Department of Public Works

Bureau of Engineering
Bureau of Contract Administration
Joint Report No. 2

November 20, 2019
CD No. 1

**CONTRACT AWARD TO AXIOM GROUP (AXIOM) FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - COUNCIL DISTRICT NO.1 PEDESTRIAN SAFETY IMPROVEMENTS PHASE 1 PROJECT (PROJECT), FEDERAL NO. B-16-MC-06-0523 (WORK ORDER NOS. E1907998, E1908446, E1908448, E1908447, AND E1908445)**

**RECOMMENDING THE BOARD OF PUBLIC WORKS (BOARD):**

1. DECLARE Axiom, first low bidder, to be the lowest responsive, responsible bidder, and AWARD Axiom a contract for this project for $830,130.40.

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 June 26, 2019.

**DISCUSSION**

**Background**

This contract contains pedestrian improvements at five intersections: 1.) Pico Boulevard at Berendo Street, 2.) Venice Boulevard at Bonnie Brae Street, 3.) Figueroa Street at 60th Street, 4.) Eagle Rock Boulevard at Avenue 35, and 5.) Eagle Rock Boulevard at Avenue 41. The improvements include: sidewalk repairs, street restoration, curb ramps, curb extensions, street lighting, traffic signals and striping, rectangular rapid flashing beacon (RRFB), loop detectors, and continental crosswalks.

See figure below for an example of the proposed improvements. The contract duration is 365 calendar days.
Proposed improvements at the intersection of Pico Blvd and Berendo St

The project has been reviewed for environmental considerations. It was determined that the project complies with the provisions of the National Environmental Policy Act under categorical exclusion.

**Bid Review**

The lowest of the two bids received (Transmittal) compared with the City Engineer’s estimate of $693,456 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>Axiom (SBE, EBE, LBE)</td>
<td>$830,130.40</td>
<td>19.71% High</td>
<td>MBE 0.00%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>WBE 0.00%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>SBE 1.09%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>EBE 1.09%</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>DVBE 0.00%</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>OBE 46.56%</td>
</tr>
</tbody>
</table>

Axiom, first low bidder, listed their total bid amount incorrectly. Staff corrected Axiom’s Total Bid Amount in accordance with the procedures set forth in the General Instructions and Information for Bidders. Axiom was contacted and notified of corrections. The corrections did not change the order of the bids.

Based on the range of bids submitted for the project, staff believes these bids are reasonable. The contract may be awarded to Axiom, first low bidder, subject to verification of all other bidding requirements.
Local Business Preference (LBP) Program

The 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.

Per the Ordinance, the LBP Program “applies only to contracts that involve the expenditure of funds entirely within the City’s control and shall not apply to contracts that involve the expenditure of funds that are not entirely within the City’s control, such as state and federal grant funds, that due to legal restrictions prohibit its application.”

Therefore, the LBP Program was not applied to the project.

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 the 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 4.00 percent MBE, 2.00 percent WBE, 25.00 percent SBE, 8.00 percent EBE, 3.00 percent DVBE, and with mandatory BIP documentation requirements. The Office of Contract Compliance, based on a review of the documents submitted by Axiom, reported that the contractor pledged participation levels of 0.00 percent MBE, 0.00 percent WBE, 1.09 percent SBE, 1.09 percent EBE, 0.00 percent DVBE, 46.56 percent OBE, and complied with the BIP outreach requirements of the bid. The Mandatory Subcontracting Minimum requirement for this project is 25.00 percent, and the contractor has complied by pledging a subcontractor participation level of 47.65 percent. There were no fixed cost items included in the project.

Axiom 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
Compliance with the City's Non-Discrimination Policies


Previous Work Record

Axiom 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).

However, in the past five years, Axiom has not been awarded any contracts issued by the Board under the BIP.

The following table summarizes the previous Disadvantaged Business Enterprise (DBE)/OBE participation levels pledged by Axiom during this same period under the City's Race-Conscious DBE Program:

<table>
<thead>
<tr>
<th>DBE/OBE Pledged Utilization Table (Race-Conscious DBE Program)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No. of Contracts</strong></td>
</tr>
<tr>
<td>----------------------</td>
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<tr>
<td>1</td>
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<tr>
<td></td>
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</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.

Bid Bond Extension
Axiom was requested to extend its bid bond which expired on September 24, 2019. The contractor has agreed to extend its bid bond until December 6, 2019.

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

Status of Financing
There is no impact to the general fund. This construction funding is front-funded by the Los Angeles Department of Transportation (LADOT) Transportation Grant Fund, Fund No. 655 Department No.94, Appropriation Unit No. 94PT94, Pedestrian Plan Program Fund 51Q, Department No.94 Appropriation Unit No.94R487.

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>655</td>
<td>94PT94</td>
<td>2019</td>
<td>$739,110.00</td>
<td>$0.00</td>
<td>$739,110.00</td>
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<tr>
<td>51Q</td>
<td>94R487</td>
<td>2019</td>
<td>$91,021.00</td>
<td>$83,013.00</td>
<td>$174,034.00</td>
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<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$830,131.00</td>
<td>$83,013.00</td>
<td>$913,144.00</td>
</tr>
</tbody>
</table>
Report reviewed by:
BOE (ADM and SSD)

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:
Monique F. Earl
Assistant General Manager
Administration & Field Services
Department of Transportation
Fund Ref. 655/94PT94/$739,110
Fund Ref. 51Q/94R487/$174,034

Date: 10/31/99
EO/AS/10-2019-0189.PAC.dng

Questions regarding this report may be referred to:
Andrew Slusser, Project Manager
Phone No. (213) 847-4783
E-mail: Andrew.Slusser@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