

Department of Public Works

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

October 15, 2018
CD No. 13

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

OCT 15 2018


Executive Officer
Board of Public Works

**REQUEST TO AWARD A CONTRACT FOR THE NORTHEAST POLICE STATION PARKING STRUCTURE
3353 NORTH SAN FERNANDO ROAD LOS ANGELES, CA 90065 - WORK ORDER NO. E190800F**

RECOMMENDATIONS

1. Declare McCarthy Building Companies, Inc. (MBC), sole bidder, to be the lowest responsive, responsible bidder, and award MBC a contract for this project for \$11,183,000.
2. Authorize the President or two members of the Board of Public Works to execute the contract after approval as to form has been obtained from the City Attorney.

TRANSMITTALS

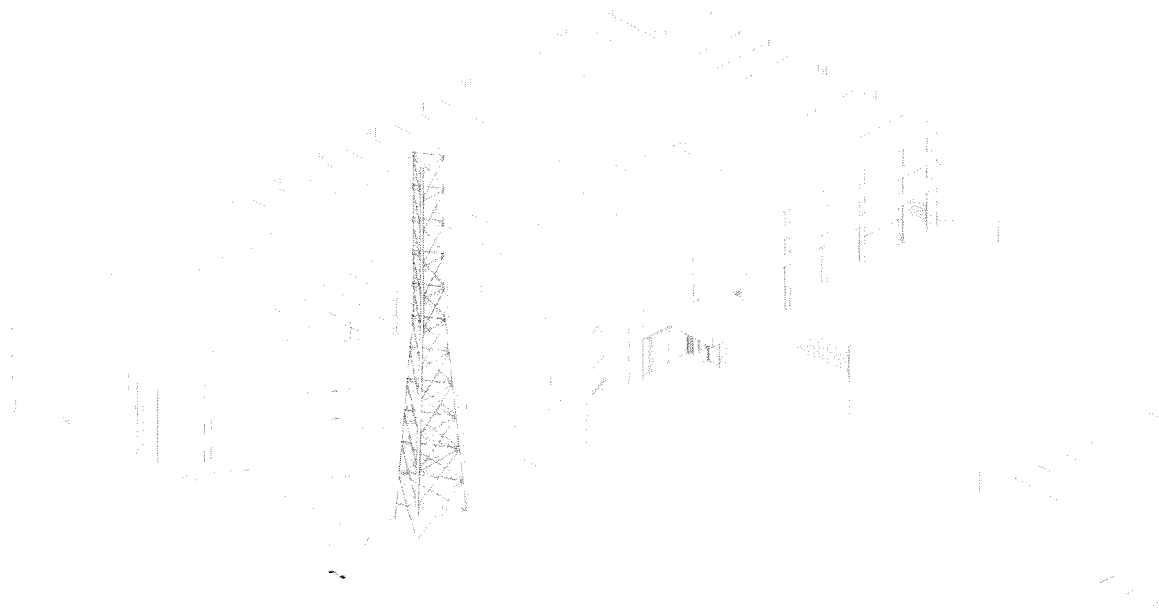
1. Copy of the Bureaus of Engineering and Contract Administration Joint Report No. 1, adopted on June 29, 2018, "Request for Authority to Pre-Qualify the Short-Listed Design-Build Contractors ARB Structures, Inc. (ARB) and MBC and Receive Bids for the Northeast Area Parking Garage Project.
2. Summary of bids received on August 1, 2018.
3. Copies of the "Municipal Facilities Committee Reports" dated August 24, 2018 and September 27, 2018.

DISCUSSION

Background

The scope of work for this project is outlined in the Bid Bridging Documents (30 percent drawing documents and Project Manual) and consists of providing architectural and engineering services for the delivery of 100 percent design documents based on 30 percent bridging documents, and the construction of a new 4 level cast in place concrete structure, with approximately 225 parking spaces, a pre-engineered car wash, and a relocated unleaded fuel dispensing system, built at the location of the new Northeast Police Station on an existing parking lot. The project also includes a pedestrian bridge between the parking structure and the existing police station.

The Design-Build Contractor was informed that the existing Police Station will be in service 24 hours a day, 7 days a week, 365 days per year, and they will need to coordinate and cooperate with the Station Captain during construction to avoid impacts on police activity. The contract duration is 548 calendar days.



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 I, Class 32 of the City of Los Angeles' (City) CEQA Guidelines.

Selection Process Summary

In response to the Request for Qualifications (RFQ) issued on January 18, 2018, a total of six Design-Build contractors participated at the Pre-Submittal meeting. Two of these contractors (ARB and MBC) submitted proposals and met the criteria to be short-listed. The project was released to the contractors for bid on April 02, 2018, with bids due on May 09, 2018.

After being shortlisted, both ARB and MBC withdrew from the bidding process and indicated that they would not be able to submit bids. They provided several reasons which included not fully understanding the Business Inclusion Program (BIP) requirements and the inability to obtain needed subcontractors prior to the bid deadline due to all of the construction work opportunities available at the time.

Both contractors submitted revised BIP documentation and on June 29, 2018, the Board found both contractors to have substantially met the BIP requirements (Transmittal No. 1). The Board then authorized that both firms be pre-qualified and extended the bid due date to August 1, 2018. However, ARB did not submit a bid on August 1, 2018, which resulted in MBC being the sole bidder (Transmittal No. 2).

Bid Review

This project was bid with three categories of bid items. The first category included the base Bid Items 1 through 11. The subtotal of the bid amounts for Bid Items 1 through 11 is referred to as the "Total Bid Amount." The second category was "Additive Alternative

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Bid Items” 12 and 13, and the third category was “Deductive Alternative Bid Items” 14 through 16. The bid package stated that the award of the contract would be based on the “Total Bid Amount”, without considering the Bid Amounts entered for the Additive/Deductive Alternative Bid Section (Bid Items 12 through 16). However, the City Engineer reserved the option to execute any of the Additive or Deductive Bid Alternates within 21 calendar days after the Notice-to-Proceed (for design) of the contract. Adjustments to the contract cost would be based on the amount submitted by the contractor for any selected alternates, and will be through the issuance of a Change Order.

The summary of the Total Bid Amount received for this project is included as Transmittal No. 2. The City Engineer’s estimate for the Total Bid Amount is \$9,765,700.

The sole Total Base Bid, Total Additive Alternates, and Total Deductive Alternates received are as follows:

Business Codes:

- | | |
|------------------------------------|---|
| MBE = Minority Business Enterprise | EBE = Emerging Business Enterprise |
| WBE = Women Business Enterprise | DVBE = Disabled Veteran Business Enterprise |
| SBE = Small Business Enterprise | OBE = Other Business Enterprise |
| LBE = Local Business Enterprise | |

Total Base Bid Amount						
Bid No.	Contractor Name	Base Bid Amount	(%) High/Low	(%) Pledged		
				MBE	WBE	SBE
Sole Bid	MBC (OBE)	\$11,183,000.00	14.51% High	8.77%	0.68%	8.43%
				EBE	DVBE	OBE
				1.74%	0.45%	22.21%

Total Base Bid Amount + Additive Alternates				
Bid No.	Contractor Name	Total Base Bid Amount	Total Additive Alternates	Total Base Bid Amount + Additive Alternates
Sole Bid	MBC	\$11,183,000.00	\$107,860.00	\$11,290,860.00

Total Base Bid Amount - Deductive Alternates				
Bid No.	Contractor Name	Total Base Bid Amount	Total Deductive Alternates	Total Base Bid Amount – Deductive Alternates
Sole Bid	MBC	\$11,183,000.00	\$614,363.00	\$10,568,637.00

The Pre-Qualification List is the reason for the sole bid for this project. After evaluating the bid, staff believes that the sole bid is reasonable and the unit prices submitted by the sole bidder are balanced. None of the Additive or Deductive Alternate Bid Items will be included in the award of this contract. The contract may be awarded to MBC, sole 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, a sole bid was received; therefore, the LBP Program did not apply.

Business Inclusion Program (BIP)

On January 12, 2011, the Mayor issued Executive Directive No. 14 which created the BIP. As part of the RFQ for the Pre-Qualified Contractors List for this Project, all pre-qualified contractors were required to demonstrate compliance with the BIP Outreach. The BIP Outreach resulted in establishing the Contractor's Schedule A "List of Potential Subcontractors." Contractors that submit bids from subcontractors that were not on their latest approved Schedule A List may be deemed non-responsive.

This project was advertised with anticipated participation levels of 8 percent MBE, 4 percent WBE, 15 percent SBE, 4 percent EBE, and 2 percent DVBE. The Office of Contract Compliance (OCC), based on a review of the documents submitted by MBC, reported that the contractor complied with the bid proposal requirements and listed subcontractors from their approved Schedule A list. MBC pledged participation levels of 8.77 percent MBE, 0.68 percent WBE, 8.43 percent SBE, 1.74 percent EBE, 0.45 percent DVBE, and 22.21 percent OBE. The Mandatory Subcontracting Minimum requirement for this project is 15 percent and the contractor has complied by pledging a subcontractor participation level of 39.26 percent. This percentage was calculated after subtracting the fixed cost items of \$260,000 from the total bid amount.

Should the Bureau of Engineering execute any of the Alternates within the 21 calendar days of the Notice-to-Proceed, the subcontractor pledged participation percentages will change. However, the contractor will still be held to the sub bids that were submitted as part of their BIP evaluation.

MBC pledged the following subcontractor utilization, which was calculate based on the Total Bid Amount recommended for Award:

Gender/Ethnicity Codes:

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

Subcontractors	MBE/WBE/ SBE/EBE/ DVBE/OBE	Gender/ Ethnicity	(%) of Bid	Dollar Amount
Lynn Capouya, Inc.	WBE, SBE, EBE	F/C	0.17%	\$ 18,728.00
Martinez Steel Corporation*	MBE	M/HA	6.83%	\$763,849.00
PHL, Inc. dba VNSM**	WBE	F/APA	0.51%	\$ 57,026.00
Advantage Demolition and Grading, Inc.**	MBE, SBE, EBE	M/AA	1.07%	\$119,140.00
Bryton Engineering and Grading, Inc. dba Premiere Engineering and Grading	SBE	-	1.95%	\$218,250.00
Western Paving Contractors, Inc.**	MBE	M/HA	0.43%	\$ 48,400.00
Valverde Construction, Inc.**	MBE, DVBE	M/HA	0.45%	\$ 49,855.00
Western Pump, Inc.	SBE		4.74%	\$530,056.00
Frank S. Smith Masonry, Inc.	OBE		3.21%	\$358,832.00
Sanie Manufacturing Company*	OBE		1.39%	\$155,930.00
Courtney, Inc.	OBE		0.73%	\$ 81,466.00
Casco Equipment Corporation	OBE		0.53%	\$ 59,525.00
Cosco Fire Protection, Inc.	OBE		2.05%	\$228,925.00
Painting Unlimited, Inc.	OBE		0.49%	\$ 54,900.00
Mitsubishi Electric US, Inc. dba Elevator & Escalator Division	OBE		1.64%	\$183,400.00
Murray Plumbing and Heating Corporation, dba Murray Company**	OBE		2.47%	\$276,466.00
Apollo Electric*	OBE		5.81%	\$649,600.00
Condon-Johnson & Associates, Inc.	OBE		3.88%	\$434,231.00

* The subbid proposal that was submitted by this subcontractor included Alternate Bid Items.

**Certified LBE

Note: Subcontractors may be certified in multiple certification categories; therefore, per the requirements of Executive Directive No. 14, the dollar amounts were credited toward multiple pledged participation categories.

Compliance with the City's Non-Discrimination Policies

MBC shall continue to 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.

First Time Bidder

MBC has no record of having worked on any previous contracts awarded by the Board within the last five years. The OCC 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 dated September 13, 2018, was submitted to the Board.

MBC has not been awarded any contracts issued by the Board within the last five years.

Contractor Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10, of the 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 (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's 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.

Project Labor Agreement (PLA)

The project incorporates a PLA. The PLA will facilitate an orderly settlement of labor disputes and grievances without strikes, work stoppages, or lockouts to assure the timely and economical completion of the project. The PLA will also promote employment opportunities for local residents and will provide apprenticeship training for the duration of the construction. The contractor will be bound on all the provisions of the PLA.

Conclusion

In view of the above findings, staff recommends that the Board declare MBC, sole bidder, to be the lowest responsive, responsible bidder, and award MBC 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."

On August 24th, 2018, the Municipal Facilities Committee (MFC) authorized the allocation of \$1,603,536.00 from MICLA Fund No. 298, Appropriation Unit No. 50NPAT, Fiscal Year 2016-17 to the Northeast Area Parking Structure (Transmittal No. 3). The additional funding will be used to supplement the Project's Contract and Contingency amounts. An administrative correction was made to the MFC on September 27, 2018 to revise the total project amount to \$13,283,536. The reallocation of funds is pending Council approval.

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Fund No.	Appropriation Unit No.	Budget Fiscal Year	Contract	Contingencies	Total
298	50NQCC	2017	\$10,497,764.00	\$ 200,000.00	\$10,697,764.00
TBD*	00TBD		\$ 685,236.00	\$ 918,300.00	\$ 1,603,536.00
Total			\$11,183,000.00	\$1,118,300.00	\$12,301,300.00

*TBD funding will be allocated from another MICLA funded project

(ATK EBO RMK DJW CLS)

Report reviewed by:

Respectfully submitted,

BOE (BPD and ADM)



Report prepared by:

Gary Lee Moore, PE
 City Engineer
 Bureau of Engineering


Project Award and Control Division

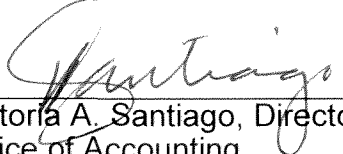
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Compliance Review performed
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 Inspector of Public Works
 Bureau of Contract Administration


 Hannah Choi, Assistant Director
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 Statement as to funds approved by:


 Victoria A. Santiago, Director
 Office of Accounting
 Fund Ref. 298/50/50NQCC/\$10,697,764

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Questions regarding this
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