the DBE goal or submit adequate DBE Good Faith Efforts (GFEs) documentation. Reyes met the DBE goal and therefore, was not required to submit DBE GFEs documentation.

Reyes pledged the following DBE/OBE subcontractor utilization:

Gender/Ethnicity Codes:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA</td>
<td>African American</td>
</tr>
<tr>
<td>HA</td>
<td>Hispanic American</td>
</tr>
<tr>
<td>APA</td>
<td>Asian Pacific American</td>
</tr>
<tr>
<td>SAA</td>
<td>Subcontinent Asian American</td>
</tr>
<tr>
<td>NA</td>
<td>Native American</td>
</tr>
<tr>
<td>C</td>
<td>Caucasian</td>
</tr>
<tr>
<td>M</td>
<td>Male</td>
</tr>
<tr>
<td>F</td>
<td>Female</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subcontractors</th>
<th>DBE/OBE</th>
<th>Gender/Ethnicity</th>
<th>(%) of Bid</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Triumph Geo-Synthetics, Inc.¹</td>
<td>DBE</td>
<td>F/C</td>
<td>0.15%</td>
<td>$8,743.84</td>
</tr>
<tr>
<td>VT Electric, Inc.</td>
<td>DBE</td>
<td>M/APA</td>
<td>10.16%</td>
<td>$581,166.00</td>
</tr>
<tr>
<td>Sand Material &amp; Aggregate Sales, Inc. dba SM Sales²</td>
<td>DBE</td>
<td>F/C</td>
<td>0.98%</td>
<td>$55,862.48</td>
</tr>
<tr>
<td>Global Transloading, LLC</td>
<td>DBE</td>
<td>F/NA</td>
<td>2.31%</td>
<td>$131,809.50</td>
</tr>
<tr>
<td>Integrity Rebar Placers</td>
<td>OBE</td>
<td></td>
<td>7.97%</td>
<td>$455,481.00</td>
</tr>
<tr>
<td>Ferreira Construction Co. dba Ferreira Coastal</td>
<td>OBE</td>
<td></td>
<td>3.72%</td>
<td>$212,906.75</td>
</tr>
<tr>
<td>Hardy &amp; Harper, Inc.</td>
<td>OBE</td>
<td></td>
<td>2.89%</td>
<td>$165,023.00</td>
</tr>
<tr>
<td>BC Rentals, LLC dba BC Traffic Specialist</td>
<td>OBE</td>
<td></td>
<td>0.84%</td>
<td>$48,185.00</td>
</tr>
</tbody>
</table>

¹This firm is a regular dealer; therefore, its quoted amount of $14,573.00 was credited at the regular dealer rate of 60 percent. The amount listed above is as per the Bidder’s Exhibit 15-G form.
²This firm is a regular dealer; therefore, its quoted amount of $93,104.14 was credited at the regular dealer rate of 60 percent.

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

Reyes shall comply with the Federal 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, Disclosure of Border Wall Contracting Ordinance, and Disclosure of Contracts and Sponsorship of the National Rifle Association requirements of the bid.

**Previous Work Record**

Reyes 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 Bureau of Contract Administration (BCA).
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The following tables summarize the previous MBE/WBE/SBE/EBE/DVBE/OBE, and DBE/OBE participation levels pledged by Reyes in the past five years under the Business Inclusion Program and the Race-Conscious DBE program:

### MBE/WBE/SBE/EBE/DVBE/OBE Pledged Utilization Table

<table>
<thead>
<tr>
<th>No. of Contracts</th>
<th>Total ($) Amount of Contracts</th>
<th>$12,066,414.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pledged MBE ($) Amount</td>
<td>Pledged WBE ($) Amount</td>
<td>Pledged SBE ($) Amount</td>
</tr>
<tr>
<td>$230,709.00</td>
<td>$323,610.62</td>
<td>$1,946,622.62</td>
</tr>
<tr>
<td>Total MBE (%)</td>
<td>Total WBE (%)</td>
<td>Total SBE (%)</td>
</tr>
<tr>
<td>1.91%</td>
<td>2.68%</td>
<td>16.13%</td>
</tr>
</tbody>
</table>

### DBE/OBE Pledged Utilization Table (Race-Conscious DBE Program)

<table>
<thead>
<tr>
<th>No. of Contracts</th>
<th>Total ($) Value of Contracts</th>
<th>$12,545,369.00</th>
<th>Pledged DBE ($) Amount</th>
<th>$533,873.00</th>
<th>Pledged OBE ($) Amount</th>
<th>$4,198,552.50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total DBE (%)</td>
<td>Total OBE (%)</td>
<td>Total DBE (%)</td>
<td>Total OBE (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.26%</td>
<td>33.47%</td>
<td>4.26%</td>
<td>33.47%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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.

( EO RMK KRR AB FM CLS )
Conclusion

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

STATUS OF FINANCING

The project budget includes a grant of $5,432,000 from the State’s Active Transportation Program (ATP), along with a local match of $857,680 from Measure R and Transportation Development Act funds, for a total construction budget of $6,289,680. This construction funding is front-funded through the LADOT’s Transportation Grant Fund (Fund No. 655), Measure R (Fund 51Q), and Local Transportation (Fund 207) funds. Caltrans will reimburse the project’s eligible construction expenditures with Federal ATP grant funds.

LADOT’s Office of Accounting will invoice Caltrans during the progress of the work. The reimbursements, when received, will be deposited back into their respective accounts.

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 Assistant General Manager of the LADOT has identified and verified the following funding sources currently available for this project:

<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>655*</td>
<td>94PT91</td>
<td>2017-18</td>
<td>$5,417,891.00</td>
<td>$14,109.00</td>
<td>$5,432,000.00</td>
</tr>
<tr>
<td>207**</td>
<td>94PD17</td>
<td>2017-18</td>
<td>$300,000.00</td>
<td>$0.00</td>
<td>$300,000.00</td>
</tr>
<tr>
<td>51Q***</td>
<td>94R482</td>
<td>2018-19</td>
<td>$0.00</td>
<td>$557,680.00</td>
<td>$557,680.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$5,717,891.00</td>
<td>$571,789.00</td>
<td>$6,289,680.00</td>
</tr>
</tbody>
</table>

*Fund No. 655 - Transportation Grant Fund
**Fund No. 207 - Local Transportation
***Fund No. 51Q - Measure R Local Return
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( EO RMK KRR AB FM CLS )

Report reviewed by:
BOE (ADM), BSS, BCA, and LADOT

Report prepared by:
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Edick Ohanian, PE
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:

Monique F. Earl
Assistant General Manager
Administration & Field Services
Department of Transportation
Date:
Fund Ref. 655/94PT91/$5,432,000
Fund Ref. 207/94PD17/$300,000
Fund Ref. 51Q/94R482/$557,680

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

Gary Lee Moore, PE
City Engineer
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Inspector of Public Works
Bureau of Contract Administration

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