Department of Public Works

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

June 26, 2020
CD No. 14

**CONTRACT AWARD TO AXIOM GROUP FOR THE SIXTH STREET VIADUCT MISSION/MYERS ROUNDABOUT PROJECT (WORK ORDER NO. E700237F)**

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

1. DECLARE Axiom Group (Axiom), first low bidder, to be the lowest responsive, responsible bidder, and AWARD Axiom a contract for this project for $1,552,359.73.

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**


**DISCUSSION**

**Background**
The Mission/Myers Roundabout project is located along Mission Road, Jesse Street, and Myers Street between the Sixth Street Viaduct and 7th Street in the Boyle Heights community east of downtown Los Angeles. The project will eliminate a pair of closely spaced T-intersections and combine them into a roundabout to improve vehicle circulation. A plan view of the project site is shown on Figure 1. The proposed work will include construction of new roadway pavement, permeable pavers, signage and striping, storm drains, landscaping, irrigation, utility relocation and adjustment, and new street lighting. The contract duration is 547 calendar days.

Council District No. 14 is in full support of the project and has played a critical role in supporting the project through community meetings and acquisition of funding.
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.

**Bid Review**

The lowest of the three bids received (Transmittal No. 1) compared with the City Engineer’s estimate of $1,444,518.00 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
- **DVBE** = Disabled Veteran Business Enterprise
- **LGBTBE** = Lesbian, Gay, Bisexual, Transgender
  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>$1,552,359.73</td>
<td>7.47% High</td>
<td>MBE [0.00%] WBE [0.00%] SBE [0.00%] LGBTBE [0.00%]</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>EBE [0.00%] DVBE [26.98%] OBE [0.00%]</td>
</tr>
</tbody>
</table>

Based on the range of bids submitted for this project, staff believes this bid is reasonable. The contract may be awarded to Axiom, 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 an LBE subcontractor.

For this project, the Bureau of Contract Administration (BCA) verified that the first low bidder, Axiom, 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 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, and 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, 0.00 percent SBE, 0.00 percent EBE, 0.00 percent DVBE, and 26.98 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 26.98 percent. There were no fixed cost items on this project.

Axiom pledged the following OBE subcontractor utilization:

<table>
<thead>
<tr>
<th>Subcontractors</th>
<th>(%) of Bid</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Line Builders, Inc.</td>
<td>14.17%</td>
<td>$220,000.00</td>
</tr>
<tr>
<td>Hardy &amp; Harper, Inc.</td>
<td>10.53%</td>
<td>$163,404.00</td>
</tr>
<tr>
<td>Robertson’s Ready Mix</td>
<td>2.28%</td>
<td>$ 35,395.00</td>
</tr>
</tbody>
</table>

Compliance with the City’s Non-Discrimination Policies
Axiom 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, and Disclosure of Border Wall Contracting Ordinance requirements of the bid.
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 BCA.

The following tables summarize the previous MBE/WBE/SBE/EBE/DVBE/OBE, and Disadvantaged Business Enterprise (DBE)/OBE participation levels pledged by Axiom 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>

<table>
<thead>
<tr>
<th>DBE/OBE Pledged Utilization Table (Race-Conscious DBE Program)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Contracts</td>
</tr>
<tr>
<td>Pledged DBE ($ Amount)</td>
</tr>
<tr>
<td>Total DBE (%)</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.
Bid Bond Extension

Axiom was requested to extend their Bid Bond which expired on June 29, 2020. The contractor has agreed to extend their Bid Bond until July 31, 2020.

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 this project.

Status of Funding

There is no fiscal impact on the General Fund. The construction funding for the Project is front-funded through the Los Angeles Department of Transportation’s (LADOT)'s Transportation Grant Fund (TGF). The funding is from the Metro Net Toll Revenue Grant with LADOT TGF Front Fund, Fund No. 655, Department No. 94, and Appropriation Unit No. 94PT86, and Federal Earmark Grant with LADOT TGF Front Fund, Fund No. 655, Department No. 94, and Appropriation Unit No. 94PT95. The Los Angeles County Metropolitan Transportation Authority (Metro) will reimburse from the allocated Net Toll Revenue grant and The Federal Transportation Earmark grant.

As authorized by Council File No. 15-0753-S1 (Transmittal No. 2), the reimbursements, when received, will be deposited back into the respective TGF accounts.

LADOT’s Office of Accounting will take the lead role in processing all payments and seeking grant reimbursements for the project.

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 LADOT has identified and verified the following funding sources currently available for this 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>655</td>
<td>94PT86</td>
<td>17/18</td>
<td>$1,255,414.59</td>
<td>$0</td>
<td>$1,255,414.59</td>
</tr>
<tr>
<td>655</td>
<td>94PT95</td>
<td>17/18</td>
<td>$ 296,945.14</td>
<td>$155,235.97</td>
<td>$ 452,181.11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Total</strong></td>
<td><strong>17/18</strong></td>
<td><strong>$1,552,359.73</strong></td>
<td><strong>$155,235.97</strong></td>
<td><strong>$1,707,595.70</strong></td>
</tr>
</tbody>
</table>

*Transportation Grant Fund
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( JAA GV RMK AM CLS )

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Department of Transportation
Fund Ref. 655/94PT86/$1,255,414.59
Fund Ref. 655/94PT95/$452,181.11
Date: __________

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Questions regarding this report may be referred to:
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