CONTRACT AWARD TO KIEWIT INFRASTRUCTURE WEST CO. (KIEWIT) FOR THE HYPERION WATER RECLAMATION PLANT (HWRP) SERVICE WATER FACILITY IMPROVEMENTS CAPITAL IMPROVEMENT PROGRAM, (CIP) 2481 RE-BID - WORK ORDER No. SZH11893

RECOMMENDING THE BOARD OF PUBLIC WORKS (BOARD):

1. DECLARE Kiewit, first low bidder, to be the lowest responsive, responsible bidder, and AWARD Kiewit a contract for this project for $2,692,000.

2. AUTHORIZE the President or two members of the Board to execute the contract after approval as to form has been obtained from the City Attorney.

TRANSMITTAL

Summary of bids received on August 21, 2019.

DISCUSSION

Background

The HWRP Service Water Facility currently treats a portion of the plant's secondary effluent using cloth filter media to provide the plant with high quality filtered water. The filtered water is used for the plant's High-Pressure Effluent system and as cooling water for the HWRP Cryogenic facility and the Bio-Energy Facility.

This scope of work for the project includes:

1. Install new steel platform frames, and wide-flange steel columns for filter backwash system relocation to operating floor grade level for north and south filters.

2. Install new aluminum grating, safety gates, guardrails, and ladders.

3. Install a new sole-sourced filtered effluent pump and associated accessories.

4. Install an actuator valve for existing influent bypass channel weir gate.

5. Replace north filter backwash pump motors.

The contract duration is 720 calendar days.
The project has been reviewed for environmental considerations. It was determined to be categorically exempt to the provisions of the California Environmental Quality Act.

**Bid Review**

The lowest of the nine bids received (Transmittal) compared with the City Engineer’s estimate of $3,287,000 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 Bid</td>
<td>Kiewit (LBE)</td>
<td>$2,692,000.00</td>
<td>18.10% Low</td>
<td>MBE 5.14%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>EBE 13.37%</td>
</tr>
</tbody>
</table>

Ford E.C., Inc., fifth low bidder, and Murray Plumbing and Heating Corporation, dba Murray Company, sixth low bidder listed their total bid amounts incorrectly. Staff corrected
Both contractors’ Total Bid Amounts in accordance with the procedures set forth in the General Instructions and Information for Bidders. Both contractors 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 Kiewit, first low bidder, subject to verification of all other bidding requirements.

**Local Business Preference (LBP) Program**

City of Los Angeles (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, Kiewit, 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, and 3 percent DVBE, and with mandatory BIP documentation requirements. The Office of Contract Compliance, based on a review of the documents submitted by Kiewit, reported that the contractor pledged participation levels of 5.14 percent MBE, 0.34 percent WBE, 14.36 percent SBE, 13.37 percent EBE, 0 percent DVBE, and 10.19 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 33.33 percent. This percentage was calculated after subtracting the fixed cost items of $267,000 from the total bid amount.

Kiewit 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
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<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>Carter Industrial Automation, Inc.</td>
<td>MBE</td>
<td>M/AA</td>
<td>5.14%</td>
<td>$138,306.00</td>
</tr>
<tr>
<td>G&amp;F Concrete Cutting, Inc.</td>
<td>WBE</td>
<td>W/AA</td>
<td>0.34%</td>
<td>$ 9,085.00</td>
</tr>
<tr>
<td>Dean's Certified Welding, Inc. dba Dean's Engineering</td>
<td>SBE</td>
<td>F/HA</td>
<td>0.96%</td>
<td>$ 25,900.00</td>
</tr>
<tr>
<td>Allied Steel Co., Inc.</td>
<td>SBE, EBE</td>
<td>F/HA</td>
<td>13.37%</td>
<td>$360,000.00</td>
</tr>
<tr>
<td>Southwest Valve &amp; Equipment¹</td>
<td>SBE</td>
<td></td>
<td>0.02%</td>
<td>$ 649.90</td>
</tr>
<tr>
<td>CL Coatings, Inc.</td>
<td>OBE</td>
<td></td>
<td>3.96%</td>
<td>$106,500.00</td>
</tr>
<tr>
<td>International Flow Technologies, Inc.</td>
<td>OBE</td>
<td></td>
<td>2.39%</td>
<td>$ 64,350.00</td>
</tr>
<tr>
<td>Bayview Environmental Services, Inc.</td>
<td>OBE</td>
<td></td>
<td>0.43%</td>
<td>$ 11,460.00</td>
</tr>
<tr>
<td>Mass Electric Construction Co.*</td>
<td>OBE</td>
<td></td>
<td>3.42%</td>
<td>$ 92,000.00</td>
</tr>
</tbody>
</table>

¹This firm is a broker; therefore, their bid-listed amount of $12,998 was credited at a broker rate of 5 percent.

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**

Kiewit 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, 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**

Kiewit 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 Kiewit 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>
<tr>
<td>Total MBE (%)</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 Kiewit, first low bidder, to be the lowest responsive, responsible bidder, and award Kiewit the contract for this project.

Program Review Committee (PRC) Approval
The PRC approved a total budget of $3,900,000, including contingency, for this project on May 8, 2019.

STATUS OF FINANCING
There is no impact to the General Fund. The total funding for this project is not-to-exceed $2,961,200. Funding for Fiscal Year 2019-20 in the amount of $1,180,000 is available in the WSSRB Construction Fund, Series 2018-A (Green Bonds), Fund No. 75R, Department No. 50, Appropriation Unit No. 50SDAM, which is part of the Sewer Construction and Maintenance Fund, as shown in the table below.

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.”

The following funding has been verified and approved by the Director of the Office of Accounting subject to the conditions described above:
<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>75R</td>
<td>50SDAM</td>
<td>2019/20</td>
<td>$1,072,727.27</td>
<td>$107,272.73</td>
<td>$1,180,000.00</td>
</tr>
<tr>
<td>TBD</td>
<td>WCIP Budget</td>
<td>Future</td>
<td>$1,619,272.73</td>
<td>$161,927.27</td>
<td>$1,781,200.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$2,692,000.00</strong></td>
<td><strong>$269,200.00</strong></td>
<td><strong>$2,961,200.00</strong></td>
</tr>
</tbody>
</table>

*WSSRB Construction Fund, Series 2018-A (Green Bonds).
*To be determined by the Director of the Bureau of Sanitation or appointed designee.

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

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

Compliance Review performed and approved by:
Lynda McGlinchey, Program Manager II
Office of Contract Compliance
Bureau of Contract Administration

Statement as to Funds approved by:
Victoria A. Santiago, Director
Office of Accounting
Fund Ref. 75R/50SDAM /$1,180,000
Date: 10-29-19

EO/II/10-2019-0188.PAC.gva

Questions regarding this report may be referred to:
Ibrahim Hafeez, PE, ENV SP, Project Manager
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E-mail: Ibrahim.Hafeez@lacity.org

Respectfully submitted,

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

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