


Department of Public Works

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

July 27, 2009
CD No. 5

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California

JUL 27 2009


Secretary
174457

SECONDARY SEWER RENEWAL PROGRAM (SSRP) U24 - ROBERTSON BOULEVARD AND ALCOTT STREET - CONTRACT AWARD (W.O. No. SZC11888)

RECOMMENDATIONS

1. Declare Vasilj, Inc., first low bidder, to be the lowest responsive, responsible bidder and award them a contract for this project for \$758,628.80.
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 24, 2009.

DISCUSSION

Background

This project will replace and rehabilitate approximately 10,500 linear-feet of secondary sewers in various locations within the U24 sewershed. The project is located in South Robertson in an area generally bounded by Whitworth Drive on the north, 18th Street on the south, Shenandoah Street on the east and Beverwil Drive on the west. Secondary sewers are sewers ranging in diameter from 6- to 15-inches, which collect flow from building laterals and convey the sewage to the primary sewer system. The contract construction duration is 180 working days.

The project has been reviewed for environmental considerations. It was determined to be categorically exempt from the provisions of the California Environmental Quality Act of 1970, under Article III of the City's Environmental Quality Act Guidelines.

The project was previously advertised for bids as follows:

Bid Date	No. of Bids	City Engineer's Estimate	Lowest Bid	(%) High or Low
12-17-2008	11	\$1,214,200	\$898,019	26.04% Low

On April 16, 2009 the Board rejected all bids received on December 17, 2008, for this project at the recommendation of the City Engineer. The three lowest of the ten bids received on June 24, 2009 (Transmittal), in response to the second advertisement, compared with the City Engineer's estimate of \$1,214,200 are:

Bid No.	Contractor's Name	Bid (\$) Amount	(%) High/Low	(%) Pledged		
				MBE	WBE	OBE
Low Bid	Vasilj Inc. (Vasilj)	\$758,628.80	37.52% Low	0	0	34.83
2 nd Bid	Ramona, Inc. (Ramona)	\$784,884.80*	35.36% Low	0	0	29.28
3 rd Bid	Prkacin Company (Prkacin)	\$832,669.80	31.42% Low	6.61	0	28.32

* Corrected Bid Amount

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

An evaluation of bids indicates that these three bids are reasonable and the unit prices submitted by the bidders are reasonably balanced. Staff recommends awarding the contract to Vasilj, 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 (BAVN), 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 a MBE and WBE anticipated participation level of 3 percent 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 (OCC), based on a review of the documents submitted by Vasilj, 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 (MSM) requirement for this project is 5 percent and the contractor has complied by pledging a subcontractor participation level of 37.07 percent. This percentage was calculated after subtracting the fixed cash allowances of \$45,830.80 from the total bid amount. Vasilj submitted the following OBE subcontractor information:

Subcontractor	(%) of Bid	Dollar (\$) Amount
RePipe-California, Inc.	30.29	\$229,801.00
Mission Clay Products	4.54	\$ 34,436.17

Compliance with the City’s Non-Discrimination Policies

Vasilj has complied with the Affirmative Action and Slavery Disclosure Ordinance requirements of the bid. The Contractor’s Provisional Compliance status with the Equal Benefits Ordinance (EBO) will expire on August 7, 2009. If the Contractor does not come into compliance by that date, payment due 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

The contractor has worked on numerous 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 past MBE/WBE/OBE participation levels (excluding emergency projects) pledged by Vasilj in the past five years for non-ASRP projects:

No. of Contracts	Total Dollar Value of Contracts	Pledged MBE Amount	Pledged WBE Amount	Pledged OBE Amount
		Total MBE (%)	Total WBE (%)	Total OBE (%)
15	\$25,048,990.80	\$330,659.03	\$345,478.85	\$3,458,389.59
		1.32%	1.38%	13.81%

Peak Hour Construction and Right-of Way Obstruction Regulations

All contractors are to comply with the requirements specified in the Los Angeles Municipal Code (L.A.M.C.) Section 62.61 related to peak hour traffic restrictions, unless an exemption from the Peak Traffic Hours Prohibition is approved.

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 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 may render this bidder's contract subject to termination pursuant to the conditions expressed therein.

Conclusion

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

Program Review Committee (PRC) Approval

The PRC approved a total budget at \$2,753,062, including contingency, for this project on March 12, 2008.

STATUS OF FINANCING

Total funding for this project, including contingency, is \$910,354. Funds in the amount of \$910,354 are available in Account No. FA7R, titled "SSRP U24 Robertson & Alcott." Funds may be drawn from the Sewer Capital Fund No. 761, the WW Syst Comm Paper A Const Fund No. 70W, or any future funds established as a result of commercial paper or bond sales, at the discretion of the Director of the Bureau of Sanitation or appointed designee.

The following funding has been verified and approved by the Director of the Office of Accounting, subject to conditions described above:

Account	Contract	Contingencies	Total
Account No. FA7R	\$758,628.80	\$151,725.20	\$910,354.00

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(TSA RTH WFB)

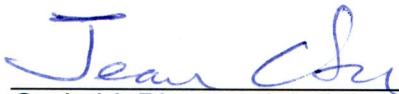

Report reviewed by:
BOE (PAC and WCE) and BOS (FMD)
Report prepared by:
Contract Award Section

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:

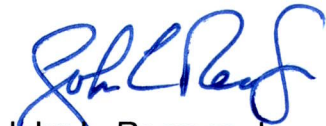

for  Craig V. Bloomquist, Director
Office of Accounting
Date: 7/27/09

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Questions regarding this report
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Respectfully submitted,


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