Department of Public Works
Department of Transportation

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

June 16, 2020
CD Nos. 1, 2, 4, 5, 6, 8, 13, and 15

**CONTRACT AWARD TO KDC, INC. dba DYNALECTRIC FOR THE HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP) CYCLE 6 - PROJECT 1, 2, AND 4 - FEDERAL PROJECT NO. HSIPL - 5006 (793) HSIPL - 5006(789) HSIPL (788) - WORK ORDER NOS. E1907964, E1908024, AND E1907965**

**LOS ANGELES DEPARTMENT OF TRANSPORTATION (LADOT)**

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

1. DECLARE KDC, Inc. dba Dynalectric (Dynalectric), first low bidder, to be the lowest responsive, responsible bidder, and AWARD Dynalectric a contract for this project for $4,499,200.14.

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 December 18, 2019.*

**DISCUSSION**

*Background*

The proposed project will install new traffic signals and upgrade existing signals with left turn phasing at 14 different intersections throughout the City of Los Angeles (City), including upgrading curb ramps and street lighting. The contract duration is 547 calendar days.

- **HSIPL - 5006 (793) - Five New Signals in Hollywood Wilshire (HW) and San Pedro (SP)**
  This project will install four new traffic signals at the intersections of 3rd Street, Hoover Street & Vendome Street, Anaheim Street & Bay View Avenue, Anaheim Street & Marine Avenue, and Century Boulevard & Wadsworth Avenue.

- **HSIPL - 5006 (789) – Five New Traffic Signals**
  This project will install four new traffic signals at the intersections of Calhoun Avenue and Ventura Boulevard, Columbus Avenue and Ventura Boulevard, Crest Drive and Pico Boulevard, and Lemona Avenue and Ventura Boulevard.
• HSIPL - 5006 (788) - Traffic Signal Modifications at Seven Locations in San Fernando Valley (SFV)

This project will install left-turn phasing at the following six signalized intersections: Magnolia Boulevard and Vineland Avenue, Nordhoff Street and Van Nuys Boulevard, Riverside Drive and Vineland Avenue, Van Nuys Boulevard and Vanowen Street, Vernon Avenue and Western Avenue, and Woodman Avenue and Woodman Place.

Construction of this project will involve: installing signal poles and foundations, controller cabinets and foundations, new conduit, pull boxes, mast arms, signal heads, pedestrian heads, and detector loops; upgrading/installing curb access ramps, and street lighting work.

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. 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 three bids received (Transmittal) compared with the City Engineer’s estimate of $2,699,670.00 is:

Disadvantaged Business Enterprise Program Codes:

<table>
<thead>
<tr>
<th>Bid No.</th>
<th>Contractor’s Name</th>
<th>Bid Amount</th>
<th>(%) High/Low</th>
<th>(% Pledged)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Bid</td>
<td>Dynalectric (OBE)</td>
<td>$4,499,200.14</td>
<td>66.66% High</td>
<td>26.38% 3.41%</td>
</tr>
</tbody>
</table>

Dynalectric, Select Electric, Inc. (Select), and International Line Builders, Inc. (International), the respective first, second, and third low bidders listed their total bid amount incorrectly. Staff corrected Dynalectric’s, Select’s, and International’s total bid amounts in accordance with the procedures set forth in the general instructions and information for bidders. Dynalectric, Select, and International were contacted and notified of the corrections. The corrections did not change the order of the bids.

Staff recognizes that the lowest bid is significantly higher than the original City Engineer’s Estimate (66.66 percent higher). Staff had calculated the City Engineer’s estimate at the time the design plans were completed. Between then and when the project was advertised, the project experienced a delay while staff completed all the City and federal requirements to proceed with the necessary items to advertise the project for construction bids. During that time, construction costs had increased greatly due to rising prices of material and labor. Recently, staff went through the exercise of updating the cost estimate using more recent unit prices and calculated a revised City Engineer’s estimate of $3,747,291. Using this figure, the lowest bid is 20.07 percent higher than the updated estimate. Although the bid is still higher, staff has identified the gap funding and believes that due to the high priority and urgency of this safety improvement project, and based on the range of bids submitted for this project, the bid is reasonable. The contract may be awarded to Dynalectric, first low bidder, subject to verification of all other bidding requirements.

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 (DOT), 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 form.

The project was advertised with a DBE goal of 10.00 percent. The Office of Contract Compliance, based on the review of the documents submitted by Dynalectric, reported that the contractor pledged a DBE commitment of 26.38 percent and an OBE participation level of 3.41 percent. Under the Caltrans Race-Conscious DBE Program, the bidder must either meet the DBE goal or submit adequate DBE Good Faith Efforts (GFE) documentation. Dynalectric met the DBE goal and therefore was not required to submit DBE GFE documentation.

Dynalectric pledged the following DBE/OBE 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>DBE/OBE</th>
<th>Gender/Ethnicity</th>
<th>(%) of Bid</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Her-Con Construction Services, Inc.</td>
<td>DBE</td>
<td>M/HA</td>
<td>26.38%</td>
<td>$1,186,970.53</td>
</tr>
<tr>
<td>Superior Pavement Markings, Inc.</td>
<td>OBE</td>
<td></td>
<td>2.22%</td>
<td>$ 99,806.00</td>
</tr>
<tr>
<td>Smithson Electric, Inc.</td>
<td>OBE</td>
<td></td>
<td>1.19%</td>
<td>$ 53,425.00</td>
</tr>
</tbody>
</table>

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

Dynalectric shall comply with the Federal (and Local) 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**

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

<table>
<thead>
<tr>
<th>Infraction</th>
<th>Fine Amount</th>
<th>Date</th>
<th>Contract No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project: North Hollywood (ATSAC) System Phase 2 (Work Order No. L0702729)</td>
<td>$6,935.54</td>
<td>09/28/2015</td>
<td>C114666</td>
</tr>
<tr>
<td>Unauthorized Substitution</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other than the aforementioned, no significant or unresolved problems in inspection or contract compliance have been experienced by the Bureau of Contract Administration (BCA).
The following tables summarize the previous MBE/WBE/SBE/EBE/DVBE/OBE and DBE/OBE participation levels pledged by Dynalectric in the past five years under the Business Inclusion Program and Race-Conscious DBE Program:

<table>
<thead>
<tr>
<th>MBE/WBE/SBE/EBE/DVBE/OBE Pledged Utilization Table</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No. of Contracts</strong></td>
</tr>
<tr>
<td><strong>Pledged MBE ($) Amount</strong></td>
</tr>
<tr>
<td><strong>Total MBE (%)</strong></td>
</tr>
</tbody>
</table>

<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><strong>2</strong></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 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**
Dynalectric was requested to extend its bid bond which expired on March 17, 2020. The contractor has agreed to extend its Bid Bond until June 26, 2020.
Conclusion
In view of the above findings, staff recommends that the Board declare Dynaelectric, first low bidder, to be the lowest responsive, responsible bidder, and award Dynaelectric the contract for this project.

STATUS OF FUNDING

The funding for the Project comes from: HSIP6-5 New Signals in HW and SP Fund, Fund No. 655, Department No. 94, Appropriation Unit No. 94LT26; HSIP6-5 New Signals Fund, Fund No. 655, Department No. 94, Appropriation Unit No. 94LT23; HSIP6-Traffic Signal Modifications at seven locations in SFV Fund, Fund No. 655, Department No. 94, Appropriation Unit No. 94LT22; Pedestrian Plan/Program Fund, Fund No. 51Q, Department No. 94, Appropriation Unit No. 94R487; Vision Zero Traffic Signals Fund, Fund No. 59V, Department No. 50, Appropriation Unit No. 50SKTS; Traffic Signal Installation Fund, Fund No. 523, Department No. 94, Appropriation Unit No. 94NM09. Please see following Funding Table. There is no impact to the General Fund. Funding for this project is available from Transportation Grant funds, Measure R funds, SB-1 State Gas Tax funds, and Ventura Corridor Specific Plan funds.

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 Executive Officer of the Los Angeles Department of Transportation 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>HSIPL-5006(793) - Five New Signals in HW and SP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>655</td>
<td>94LT26</td>
<td>2015</td>
<td>$ 611,090.91</td>
<td>$ 61,109.09</td>
<td>$ 672,200.00</td>
</tr>
<tr>
<td>51Q</td>
<td>94R487</td>
<td>2019</td>
<td>$ 123,939.68</td>
<td>$ 12,393.97</td>
<td>$ 136,333.65</td>
</tr>
<tr>
<td>59V</td>
<td>50SKTS</td>
<td>2020</td>
<td>$ 735,030.00</td>
<td>$ 73,503.00</td>
<td>$ 808,533.00</td>
</tr>
<tr>
<td>HSIPL-5006(789) - Five New Traffic Signals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>655</td>
<td>94LT23</td>
<td>2015</td>
<td>$ 585,109.09</td>
<td>$ 58,510.91</td>
<td>$ 643,620.00</td>
</tr>
<tr>
<td>523</td>
<td>94NM09</td>
<td>2017</td>
<td>$ 162,727.27</td>
<td>$ 16,272.73</td>
<td>$ 179,000.00</td>
</tr>
<tr>
<td>51Q</td>
<td>94R487</td>
<td>2019</td>
<td>$ 428,442.74</td>
<td>$ 42,844.27</td>
<td>$ 471,287.01</td>
</tr>
<tr>
<td>HSIPL-5006(788) - Traffic Signal Modifications at Seven Locations in SFV</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>655</td>
<td>94LT22</td>
<td>2015</td>
<td>$ 517,454.55</td>
<td>$ 51,745.45</td>
<td>$ 569,200.00</td>
</tr>
<tr>
<td>51Q</td>
<td>94R487</td>
<td>2019</td>
<td>$ 717,785.90</td>
<td>$ 71,778.59</td>
<td>$ 789,564.49</td>
</tr>
<tr>
<td>59V</td>
<td>50SKTS</td>
<td>2020</td>
<td>$ 617,620.00</td>
<td>$ 61,762.00</td>
<td>$ 679,382.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$4,499,200.14</td>
<td>$449,920.01</td>
<td>$4,949,120.15</td>
</tr>
</tbody>
</table>
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Report reviewed by:
BOE (ADM) LADOT

Report prepared by:
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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:
Miguel De La Pena, Director
Office of Accounting
Fund Ref. 59V/50/50SKTS/$808,533
Fund Ref. 59V/50/50SKTS/$679,382
Date: 06/04/2020

Respectfully submitted,

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

Seleta Reynolds
General Manager
Department of Transportation

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Inspector of Public Works
Bureau of Contract Administration

Questions regarding this report may be referred to:
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