

0150-09505-0001

TRANSMITTAL

TO
City Council

DATE
FEB 13 2014

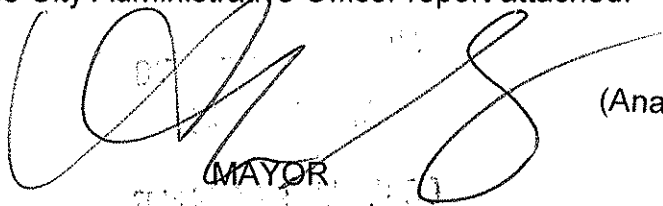
COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT

**Proposed First and Second Amendments to Contract with
Ballard Diving and Salvage, Incorporated
For Hyperion Treatment Plant Outfall Inspections**

Approved and transmitted for further processing.
See the City Administrative Officer report attached.



MAYOR

(Ana Guerrero)

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

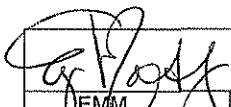
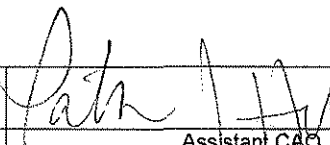

To: The Mayor	Date: 01-21-14	C.D. No. All	CAO File No.: 0150-09505-0001				
Contracting Department/Bureau: Public Works/Bureau of Sanitation		Contact: Chuck Turhollow, (310) 648-5928					
Reference: Transmittal from the Board of Public Works dated November 25, 2013; referred for report on December 4, 2013.							
Purpose of Contract: Provide professional diving and undersea video recording services associated with the inspection of the One-Mile, Five-Mile and Seven-Mile Outfalls at the Hyperion Treatment Plant (HTP). This contract amendment will extend the contract term by two years.							
Type of Contract: () New contract (x) Amendment		Contract Term Dates: Two Years effective June 13, 2014					
Contract/Amendment Amount: Not to exceed \$425,000 over five years (\$85,000 per year)							
Proposed amount \$ N/A + Prior award(s) \$ 425,000 = Total \$ 425,000							
Source of funds: Sewer Construction and Maintenance Fund (SCM)							
Name of Contractor: Ballard Diving and Salvage, Incorporated							
Address: 1525 NW Ballard Way, Seattle WA 98107							
	Yes	No	N/A*	8. Contractor has complied with:	Yes	No	N/A*
1. Council has approved the purpose	x			a. Equal Employmt. Oppty./Affirm. Action	x		
2. Appropriated funds are available	x			b. Good Faith Effort Outreach**	x		
3. Charter Section 1022 findings completed	x			c. Equal Benefits Ordinance	x		
4. Proposals have been requested	x			d. Contractor Responsibility Ordinance	x		
5. Risk Management review completed	x			e. Slavery Disclosure Ordinance	x		
6. Standard Provisions for City Contracts included	x			f. Bidder Certification CEC Form 50	x		
7. Workforce that resides in the City: 0%				*N/A = not applicable ** Contracts over \$100,000			

COMMENTS

The Board of Public Works (Board), on behalf of the Bureau of Sanitation (Bureau) requests authority to execute the First and Second Amendments to a contract with Ballard Diving and Salvage, Incorporated (Ballard) for diving and video recording services associated with the inspection of the One-Mile, Five-Mile and Seven-Mile outfalls for the Hyperion Treatment Plant (HTP). These inspections are required to comply with the City's National Pollutant Discharge Elimination System (NPDES) Permit and to monitor and assess the structural integrity of the outfalls and the impact of treated effluent on marine life.

On March 31, 2011, the City executed Contract No. 118946 with Ballard for outfall inspection for a term of three years with two one-year renewal options for a total of five years, at a cost not to exceed \$425,000. Article 7 of the contract requires Board and Council approval to execute the renewal options. Therefore the proposed First and Second Amendments must be approved by the City Council in order to execute an extension.

The initial three year term expires on June 12, 2014. The Bureau is requesting authority to exercise both one-year renewal options, which will extend the contract by an additional two years from June 13, 2014 to June 12, 2016.

 EMM	 Assistant CAO	 City Administrative Officer
Analyst	06140053	

The First and Second Amendments will not change the scope or assignment of work, method of compensation or contract ceiling. The contract ceiling is not to exceed \$425,000. The estimated cost of each of the two Amendments is not to exceed \$85,000 per year.

Scope and Assignment of Work

Ballard will continue to provide professional divers and/or a remote vehicle to perform surveys and inspections of both the One-Mile and Five-Mile outfalls annually, and any other diving devices or services requested by the City, including surveys and inspections of the Seven-Mile outfall on an as-needed basis. Upon inspection of an outfall, Ballard shall provide a one-hour briefing and video presentation to the Bureau staff. The briefing shall include digital video presentation with narrative that highlights key issues with the inspection. Ballard will provide digital and hard copies of their findings to the Bureau.

Compensation, Invoicing and Payment

In accordance with the schedule in Section 10.1 of the contract, the rate for each outfall annual inspection will be paid in a lump sum which includes the cost of project preparation, equipment set up, mobilization and demobilization, all staff salaries, fringe benefits, report and video report preparation, overhead, corporation profit and all other expenses incurred during the inspection process. Any additional as-needed diving services requested by the Bureau will be based on the as-needed rate schedule provided in Section 10.1 of the contract. Compensation shall be subject to the Bureau's satisfaction of the tasks completed and documentation submitted by Ballard.

Contracting Compliance Requirements

Ballard has complied with all applicable City procedures, laws and policies. The City Attorney has reviewed and approved the contract as to form.

This agreement involves highly specialized services for which there are no subcontracting opportunities. Consequently, the Minority Business Enterprises, Women Business Enterprises and all Other Business Enterprises (MBE/WBE/OBE) Subcontractor Outreach Program requirements were waived by the Mayor's Office on December 5, 2008.

To comply with Charter Section 1022, on August 12, 2008, the Personnel Department determined that it is more feasible to utilize contract staff because there are no City employees qualified to perform this type of specialized, intermittent work. Since there is neither a cost ceiling increase nor a change to the scope of work, a Charter Section 1022 process is not required for these Amendments.

RECOMMENDATION

That the Mayor and Council authorize the Board of Public Works to execute the proposed First and Second Amendments to extend the term of the contract with Ballard Diving and Salvage, Incorporated, by two years, from June 13, 2014 through June 12, 2016.

FISCAL IMPACT STATEMENT

There is no fiscal impact to the General Fund as the proposed First and Second Amendments will extend the term of the existing contract by two years. The cost of the contract is limited at \$425,000 over five years (approximately \$85,000 per year) and will be funded from the Sewer Construction and Maintenance Fund. City liability under this contract is limited to the current appropriation. The recommendation in this report complies with the City's Financial Policies in that funding from the Sewer Construction and Maintenance Fund is budgeted annually for outfall monitoring.

MAS:EMM:06140059

CITY OF LOS ANGELES

BOARD OF PUBLIC WORKS MEMBERS

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ERIC GARCETTI
MAYOR

OFFICE OF THE BOARD OF PUBLIC WORKS

200 NORTH SPRING STREET
ROOM 361, CITY HALL
LOS ANGELES, CA 90012
(213) 978-0261
(213) 978-0278 Fax

ARLEEN P. TAYLOR
EXECUTIVE OFFICER

<http://www.bpw.lacity.org>

2013 DEC -4 PM 4:21

November 25, 2013

#1 BOS/BCA

Mayor Eric Garcetti
Room No. 305
City Hall
Attn: Mandy Morales

Subject: AUTHORITY TO EXECUTE AMENDMENT NO. 1 TO THE PERSONAL SERVICES CONTRACT WITH BALLARD DIVING & SALVAGE INC. FOR HYPERION TREATMENT PLANT (HTP) OUTFALL ANNUAL INSPECTIONS (WORK ORDER #SCH00000-SECONDARY TREATMENT)

As recommended in the accompanying report of the Directors of the Bureaus of Sanitation and Contract Administration, which this Board has adopted, the Board of Public Works requests approval and forwarding to the City Council for approval and authorization to execute Amendment No. 1 to the Personal Services Contract with Ballard Diving & Salvage Inc. for the Hyperion Treatment Plant (HTP) outfall annual inspections. The amendment will authorize the Bureau to exercise the two one-year renewal options set by the original contract with a maximum rate increase of 3% each year.

FISCAL IMPACT

The estimated cost of the contract Amendment No. 1 for the Outfall Annual Inspections is not to exceed \$85,000 per year and is funded through HTP Operation and Maintenance budget. The total ceiling cost (with this Amendment No. 1) of \$425,000 shall remain the same as the original agreement for the entire contract term of five years (three years, with two one-year renewal options). There is no fiscal impact to the General Fund.

Respectfully submitted,

Arleen P. Taylor, Executive Officer
Board of Public Works

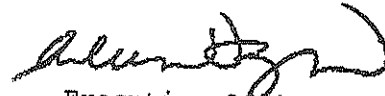
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DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
November 25, 2013

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California
~~AND REFERRED TO THE MAYOR~~
NOV 25 2013


Executive Officer

CD: 11

AUTHORITY TO EXECUTE AMENDMENT NO.1 TO THE PERSONAL SERVICES CONTRACT WITH BALLARD DIVING & SALVAGE INC. FOR HYPERION TREATMENT PLANT (HTP) OUTFALL ANNUAL INSPECTIONS (WORK ORDER #SCH00000-SECONDARY TREATMENT)

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor and City Council with the request that the Board of Public Works (Board) be authorized to execute Amendment No. 1 to the Personal Services Contract with Ballard Diving & Salvage Inc. for HTP outfall annual inspections. The amendment will authorize the Bureau to exercise the two (2) one-year renewal options set by the original contract with a maximum rate increase of 3% each year.
2. Upon authorization from the Mayor and City Council, the President or two (2) members of the Board will execute the contract amendment.
3. Return the executed contract amendment to the Bureau of Sanitation (Bureau) for further processing. (Contact the Board Report Section at (213) 485-4246.)

FISCAL IMPACT STATEMENT

The estimated cost of the contract amendment No. 1 for the Outfall Annual Inspections is not to exceed \$85,000 per year and is funded through HTP Operation and Maintenance budget. The total ceiling cost (with this Amendment No. 1) of \$425,000 shall remain the same as the original agreement for the entire contract term of five years (three (3) years, with two (2) one-year renewal options). There is no fiscal impact to the General Fund.

TRANSMITTALS

1. Copy of the adopted Bureau of Sanitation and Bureau of Contract Administration Joint Board Report No. 2, dated December 22, 2010, authorizing the award and execution of a Personal Services Contract with Ballard Diving & Salvage Inc. for HTP Outfall Annual Inspections.
2. Copy of the proposed Amendment No.1 with Ballard Diving & Salvage Inc. for HTP Outfall Annual Inspections. Originals will be delivered to the Board Office when the Mr. Haul Wong (310) 648-5919 is notified that the contract amendment is ready for execution.

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3. Copy of the MBE/WBE/OBE Subcontractor Outreach Program waiver issued by the Mayor's Office of Economic Development on December 5, 2008.

DISCUSSION

Background

The Bureau of Sanitation (Bureau) operates and maintains three (3) submarine outfalls (One-Mile Outfall, Five-Mile Outfall, and Seven-Mile Outfall) in Santa Monica Bay to dispose of treated wastewater at HTP. The One-Mile Outfall is utilized for plant effluent emergency discharge when the HTP Effluent Pumping Plant experiences power outages and discharge flow exceeds the Five-Mile Outfall gravity flow capacity. The Five-Mile Outfall is currently the principal disposal means for the HTP effluent. The Seven-Mile Outfall ceased discharging digested sludge and became inactive as of November, 1987. Although not currently used, the Seven-Mile Outfall is listed in HTP's existing Los Angeles Regional Water Quality Control Board NPDES Permit Number CA01909991, and is an irreplaceable asset for the Bureau.

Annual surveys and inspections of the One-Mile and Five-Mile outfalls are required by the U.S. Environmental Protection Agency, Region IX, and the California Regional Water Quality Control Board, Los Angeles Region Permit. These inspections and surveys will assist City staff in determining the structural integrity of the outfalls, flow distribution through the outfall diffuser ports, and the impact of treated plant effluent on marine life. Inspections will also determine the need for cleaning and repair of the outfalls.

The professional diving and undersea video recording services provided by the contractor are of an expert and technical nature. The three-year term of the current service contract (C-118946) with Ballard Diving & Salvage to perform annual Outfall Inspection will expire on June 12, 2014 if the Bureau does not exercise the two (2) one-year renewal options. (Transmittal #1) The Bureau is satisfied with the contractor's current performance and desires to retain this contractor to provide the outfall inspection services.

Negotiations have been conducted with Ballard Diving & Salvage Inc., for exercising the renewal options and the Bureau now returns to the Board with the recommendation to execute the Amendment No.1 to exercise both renewal options with the adjusted rate schedule. (Transmittal #2)

Scope of Services

The contractor shall continue to provide professional divers and/or a remote vehicle to perform surveys and inspections of both the 1-Mile and the 5-Mile outfalls annually, and any other diving devices or services requested by the City, including surveys and inspections of the 7-Mile outfall, on an as-needed basis and in accordance with the rate schedule set forth in the Amendment No.1.

After completing the inspections, the contractor shall provide final inspection reports, presentations, and video documentation of the inspections to the Bureau. The inspections and surveys of the outfalls will provide City staff a comprehensive analysis of the current condition of each outfall, including all components and sections.

Proposed Term of Agreement

The existing contract with Ballard Diving & Salvage, Inc. is for a term of three (3) years and includes two (2), one-year renewal options. The initial three-year term expires June 12, 2014. The Bureau is requesting authorization to exercise the both one-year renewal options, which would expire on June 12, 2016.

Cost Estimate of Contract

The estimated cost of the Amendment No.1 is not to exceed \$85,000 per year. The total estimated cost of the entire contract including Amendment No.1 is not to exceed \$425,000.

MBE/WBE/OBE Subcontractor Outreach Program Requirements

This Agreement involves conducting underwater video recording and inspection of the outfalls by scuba divers and submarine vehicles. The nature of these services is highly specialized, and there are no subcontracting opportunities. Consequently, the MBE/WBE/OBE Subcontractor Outreach Program requirements were waived by the Mayor's Office of Economic Development on December 5, 2008 (Transmittal No. 3).

Notification of Intent to Contract

The required Notification of Intent to Contract was filed on May 30, 2008 with the CAO Clearinghouse.

Charter Section 1022

Since there is no cost ceiling increase nor change to the scope of work, a Charter Section 1022 process is not required for this Amendment.

Other City Requirements

Ballard Diving & Salvage Inc. will comply with the following City requirements:

- Non-Discrimination/Equal Employment/Affirmative Action Program
- Child Support Obligations Ordinance
- Americans with Disabilities Act
- Slavery Disclosure Ordinance
- Municipal Lobbying Ordinance
- Non-Collusion Affidavit
- Contract History
- Los Angeles Residence Information
- Insurance Requirements
- Living Wage Ordinance/Service Contractor Worker Retention Ordinance

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- Equal Benefits Ordinance
- Business Tax Registration Certificate
- First Source Hiring Ordinance
- Contract Bidder Campaign Contribution and Fundraising Restrictions

Contractor Responsibility Ordinance

The contractor, will be subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance # 173677, [Article 14, Chapter 1, Division 10, L.A.A.C.]. Failure to comply with all requirements specified in the Ordinance will render the contract subject to termination pursuant to the conditions expressed therein.

Contractor Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City personnel responsible for the quality control of this Personal Services Contract shall submit a Contractor Performance Evaluation Report to the Bureau of Contract Administration upon completion of this contract.

Contract Administration

Responsibility for the administration and management of this Contract will be with the Hyperion Treatment Division, Bureau of Sanitation.

Headquarters and Workforce Information

The headquarters of Ballard Diving & Salvage Inc. is located at 1525 NW Ballard Way, Seattle, Washington 98107, and 0% of its workforce resides in the City of Los Angeles.

City Attorney Review

The City Attorney's Office has reviewed the attached contract amendment and approved it as to form.

Status of Financing

Funding in the amount of \$85,000 will be available in the Sewer Operations and Maintenance Fund No. 760, Account 50KX82, Object 304. Funding for future fiscal years will be requested through the normal budgetary process.

This 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."

Bureau of Sanitation
Bureau of Contract Administration
Joint Board Report No.1
November 25, 2013

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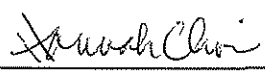
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Respectfully Submitted,



ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:

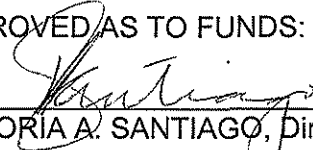


HANNAH CHOI, Program Manager
Office of Contract Compliance
Bureau of Contract Administration



JOHN L. REAMER, JR., Director
Bureau of Contract Administration

APPROVED AS TO FUNDS:



VICTORIA A. SANTIAGO, Director
Office of Accounting
Date 11/14/13

Prepared by:
Haul Wong, HTP.
(310) 648-5919

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
December 22, 2010

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California
AND REFERRED TO THE MAYOR
DEC 22 2010


Executive Officer

CD: 11

AUTHORITY TO AWARD AND EXECUTE A PERSONAL SERVICES CONTRACT WITH
BALLARD DIVING & SALVAGE INC., FOR HYPERION TREATMENT PLANT (HTP)
OUTFALL ANNUAL INSPECTIONS

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor and City Council with the request that the Board of Public Works (Board) be authorized to execute a Personal Services Contract with Ballard Diving & Salvage Inc. for HTP outfall annual inspections. The term of the proposed agreement shall be three (3) years, with two (2) one-year renewal options. The contract ceiling is \$425,000.
2. Upon authorization from the Mayor and City Council, the President or two members of the Board will execute the contract.
3. Return the executed contract to the Bureau of Sanitation (Bureau) for further processing. Contact Mr. Haul Wong at (310) 648-5919 for pick-up.

FISCAL IMPACT STATEMENT

The estimated cost of the contract for the Outfall Annual Inspections is not to exceed \$85,000 per year (or a total estimated cost not to exceed \$425,000 over the five (5) year term limit), and is funded through HTP Operation and Maintenance budget. There is no fiscal impact to the General Fund.

TRANSMITTALS

1. Copy of the adopted Bureau of Sanitation and Bureau of Contract Administration Joint Board Report No. 1, dated April 1, 2009, authorizing the distribution of the Request for Proposals (RFP) and negotiation of a contract(s) with the most qualified proposer(s).
2. Copy of the proposed personal services contract with Ballard Diving & Salvage Inc. for HTP Outfall Annual Inspections. Originals will be delivered to the Board Office when the Mr. Haul Wong (310) 648-5919 is notified that the contract is ready for execution.
3. Copy of the MBE/WBE/OBE Subcontractor Outreach Program waiver issued by the Mayor's Office of Economic Development on December 5, 2008.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT: NO. 1
December 22, 2010

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DISCUSSION

Background

The Bureau of Sanitation (Bureau) operates and maintains three submarine outfalls (One-Mile Outfall, Five-Mile Outfall, and Seven-Mile Outfall) in Santa Monica Bay to dispose of treated wastewater at HTP. The One-Mile Outfall is utilized for plant effluent emergency discharge when the HTP Effluent Pumping Plant experiences power outages and discharge flow exceeds the Five-Mile Outfall gravity flow capacity. The Five-Mile Outfall is currently the principal disposal means for the HTP effluent. The Seven-Mile Outfall ceased discharging digested sludge and became inactive as of November, 1987. Although not currently used, the Seven-Mile Outfall is listed in HTP's existing Los Angeles Regional Water Quality Control Board (LARWQCB) NPDES Permit Number CA01909991, and is an irreplaceable asset for the Bureau.

Annual surveys and inspections of the One-Mile and Five-Mile outfalls are required by the U.S. Environmental Protection Agency, Region IX, and the California Regional Water Quality Control Board, Los Angeles Region Permit. These inspections and surveys will assist City staff in determining the structural integrity of the outfalls, flow distribution through the outfall diffuser ports, and the impact of treated plant effluent on marine life. Inspections will also determine the need for cleaning and repair of the outfalls.

The professional diving and undersea video recording services provided by the contractor are of an expert and technical nature. The previous service contract (C-58324) with Undersea Graphic Inc. to perform Outfall Inspection expired on June 30, 2009. The Bureau desires to retain a contractor to not only provide the outfall inspection services but also to remain in compliance with USEPA and LARWQCB.

Scope of Services

The contractor shall provide professional divers and/or a remote vehicle to perform surveys and inspections of both the 1-Mile and the 5-Mile outfalls annually, and any other diving devices or services requested by the City, including surveys and inspections of the 7-Mile outfall, on an as-needed basis and in accordance with the rate schedule set forth in the contract.

After completing the inspections, the contractor shall provide final inspection reports, presentations, and video documentation of the inspections to the City of Los Angeles. The inspections and surveys of the outfalls will provide City staff a comprehensive analysis of the current condition of each outfall, including all components and sections.

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Selection of Proposal

On April 1, 2009, the Board of Public Works authorized the Bureau of Sanitation to release a Request for Proposals (RFP) to solicit proposals from qualified experienced firms to provide professional diving and undersea video recording services and conduct annual inspections of the Hyperion Treatment Plant (One-Mile, Five-Mile and Seven-Mile) outfalls (Transmittal No. 1).

In response to the advertised RFP, the City received a total of four (4) proposals from the following firms:

- 1) Ballard Diving & Salvage, Inc. of Seattle, Washington;
- 2) Haaland Diving Inc. of Santa Barbara, California;
- 3) Undersea Graphics, Inc. of Torrance, California;
- 4) Veolia Environmental Services of Neenah, Wisconsin.

RFP Evaluation Criteria

The Bureau established a selection committee to rate each proposal and candidate respectively. As set forth in the RFP, each proposal was reviewed and ranked according to the following criteria:

EVALUATION CRITERIA	
Technical Qualifications and Past Experience	45 %
Cost Control	35%
Record of Past Performance	15 %
Approach to Work	5 %
TOTAL	100%

RFP Evaluation Results

The selection panel of three (3) HTP engineering staff reviewed all proposals. Based on the following selection criteria, the four (4) contractors were ranked as follows:

BUREAU OF SANITATION
 BUREAU OF CONTRACT ADMINISTRATION
 JOINT BOARD REPORT: NO. 1
 December 22, 2010

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Selection Criteria		Firm			
		Ballard Diving & Salvage, Inc. (Washington)	Undersea Graphics Inc (Torrance)	Haaland Diving Inc. (Santa Barbara)	Veolia Environmental Services (Wisconsin)
45%	Technical Qualifications and Past Experience Proposer's background, qualification of staff, practical experience with marine video recording and diving services for public works projects, etc.	42.33%	34.33%	36.33%	39.83%
35%	Cost Control Cost estimate for annual inspections and tasks of 1-mile and 5-mile outfalls set by the RFP.	29.87%	34.33%	24.83%	8.33%
15%	Record of Past Performance Quality of work, timely completion of assigned tasks, safety record, references, etc.	13.67%	12.67%	13.33%	13.67%
5%	Approach to Work Management and coordination methodologies, and approaches to the inspections tasks.	5%	3.33%	5%	5%
Total Score Awarded		90.87%	84.66%	79.49%	66.83%

Ballard Diving & Salvage Inc. has demonstrated excellent knowledge and experience in providing the ocean diving and undersea video recording services for public works projects, and has been deemed the most qualified respondent as set forth in the RFP, as determined by the review committee. Ballard Diving & Salvage Inc. also offers a competitive service charge for the annual inspection of both 1-mile and 5-mile outfalls, which is \$67,548, less than half of Veolia's bidding price, 18% lower than the price from Haaland Diving and about the same as the offer by Undersea Graphic Inc. Therefore, Ballard Diving & Salvage Inc. received the highest total score of 90.87%, followed by Undersea Graphic Inc. (84.66%) and Haaland Diving Inc (79.49%).

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The Bureau proposes that Ballard Diving & Salvage Inc. be selected for the services required by the RFP for HTP Outfall Annual Inspection. Extensive negotiations have been conducted with Ballard Diving & Salvage Inc., and the Bureau now returns to the Board with the recommendation to award and execute the personal services contract (Transmittal No. 2) and forward it to the Mayor and City Council for approval.

Proposed Term of Agreement

The term of the proposed agreement shall be three (3) years from the date of execution with two (2) one-year renewal options.

Cost Estimate of Contract

The estimated cost of the contract is not to exceed \$85,000 per year. The total estimated cost of the five (5) year contract is not to exceed \$425,000.

MBE/WBE/OBE Subcontractor Outreach Program Requirements

This Agreement involves conducting underwater video recording and inspection of the outfalls by scuba divers and submarine vehicles. The nature of these services is highly specialized, and there are no subcontracting opportunities. Consequently, the MBE/WBE/OBE Subcontractor Outreach Program requirements were waived by the Mayor's Office of Economic Development on December 5, 2008 (Transmittal No. 3).

Notification of Intent to Contract

The required Notification of Intent to Contract was filed on May 30, 2008 with the CAO Clearinghouse.

Charter Section 1022

The Personnel Department determined on August 12, 2008 that there are no City employees that can perform the work being proposed for contracting.

Other City Requirements

Ballard Diving & Salvage Inc. will be required to comply with the following City requirements:

- Non-Discrimination/Equal Employment/Affirmative Action Program
- Child Support Obligations Ordinance
- Americans with Disabilities Act
- Slavery Disclosure Ordinance
- Municipal Lobbying Ordinance
- Non-Collusion Affidavit
- Contract History
- Los Angeles Residence Information
- Insurance Requirements
- Living Wage Ordinance/Service Contractor Worker Retention Ordinance

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT: NO. 1
December 22, 2010

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- Equal Benefits Ordinance
- Business Tax Registration Certificate

Contractor Responsibility Ordinance

The contractor, will be subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance # 173677, [Article 14, Chapter 1, Division 10, L.A.A.C.]. Failure to comply with all requirements specified in the Ordinance will render the contract subject to termination pursuant to the conditions expressed therein.

Contractor Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City personnel responsible for the quality control of this Personal Services Contract shall submit a Contractor Performance Evaluation Report to the Bureau of Contract Administration upon completion of this contract.

Contract Administration

Responsibility for the administration and management of this Contract will be with the Hyperion Treatment Division, Bureau of Sanitation.

Headquarters and Workforce Information

The headquarters of Ballard Diving & Salvage Inc. is located at 1525 NW Ballard Way, Seattle, Washington 98107, and 0% of its workforce resides in the City of Los Angeles.

City Attorney Review

The City Attorney's Office has reviewed the attached contract and approved it as to form.

Status of Financing

The overall cost ceiling for this contract is established at \$425,000 for the length of the entire five (5) year contract period. Funding for future years will be made available through the HTP Operation and Maintenance budget, Fund 760, Account 282, Dept 50, Object 304.

This 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."

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT: NO. 1
December 22, 2010

PAGE 7

Respectfully Submitted,

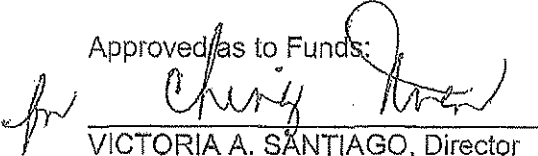

ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation

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