

Department of Public Works

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

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

OCT 14 2009

October 14, 2009
CD No. 5

174564  Secretary

SKIRBALL CENTER DRIVE WIDENING PHASE II – CONTRACT AWARD (W.O. No. E6000932)

RECOMMENDATIONS

1. Declare LH Engineering Co., Inc., first low bidder, to be the lowest responsive, responsible bidder and award them a contract for this project for \$1,272,298.50.
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 May 20, 2009.

DISCUSSION

Background

This project will widen and realign Skirball Center Drive south of Mulholland Drive from the I-405 Freeway northbound ramps to approximately 750 feet south thereof to alleviate congestion and improve the roadway. Phase I of the project (completed by the Department of General Services) re-striped the westbound approach to the I-405 Freeway southbound ramps, which provided a left turn lane, one optional left/through lane and one through lane at this intersection. This project, phase II, will construct a bulkhead to support the slopes of the freeway and will widen the roadway south of the I-405 Freeway northbound ramps to build an additional southbound lane. The contract construction duration is 180 working days.

The project 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 three bids received (Transmittal) compared with the City Engineer's estimate of \$1,567,700 are:

Bid No.	Contractor's Name	Bid Amount	High/Low (%)	Pledged (%)		
				MBE	WBE	OBE
Low Bid	L H Engineering Co., Inc. (LH Engineering)	\$1,272,298.50	18.84% Low	0.82	0	24.30
2 nd Bid	John S. Meek Company, Inc. (Meek)	*\$1,336,956.75	14.72% Low	4.54	3.31	10.45
3 rd Bid	Griffith Company (Griffith)	\$1,472,378.85	6.08% Low	2.16	3.01	15.17

* Corrected bid amount

Meek, 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. Meek 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 bidder are reasonably balanced. Staff recommends awarding the contract to LH Engineering, 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 9 percent and 4 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 City Contracts. The Office of Contract Compliance (OCC), based on a review of the documents submitted by LH Engineering, reported that the contractor pledged an MBE level of 0.82 percent, a WBE level of 0 percent, and complied with the GFE subcontractor outreach requirements of the bid. The Mandatory Subcontracting Minimum (MSM) requirement for this project is 15 percent and the contractor has complied by pledging a subcontractor participation level of 25.80 percent. This percentage was calculated after subtracting the fixed amount of \$33,250 for allowances from the total bid amount. LH Engineering submitted the following MBE/OBE subcontractor information:

Gender/Ethnicity Codes:

- | | |
|---------------------------------|----------------------------|
| AA=African American | HA=Hispanic American |
| SAA=Subcontinent Asian American | APA=Asian Pacific American |
| C=Caucasian | NA=Native American |
| M=Male | F=Female |

Subcontractors	MBE/OBE	Gender/ Ethnicity	(%) of Bid	Dollar (\$) Amount
APW Construction, Inc., dba, Ace Fence Company	MBE	F/APA	0.82	\$ 10,440.00
All American Asphalt	OBE		3.39	\$ 43,078.74
Beryl Lockhart Enterprises	OBE		1.78	\$ 22,640.00
Sterndahl Enterprises, Inc.	OBE		0.28	\$ 3,525.00
Structure Cast	OBE		18.86	\$239,950.00

Compliance with the City’s Non-Discrimination Policies

LH Engineering has complied with the Affirmative Action and Slavery Disclosure Ordinance

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requirements of the bid. The Equal Benefits Ordinance (EBO) is not applicable as reviewed on May 26, 2009. The Contractor does not offer or provide benefits.

Previous Work Record

LH Engineering has no record of having worked on any previous contracts awarded by the by the Board of Public Works in the past five years. The work history of L H Engineering for public works contracting was reported in the First Time Bidder Report (FTB) to this Board on June 15, 2009. Subsequent to the FTB report being issued, a constituent complaint against L H Engineering alleging a history of wage violations and poor performance on past public works projects was brought forth. After researching the complaint, staff corroborated the allegations contained in source documentation that established:

1. Within the last five years L H Engineering had been in violation of the California Labor Code on four separate occasions and was made to pay restitution and penalties for prevailing wage violations and
2. The division of Apprenticeship Standards issued a warning letter of non-compliance generated from a separate complaint involving the employment of apprentices.

Additionally, it should be noted that the Contractor Responsibility Questionnaire submitted by this contractor on May 20, 2009 as part of the bid documents failed to disclose any past violations of any kind within the last five years.

The Inspector of Public Works recommended in the revised FTB report submitted on September 23, 2009 that the Board considers this information prior to award of this contract.

On September 25, 2009, L H Engineering was invited and agreed to attend the project award meeting at the Board when scheduled, to determine further accountability on the above matters.

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.

Electrical Safety Policy

Because estimated value of the electrical work for this project is in excess of \$100,000, the electrical work will be performed and inspected under the conditions of the BPWs' Enhanced Electrical Safety Policy.

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 Bureau of Contract Administration 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 LH Engineering, first low bidder, to be the lowest responsive, responsible bidder, and award them the contract for this project.

Bid Bond Extension

Staff contacted LH Engineering and requested that they extend their Bid Bond, which expired on August 29, 2009. The contractor has originally agreed to extend their Bid Bond until October 5, 2009, and have subsequently agreed to extend their bid bond until October 30, 2009.

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". This clause is part of the General Conditions that were reviewed by City Attorney. It provides the legal protection for the City in the possible situation that subsequent funds would not be made available for the remaining contract work.

The Assistant General Manager, Office of Finance and Administration of the Los Angeles Department of Transportation Office of Accounting, has identified and verified the following funding sources currently available for this project:

Fund	Contract	Contingencies	Total
655 Transportation Grant Fund Department 94 Account No. 355	\$1,272,298.50	\$130,000.00	\$1,402,928.50

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(TSA MPB SP WFB)

Report reviewed by:

BOE (SSD)

Report prepared by:

Contract Award Section

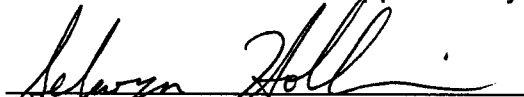
Ted S. Allen, P.E.
Acting Division Engineer
Phone No. (213) 847-0577

Compliance Review Performed
and Approved by:



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

Statement as to Funds Approved by:



Selwyn Hollins
Acting Assistant General Manager
Office of Finance and Administration
Department of Transportation
Date: 10-5-09

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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