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Honorable Members of the Public Works and
Gang Reduction Committee
c/o Holly L. Wolcott, City Clerk
200 N. Spring Street, Room 395
Los Angeles, CA 90012

May 29, 2018

Honorable Members:

**BUREAU OF CONTRACT ADMINISTRATION – ASSESSING THE QUALITY OF
SUBCONTRACTORS PERFORMING STREET UTILITY WORK AND IMPROVING THE
QUALITY OF REPAIRS**

The Bureau of Contract Administration (BCA) submits for your consideration our response to the FUSE report (CAO 0220-05425-0000) Tier 3.5 and our recommendations to improve utility trenches in the public Right-of-Way (r-o-w).

BACKGROUND

The CAO commissioned a FUSE fellow to examine ways to improve public works service delivery, prepare and present a report. The report (CAO file 0220-05425-0000) was delivered to the Mayor, City Council and the Public Works and Gang Reduction (PWGR) committee on November 20, 2017. The PWGR committee instructed BCA (Council File 17-1311) to report back on assessing the quality of subcontractors performing street utility work and improving the quality of repairs.

The FUSE Report identified three key areas of Utility work improvements:

- Lack of Accountability when Subcontractor completes work versus Permittee
- Lack of Education on City Standards
- Lack of Quality Trench Work

The recommendation to and report back from BCA under Tier 3.5 addresses the need for process and program efficiencies on specific infrastructure programs to “improve quality trench work by supporting permittees in assessing the performance of their subcontractors, educating them on city standards, non-compliant work and timeliness of repairs as indicated on the permit.”



The City of Los Angeles Bureau of Engineering (BOE) issues in excess of 10,000 permits annually for utility installation and repair work performed in the public r-o-w. The BCA is tasked with inspecting this work to ensure compliance. This work is frequently subcontracted out to companies that don't appear to be familiar with City standards. As a consequence, substandard work quality and repairs have resulted, which can eventually compromise the integrity of the street. Moreover, it makes it difficult and time consuming to identify and track utility contractors and responsible parties for the defective roadway work.

Lack of Accountability when Subcontractor completes work versus Permittee

Since 2013, in response to the CF 11-1935, BCA has partnered with the City Attorney's Office to adopt new language in the LAMC section 62.02 to address accountability of utility subcontractors performing permit work in the public r-o-w. The proposed language will require Utility permittees to provide proof of liability insurance. An alternative approach is adopting new language to LAMC section 62.04 requiring a cash deposit for each permit. Either of these options would provide funds to correct deficient permit work. In addition permittees would be required to submit written affidavits to identify their subcontractors as designated authorized representatives performing permit work in the public r-o-w. These added components attempt to hold Utilities, who are ultimately charged with acceptable completion of permit work, responsible for that work and the work of their authorized representatives. This accountability hopes to reduce open-ended utility permits, substandard work, and resource hours spent researching responsible parties for said repair work.

When a Utility company obtains a permit to excavate in the public r-o-w, they are required to install an identification tag on the completed paving to allow identification in the event the trench requires remedial work. The FUSE report suggested a color-coded system that allows at a glance identification. BCA is exploring this approach and is also working with BOE on a geocoded system that could ultimately provide a more effective permanent trench identification system.

Lack of Education on City Standards

BCA will partner with BOE to leverage the existing Substructure Utility Committee meetings to hold bi-annual utility permit symposiums. These bi-annual symposiums will require mandatory participation by authorized representatives as a condition of the permit process. These symposiums will educate Utilities' authorized representatives on the life cycle of the utility permit process which includes requesting inspection, understanding the various city standards specific to Standard Plan S-477, and ensuring proper street restoration for improved quality utility trench work in the public r-o-w. Failure to participate in the training would result in delays to subcontractors receiving authorization to perform permit work in the City of Los Angeles' public r-o-w.



Lack of Quality Trench Work

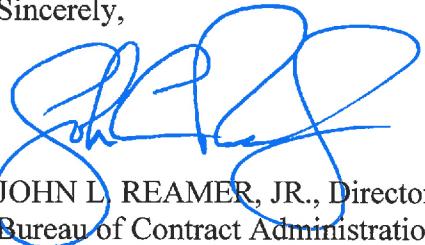
BCA will develop a Report Card System (RCS) to establish criteria to rate Utilities and their respective subcontractors on acceptable quality trench work. The RCS will be similar to the Contractor Responsibility Evaluation Reports (CPERS) currently required by the Contractor Performance Evaluation Ordinance (CPEO). Data from the RCS will be made available to the Utilities. Consistently low ratings indicating a pattern of violations may jeopardize a utility company's ability to continue working in the public r-o-w.

Situations do occur when the permittees or their contractors do not comply with the requirements of the permit. In these cases the permittee must be held accountable. In a joint report to the Board of Public Works dated May 29, 2013, the BCA and BOE recommended using section 62.61 of the LAAC "Peak Hour", ordinance to apply penalties when the permit violations are identified. BCA is also working with BOE to adopt a permit warranty inspection program. This program will inspect accepted Utility trenches before the warranty period expires and require any deficient work to be corrected.

RECOMMENDATIONS

- Modify section 62.02 of the LAMC to require liability insurance of all Utility permittees exempted by the current language or modify section 62.04 of the LAMC to require cash deposits for all permit applications.
- Require Utility companies to submit an "Authorized Representative Affidavit" as a requirement to work in the public r-o-w.
- Adopt a color-coded medallion pilot program to identify utility trench ownership.
- Create a mandatory Utility Permit symposium as a prerequisite to performing utility work in the public r-o-w.
- Implement a Report Card System (RCS) to rate utility contractors and use the data as a basis to determine future issuance of permits for work in the public r-o-w.
- Review LAAC section 62.61 to increase penalties for Utility permit violators.
- Institute a utility permit warranty inspection program.

Sincerely,



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

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20180529 street utility worker subcontractors

