

**Department of Public Works**

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

September 18, 2024  
CD No. 15

**CONTRACT AWARD TO 2H CONSTRUCTION, INC. FOR THE WARNER GRAND THEATRE  
(WORK ORDER NO. E1908215)****RECOMMENDING THE BOARD OF PUBLIC WORKS (BOARD):**

1. DECLARE 2H Construction, Inc. (2H Construction), first low bidder, to be the lowest responsive, responsible bidder, and AWARD 2H Construction a contract for the Warner Grand Theatre (Project) for \$17,997,000.00.
2. AUTHORIZE the President or two members of the Board to execute the contract after approval as to form has been obtained from the City Attorney.

**TRANSMITTAL**

Summary of bids received on April 17, 2024.

**DISCUSSION*****Background***

The Warner Grand Theatre (Theatre) was opened in 1931 by film pioneer Jack Warner and is one of three “neighborhood movie palaces” commissioned by the Warner Brothers in the Los Angeles region. It was designed by the noted architect of the day, B. Marcus Priteca, in the Art Deco-Moderne style.

The Department of Cultural Affairs (DCA) has operated the Theatre since 1996 as a multi-use facility, primarily as a rental facility to ensure that artists, producers/presenters, and audiences could access the facility.

Formerly known as the Juarez Theatre, the Warner Grand Theatre is a City of Los Angeles Historic-Cultural Monument (No. 251) and is listed in the National Register of Historic Places as No. 98001633.

The Theatre contains 1,489 seats, including 889 seats in the orchestra, 200 seats in the lower balcony and 400 seats in the upper balcony. The stage is 50ft wide and 24 feet deep, capped by a curved Steel Deck Masonite extension covering an organ/orchestra pit that is 10 feet deep, for a total stage depth of 34 feet at the center. The stage is composed of tongue and groove hardwood laid on concrete. There is a small backstage area and minimal wings (approximately 20 feet stage right and 10 feet stage left). In addition, there are two built-in concession areas and a lower floor lounge. All of the

dressings rooms are one floor below the stage and a loading access area is at street level directly east of the theatre storefronts.

Council District No. 15, DCA, and the community stakeholders in San Pedro/South Bay are supportive of making much needed renovations, and improvements to the historic Theatre to allow the facility to better serve the citizens of San Pedro and to the broader community at large. These improvements will significantly increase and maximize the venue usage through increasing rental opportunities, engaging community stakeholders, and enlisting leading performing arts organizations to return.

The Project includes general renovations and tenant improvements, including Americans with Disabilities Act (ADA) access and egress, restroom upgrade with ADA accessibility, new elevator for accessibility access, stage lift, VIP lounge with wheelchair lift, front staff office with break room, Heating Ventilation Air Conditioning, electrical, and Fire Life Safety system upgrades. It will also provide the complete renovation and restoration of various historic elements, including but not limited to: exterior façade, entry foyer, historic ceilings, walls, columns, pilasters, flooring, railings, and other historic artifacts. Improvement and expansion of concession stand at lobby area and upgrade IT network and building security systems will be included.

The contract duration is 500 calendar days.



Exhibit A - Rendering: Street Front View

The project has been reviewed for environmental considerations and was determined to be categorically exempt pursuant to the provisions of the California Environmental Quality

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Act (CEQA) of 1970 under Article III of the City's CEQA Guidelines Article 19, Section 15301 (b), Existing Facilities, and 15331, Historical Resource Restoration/Rehabilitation; as well as under City of Los Angeles CEQA Guidelines Art, III class 1, and Cat.2.

***Bid Review***

The lowest of the two bids received (Transmittal) compared with the City Engineer's estimate of \$16,610,000.00 is:

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      LGBTBE = Lesbian, Gay, Bisexual, Transgender  
Business Enterprise

Bid No.	Contractor Name	Bid Amount	% High/Low	% Pledged			
				MBE	WBE	SBE	LGBTBE
Low Bid	2H Construction (OBE; LBE)	\$17,997,000.00	8.35% High	1.64%	0.00%	6.50%	0.00%
				EBE	DVBE	OBE	
				4.87%	1.09%	32.98%	

2H Construction submitted page 1-4 (the "Signature Sheet and Affidavit") signed by its President and Secretary; however, the signed page 1-4 was missing the required corresponding notarization. BOE staff contacted 2H Construction regarding this issue, and 2H Construction has since provided the notary sheets for President and Secretary.

The BOE staff recommends that this clerical error be treated as a waivable defect, as an inconsequential or minor deviation, and that this error not affect the award eligibility/responsiveness. The BOE thus recommends that the Board waive this irregularity and deem 2H Construction's bid to be valid, subject to verification of all other bidding requirements.

The Deputy City Attorney, Ms. Adena Hopenstand, has concurred with the recommendations contained in this report.

***Local Business Preference (LBP) Program***

Los Angeles Administrative Code Division 10, Chapter 1, Article 4, Section 10.25 adopted the LBP Program which was designed to increase local employment and expenditures in

the local private sector. At the time this project was advertised, businesses that qualified as a Local Business Enterprise (LBE) may be granted an eight percent reduction of their Bid amount solely for Bid evaluation purposes. If the LBE is also a Local Small Business (LSB) and/or Local Transitional Employer (LTE), they may be granted an additional two percent reduction for each of those certifications, up to a total of twelve percent. Businesses that qualify as a LBE, but neither as a LSB and/or a LTE, may be granted a one percent reduction, up to a maximum of two percent for each of those certifications, for every ten percent of their bid that is to be performed by a LSB and/or a LTE subcontractor. Additionally, all non-LBE Businesses may be granted a one percent reduction, up to a maximum of five percent, of their Bid amount solely for Bid evaluation purposes, for every ten percent of their bid that is to be performed by a LBE, LSB, and/or a LTE subcontractor.

For this project at the time of bid review, the Bureau of Contract Administration (BCA) verified that the first low bidder, 2H Construction, and the second low bidder, Nationwide Construction, were not certified LBEs. However, BCA verified that 2H Construction became LBE-certified on June 21, 2024. This did not change the order of bids, and it did not affect the recommendation for award.

***Business Inclusion Program (BIP)***

On January 12, 2011, the Mayor issued Executive Directive No. 14 which created the BIP. This program provides MBE, WBE, SBE, EBE, DVBE, and OBE firms an equal opportunity to compete for and participate in City contracts. Additionally, the BIP requires bidders to perform and document BIP Outreach via the internet utilizing the Los Angeles Regional Alliance Marketplace for Procurement (RAMP) service.

This Project was advertised with anticipated participation levels of 10.00 percent MBE, 4.00 percent WBE, 25.00 percent SBE, 8.00 percent EBE, and 3.00 percent DVBE, and with mandatory BIP documentation requirements. Currently, the LGBTBE certification is not required as part of the BIP Outreach but is tracked for statistical purposes. The Office of Contract Compliance, based on a review of the documents submitted by 2H Construction, reported that the contractor pledged participation levels of 1.64 percent MBE, 0 percent WBE, 6.50 percent SBE, 4.87 percent EBE, 1.09 percent DVBE, 0 percent LGBTBE, and 32.98 percent OBE, and complied with the BIP outreach requirements of the bid. The Mandatory Subcontracting Minimum requirement for this project is 25.00 percent and the contractor has complied by pledging a subcontractor participation level of 39.95 percent. This percentage was calculated after subtracting the fixed cost items of \$210,000.00 from the total bid amount.

2H Construction pledged the following subcontractor utilization:

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

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Subcontractors	MBE/WBE/ SBE/EBE/ DVBE/OBE/ LGBTBE	Gender/ Ethnicity	% of Bid	Dollar Amount
Rainbow Glazing	MBE/SBE	M/APA	1.64%	\$ 294,500.00
J.G. Concrete, Inc.	SBE/EBE		1.39%	\$ 250,500.00
J. Colavin & Son, Inc.	SBE/EBE		1.76%	\$ 317,600.00
Elite Foodservice Development LLC	SBE/EBE		0.61%	\$ 110,555.00
Choice Builder Solutions, LLC	SBE/EBE/ DVBE		1.09%	\$ 197,000.00
Kone, Inc. <sup>1</sup>	OBE		1.43%	\$ 257,796.00
Janus Corp.	OBE		3.20%	\$ 576,676.00
Caston, Inc.	OBE		2.92%	\$ 525,585.00
H.L. Moe Co., Inc.	OBE		5.99%	\$1,077,996.00
PPC Air Conditioning	OBE		7.88%	\$1,418,115.00
HIC Electric	OBE		10.81%	\$1,945,000.00
AV COM Systems DBA Callide	OBE		0.75%	\$ 134,079.00

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.

<sup>1</sup>Certified LBE

### ***Compliance with the City's Non-Discrimination Policies***

2H Construction shall 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 Applications Ordinance, Living Wage Ordinance, Worker Retention Ordinance, First Source Hiring Ordinance, Slavery Disclosure Ordinance, and Disclosure of Border Wall Contracting Ordinance requirements of the bid.

### ***First Time Bidder***

2H Construction has no record of having worked on any previous 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 July 3, 2024.

### ***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 (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 of Los Angeles 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.

***Bid Bond Extension***

2H Construction was requested to extend their Bid Bond which expired on July 16, 2024. 2H Construction has agreed to extend their Bid Bond until October 11, 2024.

***Conclusion***

In view of the above findings, staff recommends that the Board declare 2H Construction, first low bidder, to be the lowest responsive, responsible bidder, and award 2H Construction the contract for this project.

**STATUS OF FUNDING**

The funding for the project originates from the General Fund and Municipal Corporation of Los Angeles (MICLA), as noted in the funding table below.

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 subject to the conditions described above:

<b>Fund No.*</b>	<b>Appropriation Unit No.</b>	<b>Budget Fiscal Year</b>	<b>Contract</b>	<b>Contingency</b>	<b>Total</b>
298/50*	50RTGT	2019	\$ 780,226		\$ 780,226
298/50*	50RTWG	2019	\$ 3,697,054		\$ 3,697,054
298/50*	50YTWG	2024	\$12,500,000		\$12,500,000
298/50*	50ATBD	2025	\$ 1,019,720	\$1,819,700	\$ 2,839,420
<b>Total</b>			<b>\$17,997,000</b>	<b>\$1,819,700</b>	<b>\$19,816,700</b>

\* MICLA Funds

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( SF AV RMK DW )

Report reviewed by:

BOE (ADM and ARC)

Report prepared by:

Project Award and Control Division

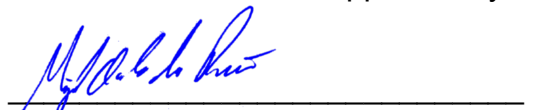
Arsen Voskerchyan, PE  
Division Engineer  
Phone No. (213) 485-4516

Compliance review performed  
and approved by:

  
Lynda McGlinchey (Aug 27, 2024 16:53 PDT)

Lynda McGlinchey, Program Manager II  
Office of Contract Compliance  
Bureau of Contract Administration

Statement as to funds approved by:

  
Miguel De La Peña, Director  
Office of Accounting  
Fund Ref. 298/50RTGT/\$780,226  
298/50RTWG/\$3,697,054  
298/50YTWG/\$12,500,000  
298/50ATBD/\$2,839,420

Date: 8/28/2024

AV/MY/08-2024-0118\_PAC.gva

Questions regarding this  
report may be referred to:  
Marcus Yee  
Phone No. (213) 485-4384  
E-mail: marcus.yee@lacity.org

Respectfully submitted,

  
ENGINEERING  
Professional signed by Ted Allen  
Date: 2024 10 4 10:45 AM

Ted Allen, PE  
City Engineer  
Bureau of Engineering



John L. Reamer, Jr.  
Inspector of Public Works  
Bureau of Contract Administration

# Bid Results

City of Los Angeles - Department of Public Works - Bureau of Engineering

## Warner Grand Theatre

W.O. Number E1908215

Bid Date: April 17, 2024

Council District: 15

Bids Received: 2



SUMMARY			
<u>COMPANY</u>		<u>BID AMOUNT</u>	<u>PERCENTAGE</u>
<b>CITY ENGINEER'S ESTIMATE</b>			
1 2H Construction, Inc.	\$	16,610,000.00	
	\$	17,997,000.00	8.35%
2 Nationwide Contracting Services, Inc. DBA Nationwide General Construction Services	\$	19,967,500.00	20.21%
<b>AVERAGE (MEAN)</b>	<b>\$</b>	<b>18,982,250.00</b>	<b>14.28%</b>
<b>MEDIAN</b>	<b>\$</b>	<b>18,982,250.00</b>	<b>HIGH</b>