

(4)

BPW-2025-0303

## CONSTRUCTION BUDGET – MNR CONSTRUCTION, INC.

Recommending the Board:

1. AUTHORIZE a construction budget of \$636,500, including contingency for the Super Expedited Wastewater Emergency Rehabilitation for Sewers Program - Vanowen Street Project; and
2. AUTHORIZE the City Engineer to issue construction orders and change orders up to the authorized construction budget for this Project.

(W.O.: SWC07228, C-140016)

Department of Public Works

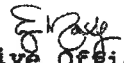
Bureau of Engineering  
Report No. 4

May 19, 2025

CD No. 2

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

MAY 19 2025

  
Executive Officer  
Board of Public Works

**APPROVE CONSTRUCTION BUDGET AND ISSUE CONSTRUCTION ORDERS AND CHANGE ORDERS TO MNR CONSTRUCTION, INC. FOR THE SUPEREXPEDITED WASTEWATER EMERGENCY REHABILITATION FOR SEWERS PROGRAM - VANOWEN STREET (11000) PROJECT, (WORK ORDER NO. SWC07228, CONTRACT NO. C-140016)**

**RECOMMENDING THE BOARD OF PUBLIC WORKS (BOARD):**

1. AUTHORIZE a construction budget of \$636,500 including contingency for the Super Expedited Wastewater Emergency Rehabilitation for Sewers Program (SEWERS) - Vanowen Street (11000) Project (Project).
2. AUTHORIZE the City Engineer to issue construction orders and change orders up to the authorized construction budget for this Project.

**TRANSMITTALS**

1. Copy of the Bureau of Engineering and the Bureau of Contract Administration (BCA) Joint Report No. 1, adopted on February 25, 2022, approving the selection of the three qualified contractors for the seventh round of the SEWERS contract.
2. Copy of Project's Schedule of Work and Prices.

**DISCUSSION**

***Background***

On February 25, 2022, the Board awarded three identical SEWERS contracts to Matthew and Stewart Company, Inc. (MASCO), MNR Construction, Inc. (MNR), and Tomovich & Associates (Tomovich), as the qualified, lowest bid price contractors to establish the seventh round of the SEWERS Pre-Qualified Contractors List with a not-to-exceed cost ceiling of \$45 million and a contract duration of five years (Transmittal No.1). These contracts were attested by the City Clerk on March 23, 2022.

The intent of the SEWERS contract is for the expedited repair of sewers as identified by the LA Sanitation & Environment (LASAN) during its ongoing sewer assessment and maintenance program. Expedited repair of damaged sewer facilities is necessary to provide uninterrupted service, reduce the potential for sewer spills, protect public and private property, and ensure public health and safety. The SEWERS Program is in the seventh contract developed since the program's inception in 2003 and is a unit price

contract, which is an alternative to the time and material payment method normally used with the emergency on-call contracts.

Work is issued to each of the three SEWERS contractors through a series of construction orders. For each construction order, the City Engineer typically selects the contractor with the lowest cost based on the estimated quantity take-off. The City Engineer has the authority to issue each construction order for a total cost of up to \$150,000. Each construction order issued as part of the SEWERS Program requires final inspection and final field acceptance by a BCA inspector.

### Vanowen Street (11000) Project

Work Request No. 230229 was initiated by LASAN on February 2, 2023. The request identified issues in a sewer reach located in the 11000 block of Vanowen Street, specifically at the downstream maintenance hole channel of the 10-inch vitrified clay pipe (VCP) with pipe ID (4270215242702009A). Based on the closed-circuit television inspection, the downstream maintenance hole channel base was severely corroded. This reach spilled on October 14, 2021, due to grease accumulation.

This project is located at the intersection of Vanowen Street and Vineland Avenue, at the downstream maintenance hole (427-02-009) of three sewer reaches (Figure No. 1). Reach 1 is 47 feet long, 13-14 feet deep, with 10-inch VCP. Reach 2 spans 450 feet, 14-16 feet deep, with 24-inch VCP. Reach 3 is 354 feet long, 11-14 feet deep, with 8-inch VCP.



Figure No. 1 - Project Location, Scope of Work and Aerial Map

The proposed project will remodel the downstream maintenance hole channel base. A Request for Proposal was required due to the significant flows from the 8-, 10-, and 24-inch reaches, as the fixed-price bid items do not cover flows exceeding 3,500 gallons per

May 12, 2025

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minute. The project was placed on hold by LASAN on May 25, 2024, due to funding constraints, but was reinstated on December 10, 2024. It has since been undergoing oversight committee approval, which was granted on March 6, 2025.

There are also various existing utility lines running parallel and perpendicular to the sewer line including Pacific Telephone and Telegraph Company lines, Los Angeles Department of Water and Power, SoCal Gas, and the Southern California Telephone Company.

The Project's Schedule of Work and Prices estimate includes fixed and non-fixed price bid items with calculated quantities. Based on the Schedule and cost proposals received for non-fixed price bid items on September 22, 2023, MASCO was the lowest bidder at \$500,150, followed by MNR at \$530,398, and Tomovich at \$678,878 (Transmittal No. 2). However, MASCO requested to be placed inactive due to company closure, making MNR the lowest qualified bidder. With a contingency of \$106,102, the total requested construction budget is \$636,500 including contingency, exceeding the City Engineer's construction order authority of \$150,000.

Therefore, it is requested to approve a construction budget of \$636,500 and to authorize the City Engineer to issue revised construction orders and change orders up to the authorized construction budget for this Project.

#### **STATUS OF FUNDING**

There is no impact on the General Fund. The total funding for this project is not-to-exceed \$636,500. Funding in the amount of \$636,500 is available in the Sewer Operations and Maintenance Fund, Fund No. 760, Appropriation Unit No. 50AP82.

Future funds and appropriations are not yet identified, and existing appropriations may change based on available cash balances. Therefore, funds and appropriations will be determined by the Director of LASAN.

Funding as of the date of this board report has been verified and approved by the Director of the Office of Accounting, subject to terms and conditions and cash availability described above.

The City of Los Angeles' (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.

Report No. 4

Page 4

( RMT VCA AM )

Report reviewed by:

BOE (ADM) and BOS (FMD)

Report prepared by:

Wastewater Conveyance  
Construction Division

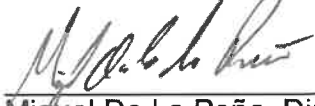
Ryan M. Toles, PE  
Division Engineer  
Phone No.: (213) 485-1481

Respectfully submitted,



For Ted Allen, PE  
City Engineer

Statement as to Funds Approved by:



Miguel De La Peña, Director  
Office of Accounting  
Fund Ref. 760/50/50AP82/\$636,500  
Date: 4/25/2025

RMT/CV/03-2025-0035\_WCC.gva

Questions regarding this report  
may be referred to:  
Carla Vallejo, Construction Manager  
Phone No. (213) 485-1365  
Email: carla.vallejo@lacity.org


Department of Public Works

Bureau of Engineering  
Bureau of Contract Administration  
Joint Report No. 1

February 25, 2022  
CD Nos. All

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

FEB 25 2022

  
Executive Officer  
Board of Public Works

**REQUEST TO APPROVE THE SELECTION OF THREE QUALIFIED CONTRACTORS FOR THE SUPER EXPEDITED WASTEWATER EMERGENCY REHABILITATION FOR SEWERS CONTRACT SERIAL NO. 7 - WORK ORDER NO. SZC13955**

**RECOMMENDING THE BOARD OF PUBLIC WORKS (BOARD):**

1. APPROVE Matthew and Stewart Company, Inc., MNR Construction, Inc., and Tomovich & Associates, as the respective qualified, lowest bid price contractors to provide sewer repairs of urgent necessity under the Super Expedited Wastewater Emergency Rehabilitation for Sewers Contract Serial No. 7 (SEWERS7) contract for a not-to-exceed cost ceiling of \$45 million with a duration of five years.
2. AUTHORIZE the President or two members of the Board to execute signed contracts received from the three approved contractors and forward the three contracts to the City Clerk for attestation.

**TRANSMITTALS**

1. Copy of the Bureaus of Engineering (BOE) and Contract Administration (BCA) Joint Report No. 1, adopted on August 25, 2021, authorizing the City Engineer to advertise and issue the SEWERS7 Request for Qualifications (RFQ).
2. Copy of the Statement of Qualifications (SOQ) Review Summary.
3. Copy of the draft contract to be transmitted to each of the qualified contractors approved by the Board.

**DISCUSSION**

***Background***

The LA Sanitation and Environment (LASAN) is responsible for the operation and maintenance of the City of Los Angeles (City) sewer system. Although LASAN typically performs preventive maintenance and repairs to the City's sewer system, many repairs of urgent necessity are beyond the capacity of LASAN maintenance forces due to the extent and complexity of the work required. It is essential to maintain the sewer system in operational condition through expedient repairs to protect public health and safety. The SEWERS program has allowed for making timely and cost-effective repairs to keep the wastewater collection system operational since its inception in 2003. The SEWERS7 contract is the seventh contract to be developed under the SEWERS program.

This is a unit price contract which is intended for the repair of existing sewer lines by removal, replacement, and rehabilitation by trenchless methods. It is intended that this contract will be used for expedited repair of sewers as identified by the LASAN during the ongoing sewer assessment and maintenance program. This contract is an alternative to the time and material payment method normally used with emergency on-call contracts. The contractors submit unit prices for each component of the expected work as outlined in the Contractors' Documents from the RFQ/SOQ Package and will be paid accordingly. Work will be issued to each of the three SEWERS7 contractors through a series of construction orders.

For each construction order, the City Engineer will select the contractor with the lowest quantity take-off (QTO) estimate. For a given construction order scope of work, the City Engineer inputs a list of applicable bid items and respective bid item quantities into the BOE's QTO estimating program. The program generates a QTO estimate for each contractor, as well as a price comparison summary for purposes of selecting the contractor with the lowest QTO estimate.

Each SEWERS7 contractor will generally be assigned up to six active construction orders at any given time. If the lowest-priced contractor is actively mobilized to six projects at a given time, new construction orders may be assigned to the contractor with the subsequent-lowest estimated price.

Each construction order will require final inspection and final field acceptance by the BCA Inspector. Upon completion of the SEWERS7 contract duration, the contract will be presented to the Board for acceptance. The BOE will monitor and manage this contract. The not-to-exceed contract ceiling for this contract is \$45,000,000 with a duration of five years.

#### ***RFQ***

On August 25, 2021 the Board authorized the City Engineer to advertise a RFQ to establish a SEWERS7 Contractors List (SEWERS7 List) (Transmittal No. 1). The RFQ was advertised on the Los Angeles Business Assistance Virtual Network (LABAVN) on September 1, 2021. A mandatory virtual pre-submittal meeting was held on September 14, 2021, with advance notification via LABAVN. Fourteen contractors attended the pre-submittal meeting. All contractors that submitted SOQ attended the pre-submittal meeting. The SOQ packages were required to be submitted to the BOE by November 3, 2021, at 2:00 p.m. SOQ packages were received by the required date and time from the following four contractors listed below in alphabetical order:

1. Grbcon, Inc.
2. Matthew and Stewart Company, Inc.
3. MNR Construction, Inc.
4. Tomovich & Associates

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### ***SOQ Review***

The SOQ review was performed by an evaluation team consisting of members from both the BOE and the BCA. Each team member independently scored the contractor submittals in accordance with the selection criteria set forth in the RFQ. The submitted packages were evaluated for completeness and compliance with the mandatory submittal requirements such as: appropriate State contractor licenses, bonding and insurance capacity, experience with sewer and storm drain construction, contracting experience with the City, compliance with City standards, etc. All qualifying SOQ packages were then *ranked based on their lowest (after applying the Local Business Preference) total bid amount* as determined by the SOQ's Bid Evaluation Workbook (BEW).

Four of the four SOQ packages qualified and met the submittal requirements. The top three contractors are ranked below based on their total bid price as determined by the SOQ's BEW:

<b>Table 1: SOQ and Bid Evaluation Summary</b>		
<b>Bid No.</b>	<b>Contractor Name</b>	<b>Bid Amount</b>
Lowest Bid	Matthew and Stewart Company, Inc.	\$155,116,091.05
2nd Lowest Bid	MNR Construction, Inc.	\$160,089,460.23
3rd Lowest Bid	Tomovich & Associates	\$165,467,784.49

All of the above contractors submitted a complete SOQ package indicating their technical qualifications and ability to perform urgent necessity repairs of the City's wastewater collection system.

MNR Construction, Inc., second low bidder, listed their Pay Factors and Total Bid Amount incorrectly. The BOE staff corrected MNR Construction, Inc.'s Pay Factors and Total Bid Amount in accordance with the procedures set forth in the City's standard bidding procedures. MNR Construction, Inc. was contacted and notified of the correction. The correction changed MNR Construction, Inc. from the first low bidder to the second low bidder and Matthew and Stewart Company, Inc. from the second low bidder to first low bidder. The correction did not change the ranking of Tomovich & Associates as the third low bidder in Table 1.

Work references provided by the contractors were contacted and verified. The SOQ Review Summary reflects in detail the evaluation and ranking of the contractor's SOQ by the BOE and the BCA (Transmittal No. 2).

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

On August 25, 2021, the Board waived the BIP Outreach Requirement as the emergency nature of the work does not lend itself to subcontracting (Transmittal No. 1).



The SEWERS7 Contractors are encouraged to solicit Minority Business Enterprise (MBE), Woman Business Enterprise (WBE), Small Business Enterprise (SBE), Emerging Business Enterprise (EBE), Disabled Veteran Business Enterprise (DVBE), and Other Business Enterprise (OBE) sub-bids whenever subcontracting opportunities and time permits.

The contracts shall require the BCA to approve and monitor subcontractor usage on urgent necessity sewer projects and the contractors will be required to submit a Final Subcontracting Report within 15 days of issuance of the Statement of Completion of each project. Failure to make timely and complete payments to all subcontractors will result in a penalty of no more than 10 percent of the final subcontract amount and possible sanctions, including removal from the SEWERS7 List.

***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. Businesses that qualified as a Local Business Enterprise (LBE) were granted an 8 percent reduction of their bid amount solely for bid evaluation purposes.

The preference allowed by the Ordinance for the utilization of LBE subcontractors was not applied to the SEWERS 7 evaluation process because actual subcontractor utilization could not be pledged until after the contracts are executed and construction orders are assigned for specific work.

For this SEWERS7 List, staff has verified that all three firms are certified LBEs.

***Contractor Performance Evaluation***

In accordance with Article 13, Chapter 1, Division 10 of the City 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 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 the bidder's contract subject to termination pursuant to the conditions expressed therein.

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

All three contractors have complied with the Affirmative Action, Non-Discrimination, and Equal Employment Practices Provisions, Equal Benefits Ordinance, First Source Hiring Ordinance, Contractors' Use of Criminal History for Consideration of Employment Applications Ordinance, Living Wage Ordinance, Worker Retention Ordinance, Slavery Disclosure Ordinance, and Disclosure of Border Wall Contracting Ordinance requirements.

***City Attorney Approval***

Mr. Edward Jordan of the City Attorney's office has reviewed and approved the draft contracts as to form (Transmittal No. 3).

***Program Review Committee (PRC) Approval***

The PRC approved a not-to-exceed cost ceiling of \$45,000,000 for these contracts at the meeting held on October 14, 2020.

***Conclusion***

It is therefore recommended that Matthew and Stewart Company, Inc., MNR Construction, Inc., and Tomovich & Associates, be offered a five-year contract for signature and return to the City Engineer, and that the President or two members of the Board be authorized to execute the three contracts. The new five-year contracts will take effect on the date that the contracts are fully executed and will expire five years from that date.

***STATUS OF FUNDING***

There is no impact to the General Fund. The total funding for this contract is not-to- exceed \$45,000,000. Funding for Fiscal Year 2021-22 in the amount of \$2,600,000 is available in the Sewer Capital Fund, Fund No. 761, Appropriation Unit No. 50TA93 and funding in the amount of \$1,400,000 is available in the Sewer Operations and Maintenance Fund, Fund No. 760, Appropriation Unit No. 50VP82. The remaining funds will be budgeted within the Sewer Construction and Maintenance Fund in future years.

However, funds and appropriations for future fiscal years are not yet identified and existing appropriations may change based on available cash balances. Therefore, funds and appropriations, once identified by the Director of LASAN or his/her designee, will be reviewed and certified by the Director of the Office of Accounting or his/her designee, as to the status and availability of funding.

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 to the extent of such appropriation, subject to the terms and conditions of the contract.

Joint Report No. 1

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( RMT GV RMK AM )

Report reviewed by:

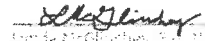
BOE (ADM and PAC)

Report prepared by:


Wastewater Conveyance  
Construction Division

Ryan M. Toles, PE  
Division Engineer  
Phone No. (213) 485-1481

Compliance review performed  
and approved by:

  
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. 761/50TA93/\$2,600,000  
760/50VP82/\$1,400,000

Date: 2/14/2022

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Questions regarding this  
report may be referred to:  
David Ventura, Project Manager  
Phone No. (213) 485-1429  
E-mail. david.ventura@lacity.org

Respectfully submitted,



Gary Lee Moore, PE, ENV SP  
City Engineer  
Bureau of Engineering



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

City of Los Angeles • Bureau of Engineering  
Wastewater Conveyance Construction

## BID SUMMARY SHEET



**PROJECT TITLE:** SEWERS7 - VANOWEN STREET (11000)

**WORK ORDER NO:** SWC07228

**DEADLINE**

**DATE:** FRIDAY, SEPTEMBER 22, 2023

**TIME:** 3:00 PM

CONTRACTOR		TOTAL BID AMOUNT
1	MATTHEW & STEWART CO., INC.	\$500,150.00
2	MNR CONSTRUCTION INC.	\$530,398.00
3	TOMOVICH & ASSOCIATES	\$678,878.00

**LOWEST BID**

**CONTRACTOR:** MATTHEW & STEWART CO., INC.

**BID AMOUNT:** \$500,150.00

**SUPER EXPEDITED WASTEWATER EMERGENCY REHABILITATION FOR SEWERS (SEWERS7)**  
**ESTIMATED SCHEDULE OF WORK AND PRICES**

REPAIR QUANTITIES MAY CHANGE BASED ON ACTUAL FIELD CONDITIONS

**TITLE:** SEWERS7 - VANOWEN STREET (11000)

**CD:** 2

**WORK ORDER #:** SWC07228

**DATE PREPARED :** 9/6/2023



REPAIR CLASSIFICATION	
	FULL REACH (MHTOMH)
	SPOT REPAIR (LONG)
X	SPOT REPAIR (SHORT)
	REHAB

B.I. NO.	BID ITEM DESCRIPTION	B.I. PAY FACTOR	PAY FACTOR DESCRIPTION	UNIT	% CAP COST	% O&M COST	QTY ORIGINAL QTY	MNR Construction, Inc.	
								FACTOR	UNIT PRICE
1	MOBILIZATION AND DEMOBILIZATION			EA	0%	100%	1		\$ 6,500.00
170	REMODEL MH BASE 8-INCH THRU 24-INCH PIPE			EA	0%	100%	1		\$ 3,700.00
A	TEMPORARY BYPASS SYSTEM			LS	0%	100%	1		\$432,798.00
B	WORKSITE TRAFFIC CONTROL PLAN PREPARATION AND IMPLEMENTATION			LS	0%	100%	1		\$87,400.00
<b>TOTAL BID PRICE:</b>									<b>\$530,398.00</b>

**Ivona Peric**  
 Digitally signed by Ivona Peric  
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 email=ivona@mmrcorad.com, c=US  
 Date: 2023.09.22 14:23:07 -07'00'