

**DEPARTMENT OF PUBLIC WORKS
BUREAU OF STREET LIGHTING
BUREAU OF CONTRACT ADMINISTRATION**

JOINT REPORT NO. 1

OCTOBER 14, 2022

C.D. 4, 5, 7, 14

Honorable Board of Public Works
of the City of Los Angeles

**CONTRACT AWARD – STREET LIGHTING CONDUIT ONLY PROJECT UNIT 11 HIGH
VOLTAGE CONVERSION FY 2021-22 W.O. L2249457**

RECOMMENDATIONS:

1. Declare Servitek Electric Inc. (Servitek), the first low bidder, to be the lowest responsive, responsible bidder, and award them a contract for this project for \$1,577,100.00
2. Forward a copy of this report to the affected Council District Offices.
3. Authorize the President or two Board of Public Works members to execute the contract for this project upon approval of all required documents by the City Attorney.

TRANSMITTAL:

Summary of Bids received on July 13, 2022.

DISCUSSION:

The project will install new street lighting conduit and pullboxes to facilitate future conversion of the existing high voltage street lighting system to low voltage by City crews. The project includes installation of conduit and pullboxes in the vicinity of South Central, Greater Wilshire/Hancock Park, Sherman Oaks, Hansen Hills, Hollywood Hills and Los Feliz.

Financing for this project is by the Municipal Improvement Corporation of Los Angeles (MICLA).

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BID REVIEW:

The lowest of the two bids received (Transmittal No. 1), compared with the Bureau of Street Lighting Estimate of \$1,697,000.00 is:

Business Inclusion Program Outreach Codes:

MBE = Minority Business Enterprise
WBE = Women Business Enterprise
SBE = Small Business Enterprise
LBE = Local Business Enterprise

EBE = Emerging Business Enterprise
DVBE = Disabled Veteran Business Enterprise
OBE = Other Business Enterprise
LGBTBE = Lesbian, Gay, Bisexual, Transgender
Business Enterprise

				(%) Pledged						
<u>Bid No.</u>	<u>Contractor Name</u>	<u>Bid Amount</u>	<u>(%) High/Low</u>	<u>MBE</u>	<u>WBE</u>	<u>SBE</u>	<u>EBE</u>	<u>DVBE</u>	<u>LGBT BE*</u>	<u>OBE</u>
Low Bid	Servitek (MBE, SBE, EBE, DVBE, LBE, LSB)	\$1,577,100.00	7.07% Low	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	12.68%

* Currently, this certification is not required as part of the BIP Outreach but is tracked for statistical tracking purposes.

An evaluation of the bids indicates that the bids are reasonable and the unit prices submitted by the bidders are reasonably balanced. The contract may be awarded to **Servitek**, the first low bidder, subject to verification of all other bidding requirements.

LOCAL BUSINESS PREFERENCE PROGRAM

Los Angeles Administrative Code Division 10, Chapter 1, Article 4, Section 10.25 adopted the Local Business Preference (LBP) Program which was designed to increase local employment and expenditures in the local private sector. Businesses that qualify 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, Staff verified that the first low bidder, Servitek, is a certified LBE & LSB and that the LBP Program did not affect their status as the first low bidder.

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BUSINESS INCLUSION PROGRAM (BIP)

On January 12, 2011, the Mayor issued Executive Directive No. 14 (ED14) which created the Business Inclusion Program (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 a BIP Outreach via the internet utilizing the Regional Alliance Marketplace for Procurement (RAMP) system.

This project was advertised with anticipated participation levels of 2.00 percent MBE, 2.00 percent WBE, 25.00 percent SBE, 8.00 percent EBE, 3.00 percent DVBE, and with mandatory BIP documentation requirements. The project was also advertised with the Board's Mandatory Subcontracting Minimum (MSM) requirement of 4.00 percent. Currently, the LGBTBE certification is not required as part of the BIP Outreach but is tracked for statistical purposes. Servitek pledged participation levels of 0 percent MBE, 0 percent WBE, 0 percent SBE, 0 percent EBE, 0 percent DVBE, 0 percent LGBTBE, 12.68 percent OBE, and 12.68 percent MSM. Servitek passed their BIP evaluation, which was conducted utilizing the RAMP system.

Servitek 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

Subcontractors	Cert Type	Gender/ Ethnicity	% of Bid	Dollar(\$) Amount
OneSource Distributors*	OBE	---	7.61%	\$120,000.00
LA Boring & Electrical, Inc.	OBE	---	5.07%	\$80,000.00

*: This firm is a supplier; therefore, its bid-listed amount of \$200,000.00 was credited at 60 percent.

COMPLIANCE WITH THE CITY'S NON-DISCRIMINATION POLICIES

Servitek has complied with the Non-Discrimination/Equal Employment Practices and Affirmative Action Program, Equal Benefits Ordinance, Worker Retention Ordinance, Living Wage Ordinance, Contractors' Use of Criminal History for Consideration of Employment Applications, Slavery Disclosure Ordinances, and Disclosure of Border Wall Contracting Ordinance requirements of the bid.

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PREVIOUS WORK RECORD

Servitek Electric, Inc. (Servitek) has worked on numerous contracts issued by the Board of Public Works. No significant or unresolved problems in inspection, contract compliance, or bidder responsibility have been experienced by the Bureau of Contract Administration.

The following table summarizes the previous Minority Business Enterprise (MBE)/ Women Business Enterprise (WBE)/ Small Business Enterprise (SBE)/ Emerging Business Enterprise (EBE)/ Disabled Veteran Business Enterprise (DVBE)/ Other Business Enterprise (OBE) participation levels pledged by Servitek in the past five years under the BIP:

MBE/WBE/SBE/EBE/DVBE/OBE Pledged Utilization Table					
No. of Contracts	2	Total \$ Amount of Contracts			\$2,152,798.00
Pledged MBE \$ Amount	Pledged WBE \$ Amount	Pledged SBE \$ Amount	Pledged EBE \$ Amount	Pledged DVBE \$ Amount	Pledged OBE \$ Amount
\$462,588.00	\$0	\$82,370	\$0	\$0	\$80,000.00
Total MBE %	Total WBE %	Total SBE %	Total EBE %	Total DVBE %	Total OBE %
21.49%	0%	3.80%	0%	0%	3.70%

PEAK HOUR CONSTRUCTION AND RIGHT-OF-WAY OBSTRUCTION REGULATIONS

All contractors are to comply with the requirements specified in the Los Angeles Municipal code (L.A.M.C.) 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, 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.

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 # 173677, [Article 14, Chapter 1, Division 10, L.A.A.C.]. Failure to comply with all requirements specified in the Ordinance will render the bidder's contract subject to termination pursuant to the conditions expressed therein.

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CONCLUSION

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

STATUS OF FINANCING

The City will pay the Contractor a total amount not to exceed \$1,971,300.00 for the complete and satisfactory performance of the Contract. The City is not obligated to pay Contractor any sum beyond what has been appropriated unless and until additional funds have been appropriated by City Council. The Contractor is not obligated to perform any work for which funds have not been appropriated.

The following funding has been verified and approved by the Director of the Office of Accounting:

<u>Fund</u>	<u>Contract</u>	<u>Contingencies</u>	<u>Total</u>
MICLA 2019 St Lighting Financing Construction Fund Fund 27J, Dept. 50, Acct No. 50TLAA High Voltage Conversion Program	\$1,577,100.00	\$394,200.00	\$1,971,300.00
TOTAL ----->	\$1,577,100.00	\$394,200.00	\$1,971,300.00

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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". This clause is part of the General Conditions that were reviewed by City Attorney. It provides the legal protection for the City in the possible situation that subsequent funds would not be made available for the remaining contract work.

The project is categorically exempt from the provisions of the California Environmental Quality Act of 1970 in accordance with Article III, Section I, (10) Class 2 (Cat.3) of the "City of Los Angeles Guidelines for the Implementation of the CEQA of 1970". A "Notice of Exemption" has been filed with the County Clerk's Office.

This project has been reviewed with the affected Council District Offices.

This project will not result in an increase to existing Street Lighting Maintenance Assessments, and therefore, a Proposition 218 ballot proceeding is not required.

If you have any questions, please contact the Project Engineer, Lawrence Almassod, at (213) 847-1815; lawrence.almassod@lacity.org.

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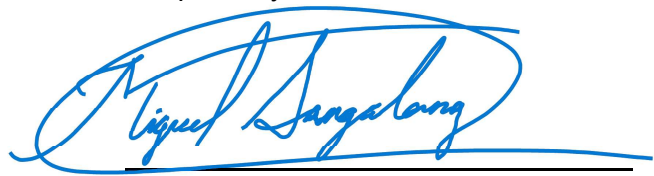
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Report prepared by:

Janet Kwan, Program Manager I
HIGH VOLTAGE PROJECTS DIVISION, and
INFRASTRUCTURE IMPROVEMENT &
SPECIFICATIONS DIVISION
213-847-1579

Respectfully submitted,



Miguel Sangalang, Director
Bureau of Street Lighting

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:



Lynda McGlinchey (Sep 28, 2022 17:02 PDT)

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



John L. Reamer, Jr.
Inspector of Public Works

**STATEMENT AS TO FUNDS AND ACCOUNTING
INSTRUCTIONS APPROVED BY:**



Miguel De La Pena, Director
Office of Accounting
Fund 27J, Dept. 50, Appr Acct 50TLAA \$1,971,300.00
Date: 10/04/2022

ESTIMATE: \$1,697,000.00

JULY 14, 2022

THE FOLLOWING-NAMED SUBMITTED BIDS FOR THE: STREET LIGHTING CONDUIT ONLY UNIT 11 HIGH
VOLTAGE CONVERSION FY 21-22

WORK ORDER: L224957

(2 BIDS)

KDC, INC	\$2,741,040.00
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SERVITEK	\$1,577,100.00
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