

Department of Public Works

Bureau of Engineering  
Bureau of Contract Administration  
Joint Report No. 3

August 31, 2009  
CD No. 11

**SANTA MONICA BAY LOW FLOW DIVERSION UPGRADES PACKAGE 4 - CONTRACT AWARD  
(W.O. Nos. EW40035F AND EW40036F)**

**PROPOSITION O - CLEAN WATER BOND PROGRAM PROJECT**

**RECOMMENDATIONS**

1. Declare Griffith Company (Griffith), first low bidder, to be the lowest responsive, responsible bidder and award them a contract for this project for \$2,279,000.
2. Authorize the President or two members of the Board to execute the contract after approval as to form by the City Attorney has been obtained.

**TRANSMITTAL**

Summary of bids received on June 17, 2009.

**DISCUSSION**

***Background***

On November 2004, the voters of the City of Los Angeles approved Proposition O, which authorized the issuance of \$500 million in general obligation bonds to finance projects that will clean up, prevent, and reduce pollution, including bacteria and trash, in the City's watercourses and water bodies inclusive of the ocean and beaches. This program is in response to the regulatory requirements of the Federal Clean Water Act.

This project consists of the construction of various mechanical and electrical upgrades to the existing Palisades Park Low Flow Diversion (LFD) system located in the Pacific Palisades area at Will Rogers State Beach parking lot and the construction of a new Santa Monica Canyon LFD system also to be located in the Will Rogers State Beach parking lot. The existing Palisades Park LFD system was originally designed to operate only during the summer dry weather season. This project will allow both LFD systems to operate year round, except during rain events. These LFD systems are pollution abatement facilities that divert low flow urban runoff generated at canyons, streets, and small watersheds away from the storm drain system to the sanitary sewer system, preventing discharge in the Santa Monica Bay. The sanitary sewer system conveys the runoff to the Hyperion Treatment Plant, where it is treated before being discharged into the ocean. The upgraded

and new LFD system will provide increased capacity and system reliability to meet the Santa Monica Bay Beaches Bacteria Total Maximum Daily Loads (TMDL) Winter Dry Weather regulations.

The project has been reviewed for environmental considerations and a California Environmental Quality Act Mitigated Negative Declaration document was prepared and subsequently approved by the City Council on April 15, 2009.

The three lowest of the twelve bids received (Transmittal) compared with the City Engineer's estimate of \$3,798,800 are:

Bid No.	Contractor's Name	Bid Amount	(%) High/Low	(%) Pledged		
				MBE	WBE	OBE
Low Bid	Griffith Company (Griffith)	\$2,279,000	40.01% Low	0	0	30.43
2 <sup>nd</sup> Bid	Zusser Company, Inc. (Zusser)	\$2,398,850	36.85% Low	1.25	0	15.81
3 <sup>rd</sup> Bid	PPC Construction, Inc. (PPC)	\$2,408,286	36.60% Low	0	0	24.75

Based on the range of bids that was submitted for this project, staff determined that these three low bids are reasonable. Staff recommends awarding the contract to Griffith, first low bidder, subject to verification of all other bidding requirements.

***Minority Business Enterprise/Women Business Enterprise/Other Business Enterprise (MBE/WBE/OBE) Subcontractor Outreach Program***

This project mandated bidders to perform their Good Faith Effort (GFE) via the internet on the Business Assistance Virtual Network, a service provided by the Mayor's Office of Economic Development. The subcontractor outreach via the internet is less paper-intensive for bidders.

The project was advertised with MBE and WBE anticipated participation levels of 5 percent and 2 percent, respectively, and with mandatory GFE documentation requirements. The GFE requires bidders to provide MBE, WBE and OBE firms an equal opportunity to participate in the performance of all City Contracts. The Office of Contract Compliance, based on a review of the documents submitted by Griffith, reported that the contractor pledged no MBE or WBE participation levels, but complied with the GFE subcontractor outreach requirements of the bid. The Mandatory Subcontracting Minimum requirement for this project is 9 percent and the contractor has complied by pledging a subcontractor participation level of 32.60 percent. This percentage was calculated after subtracting the fixed cash allowance of \$152,000 from the total bid amount. Griffith submitted the following OBE subcontractor information:

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<b>Subcontractor</b>	<b>(%) of Bid</b>	<b>Dollar (\$) Amount</b>
Blue Iron, Inc.	11.85%	\$270,000
Flo-Systems, Inc.	0.34%	\$ 7,680
Griffin Dewatering Corporation	3.47%	\$ 79,018
Leed Electric, Inc.	12.33%	\$281,073
R&D Steel, Inc.	2.44%	\$ 55,691

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

Griffith has complied with the Affirmative Action and Slavery Disclosure Ordinance requirements of the bid. Provisional compliance status with the Equal Benefits Ordinance (EBO) will expire on June 30, 2010. If the contractor does not come into compliance by that date, payment due to the contractor may be withheld, and agreements with the contractor may be subject to termination. Agreements executed, renewed, or amended after this date must be accompanied by a new EBO determination form.

***Previous Work Record***

Griffith has worked on several contracts issued by the Board of Public Works. No significant or unresolved problems in inspection or contract compliance by this contractor have been experienced by the Bureau of Contract Administration (BCA).

The following tables summarize the MBE/WBE/OBE and DBE/OBE participation levels pledged by Griffith in the past 5 years:

<b>MBE/WBE/OBE Table</b>				
<b>No. of Contracts</b>	<b>Total Dollar Value of Contracts</b>	<b>Pledged MBE Amount</b>	<b>Pledged WBE Amount</b>	<b>Pledged OBE Amount</b>
		<b>Total MBE (%)</b>	<b>Total WBE (%)</b>	<b>Total OBE (%)</b>
2	\$1,794,449.40	\$10,550	\$0	\$193,618.00
		0.59%	0%	10.79%

<b>DBE Table</b>			
<b>No. of Contracts</b>	<b>Total Dollar Value of Contracts</b>	<b>Pledged DBE Amount</b>	<b>Pledged OBE Amount</b>
		<b>Total DBE (%)</b>	<b>Total OBE (%)</b>
2	\$12,412,379.75	\$569,500.00	\$3,710,938.18
		4.59%	29.90%

***Enhanced Electrical Safety Policy***

Because the estimated value of the electrical work for this project exceeds \$100,000, the electrical work will be performed and inspected under the conditions of the most current, amended Board of Public Works' Enhanced Electrical Safety Policy.

***Contractor Performance Evaluation***

In accordance with Article 13, Chapter 1, Division 10, of the City of Los Angeles Administrative Code, the Project Manager and the City Inspector for this construction contract shall submit Contractor Performance Evaluation Reports to the BCA upon completion of this contract.

***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 requirements specified in the Ordinance will render this bidder's contract subject to termination pursuant to the conditions expressed therein.

***Peak Hour Construction and Right-of-Way Obstruction Regulations***

All contractors are to 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.

***Conclusion***

In view of the above findings, we recommend that the Board declare Griffith, first low bidder, to be the lowest responsive, responsible bidder, and award them the contract for this project.

**STATUS OF FINANCING**

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:

<b>Fund</b>	<b>Contract</b>	<b>Contingencies</b>	<b>Total</b>
16Q Proposition O General Obligation Bond Department 50 Account No. EA26	\$2,279,000	\$228,000	\$2,507,000

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( KKO RTH WFB )

Report reviewed by:


BOE (POB)

Report prepared by:

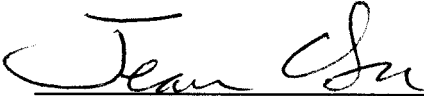
Contract Award Section

Ted S. Allen, P.E.  
Acting Division Engineer  
Project Award and Control Division  
Phone No. (213) 847-0577

Compliance Review Performed  
and Approved by:

  
Hannah Choi, Program Manager  
Office of Contract Compliance  
Bureau of Contract Administration

Statement as to Funds Approved by:


  
for Craig V. Bloomquist, Director  
Office of Accounting  
Board of Public Works  
Date: 8/24/09

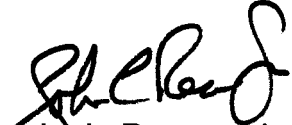
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Questions regarding this report  
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Respectfully submitted,

  
Gary Lee Moore, P.E.  
City Engineer

  
John L. Reamer, Jr.  
Inspector of Public Works