

Department of Public Works

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

November 16, 2009
CD No. 3

**HYPERION TREATMENT PLANT (HTP) VISTA DEL MAR (VDM) PEDESTRIAN BRIDGE
REHABILITATION (CIP-2367) - CONTRACT AWARD (W.O. No. SZH11544)**

RECOMMENDATIONS

1. Declare United Engineering & Construction, Inc., first low bidder, to be the lowest responsive, responsible bidder for this project and award them a contract for \$457,400.
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

1. Tabulation of bids received on September 2, 2009.
2. Communication No. 120731, copy of letter dated September 4, 2009, from Ms. Valerie Alon, CFO, Oak Tree Construction, Inc., 5149 Catalon Avenue, Woodland Hills, CA 91364.
3. Response to Communication No. 120731, copy of letter dated September 24, 2009, from H.R. Strazzella, Chief, to James A. Gibson, Executive Officer, Board of Public Works.

DISCUSSION

Background

This project will rehabilitate and repair corroded and damaged areas of the pedestrian bridge which crosses Vista Del Mar Boulevard to connect the LA County's Dockweiler Beach Parking Lot to HTP near the future Environmental Learning Center. The contract construction duration for this project is 260 calendar 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.

Bid Review

The three lowest of the four bids received (Transmittal No. 1) compared with the City Engineer's estimate of \$565,400 are:

Bid No.	Contractor's Name	Bid Amount	(%) High/Low	(%) Pledged		
				MBE	WBE	OBE
Low Bid	United Engineering & Construction, Inc. (UE&C)	\$457,400	19.10% Low	3.50%	0.00%	39.35%
2 nd Bid	Oak Tree Construction, Inc. (Oak Tree)	\$496,000	12.27% Low	0.00%	0.00%	15.10%
3 rd Bid	Griffith Company (Griffith)	\$514,523	9.00% Low	0.00%	0.00%	36.67%

An evaluation of the 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 UE&C, 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 and Mandatory Subcontracting Minimum (MSM) Participation Levels

This project mandated the 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 MBE and WBE anticipated participation levels of 3.0 percent and 2.0 percent, respectively, and with mandatory GFE documentation requirements. The project was also advertised with the Board's MSM requirement level of 7.0 percent.

The Office of Contract Compliance (OCC), based on a review of the three low bids, reported the following:

The low bidder, UE&C, complied with the mandated GFE subcontractor outreach requirements of the bid. The contractor has pledged an MBE level of 3.5 percent, a WBE level of 0.00 percent and complied with the Board's MSM requirement by pledging a subcontractor participation level of 45.86 percent. This percentage was calculated after subtracting the fixed cash allowances of \$30,000 from the total bid amount. UE&C 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
Avis Construction, Inc.	MBE	F/AA	3.50%	\$ 16,000
KM Industrial, Inc.	OBE		39.35%	\$180,000

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Communications Received

Ms. Valerie Alon, CFO, Oak Tree Construction, Inc., protested the bid submitted by UE&C in a letter dated September 4, 2009 (Transmittal No. 2) stating that UE&C had a suspended license on the day of the bid.

Staff's Response

In a letter dated September 24, 2009 (Transmittal No. 3) from H.R. Strazzella, Chief, General Services Division, Bureau of Contract Administration (BCA), UE&C license expires on September 30, 2011. Therefore, staff is recommending award to UE&C.

Compliance with the City's Non-Discrimination Policies

UE&C has complied with the Affirmative Action and Slavery Disclosure Ordinance requirements of the bid. The Equal Benefits Ordinance is not applicable as reviewed on September 28, 2009. The Contractor does not offer/provide benefits.

Previous Work Record

UE&C has no record of having worked on any previous Bureau of Engineering contracts awarded by the Board of Public works within the last five years. The Office of Contract Compliance has checked with various State agencies and none of these agencies reported any labor compliance problems on file concerning the contractor.

The Inspector of Public Works has conducted a First Time Bidder investigation of references provided by the contractor and did not find any evidence of violations of statutes, regulations, ordinances, or wrong doing by the contractor. The report was submitted to the Board on October 1, 2009.

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 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, staff recommends that the Board declare UE&C, first low bidder, to be the lowest responsive, responsible bidder and award them the contract for this project.

Program Review Committee

The PRC approved this project on May 14, 2008 for \$723,000.

STATUS OF FINANCING

Total funding for this project, including contingency, is \$557,400. 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 Sanitation or appointed designee. 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:

Fund	Contract	Contingencies	Total
FDN4	\$236,000	\$ 50,000	\$286,000
2010-11 WCIP budget	\$221,400	\$ 50,000	\$271,400
Total	\$457,400	\$100,000	\$557,400

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(TSA KRR RTH WFB)

Report reviewed by:
BOE (EED) and BOS (FMD)

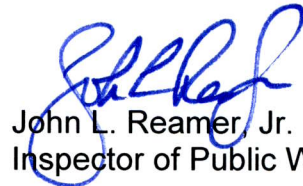
Respectfully submitted,

Report prepared by:
Contract Award Section



Gary Lee Moore, P.E.
City Engineer

Ted S. Allen, P.E.
Acting Division Engineer
Project Award and Control Division
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John L. Reamer, Jr.
Inspector of Public Works

Compliance Review Performed
and Approved by:



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

Statement as to Funds Approved by:



Jean C. Su, Acting Director
Office of Accounting
Board of Public Works

Date: 11/3/09

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Questions regarding this report
may be referred to:
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