

BPW-2025-0345

CONTRACT AWARD – PPC CONSTRUCTION, INC.

Recommending the Board:

1. DECLARE PPC Construction, Inc. (PPC), first low bidder, to be the lowest responsive, responsible bidder, and AWARD PPC a contract for the Affordable Housing and Sustainable Communities Round 4 Jordan Downs S3 Sustainable Transportation Infrastructure and Transportation Related Amenities Improvements (Project) for \$6,069,219.00; and
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.

(W.O.: E1908685) (CONTINUED FROM JUNE 9, 2025 AND JUNE 13, 2025)

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

June 9, 2025
CD No. 15

CONTRACT AWARD TO PPC CONSTRUCTION, INC. FOR THE AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES (AHSC) ROUND 4 JORDAN DOWNS S3 SUSTAINABLE TRANSPORTATION INFRASTRUCTURE (STI) AND TRANSPORTATION RELATED AMENITIES (TRA) IMPROVEMENTS (WORK ORDER NO. E1908685)

RECOMMENDING THE BOARD OF PUBLIC WORKS (BOARD):

1. DECLARE PPC Construction, Inc. (PPC), first low bidder, to be the lowest responsive, responsible bidder, and AWARD PPC a contract for the Affordable Housing and Sustainable Communities (AHSC) Round 4 Jordan Downs S3 Sustainable Transportation Infrastructure (STI) and Transportation Related Amenities (TRA) Improvements (Project) for \$6,069,219.00.
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.

TRANSMITTALS

1. Summary of bids received on October 30, 2024.
2. Copy of the interdepartmental correspondence, approved on February 12, 2025, from Mr. Arsen Voskerchyan, Division Engineer, Project Award and Control Division, Bureau of Engineering (BOE) to Mr. TJ Knight, Acting Executive Officer of the Board.

DISCUSSION

Background

The Project is a component of Phase 3 of the redevelopment of the Jordan Downs Public Housing Development. It is composed of a 92-unit housing development and STI/TRA improvements. The BOE will oversee the development of the STI/TRA improvements which include sidewalk/curb ramp replacements and upgrades, high-visibility crosswalks, bicycle boulevard treatments, increase in bus stop lighting, and upgrade from diesel to electric engine of a replacement LADOT DASH Transit bus. New street trees and crossing/traffic calming components are also proposed (Figure No. 1). The contract duration is 365 calendar days.



Figure No. 1: Jordan Downs S3 Development

The Project has been reviewed for environmental considerations. It was determined to be categorically exempt pursuant to the provisions of the California Environmental Quality Act (CEQA) of 1970 under Article III of the City's CEQA Guidelines.

Bid Review

The lowest of the two bids received (Transmittal No. 1) compared with the City Engineer's estimate of \$3,826,152.00 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	PPC (SBE; EBE; LBE)	\$6,069,219.00	58.62% High	0.00%	0.00%	8.65%	0.00%
				EBE	DVBE	OBE	
				1.61%	0.00%	17.37%	

Axiom Group (Axiom), second low bidder, listed their Total Bid Amount incorrectly. Staff corrected Axiom's Total Bid Amount in accordance with the procedures set forth in the General Instructions and Information for Bidders. Axiom was contacted and notified of corrections. The corrections did not change the order of the bids.

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PPC 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 PPC regarding this issue, and PPC has since provided the notary sheet for both the 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 PPC'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.

After evaluating the low bid and reviewing the unit costs, staff believe that this bid is acceptable given the tight grant deadlines the project needs to be constructed within, and the likelihood of not having additional bidders interested in this Project if it's re-advertised. The contract may be awarded to PPC subject to verification of all other bidding requirements.

Bid Withdrawal

In an interdepartmental correspondence dated November 11, 2024 and adopted by the Board on February 12, 2025 (Transmittal No. 2), the BOE acknowledged receiving Axiom's claim of clerical error in filling out their bid and recommended that Axiom be allowed to withdraw their bid with the understanding that, in accordance with the Public Contracting Code § 5103, the Board will not accept a bid from Axiom in the event the Project is re-advertised.

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. 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, the Bureau of Contract Administration (BCA) verified that the first low bidder, PPC, is a certified LBE. However, 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.

The Project was advertised with anticipated participation levels of 4.00 percent MBE, 2.00 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 (OCC), based on a review of the documents submitted by PPC, reported that the contractor pledged participation levels of 0.00 percent MBE, 0.00 percent WBE, 8.65 percent SBE, 1.61 percent EBE, 0.00 percent DVBE, 0.00 percent LGBTBE, and 17.37 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 26.75 percent. This percentage was calculated after subtracting the fixed cost items of \$165,000.00 from the total bid amount.

PPC 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	MBE/WBE/ SBE/EBE/ DVBE/OBE /LGBTBE	Gender/ Ethnicity	% of Bid	Dollar Amount
Independent Concrete Cutting, Inc.	SBE		6.82%	\$413,815.00
316 Engineering and Construction Co., Inc.	SBE, EBE		1.61%	\$ 98,000.00
V&E Tree Service, Inc. dba V&E Landscape & Maintenance	SBE		0.22%	\$ 13,200.00
MSL Electric, Inc.	OBE		15.74%	\$955,000.00
WGJ Enterprises, Inc. dba PCI	OBE		1.64%	\$ 99,420.00

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.

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Compliance with the City's Non-Discrimination Policies

PPC 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.

Previous Work Record

PPC has worked on several 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 BCA.

The following table summarizes the previous MBE/WBE/SBE/EBE/DVBE/OBE participation levels pledged by PPC in the past five years under the BIP:

MBE/WBE/SBE/EBE/DVBE/OBE Pledged Utilization Table					
No. of Contracts		4	Total \$ Amount of Contracts		\$15,555,229.00
Pledged MBE \$ Amount	Pledged WBE \$ Amount	Pledged SBE \$ Amount	Pledged EBE \$ Amount	Pledged DVBE \$ Amount	Pledged OBE \$ Amount
\$21,000.00	\$13,600.00	\$1,633,082.00	\$526,595.00	\$0.00	\$1,217,668.00
Total MBE %	Total WBE %	Total SBE %	Total EBE %	Total DVBE %	Total OBE %
0.14%	0.09%	10.50%	3.39%	0.00%	7.83%

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.

Bid Bond Extension

PPC was requested to extend their Bid Bond which expired on January 28, 2025. The contractor has agreed to extend their Bid Bond until June 20, 2025.

Conclusion

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

STATUS OF FUNDING

The Project is funded by the AHSC Grant Fund, which will be front funded by the Los Angeles Department of Transportation (LADOT) Transportation Grant Fund (TGF), as well as the Road Maintenance and Rehabilitation (SB1) Fund which has been approved in the 2025-2026 Budget.

As tabulated below, funding in the amount of \$1,877,668.89 will come from the TGF, Fund No. 655, Department No. 94, Appropriation Unit 94AT6G, and funding in the amount of \$5,101,933.12 will come from Road Maintenance and Rehabilitation (SB1) Fund which has been included in the FY 2025-2026 budget. The Fund, Department, and Appropriation Unit numbers will be identified at a later time.

The Assistant General Manager of the LADOT has identified and verified the following funding sources are currently available for the Project:

Fund No.*	Department No.	Appropriation Unit No.	Contract	Contingencies	Total
655*	94	94AT6G	\$1,877,668.89	\$0.00	\$1,877,668.89
TBD**	TBD	TBD	\$4,191,550.11	\$910,383.00	\$5,101,933.11
Total			\$6,069,219.00	\$910,383.00	\$6,979,602.00

* TGF

** SB1 Road Maintenance and Rehabilitation (SB1) Fund

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."

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(NM AV VCA KD)

Report reviewed by:

BOE (ADM and SID)

Report prepared by:

Project Award and Control Division

Arsen Voskerchyan, PE
Division Engineer
Phone No. (213) 923-4963

Compliance review performed
and approved by:



Lynda McGlinchey (May 22, 2025 15:47 PDT)

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

Statement as to funds approved by:



Digitally signed by
Kevin Minne
Date: 2025.05.23
14:08:47-07'00'

Kevin Minne, PE
Assistant General Manager
Department of Transportation
Fund Ref. 655/94/94AT6G/\$1,877,668.89
Date: 5/23/2025

AV/MG/05-2025-0083_PAC.los

Questions regarding this
report may be referred to:
Mina Graiss, Project Manager
Phone No. (213) 485-4578
E-mail: mina.graiss@lacity.org

Respectfully submitted,



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
THE AFFORDABLE HOUSING & SUSTAINABLE COMMUNITIES (AHSC) PROGRAM ROUND
4 JORDAN DOWNS S3 SUSTAINABLE TRANSPORTATION INFRASTRUCTURE (STI) &
TRANSIT RELATED AMENITIES (TRA) IMPROVEMENTS
W.O. Number E1908685

Bid Date: October 30, 2024

Council District: 15

Bids Received: 2



SUMMARY

<u>COMPANY</u>	<u>BID AMOUNT</u>	<u>PERCENTAGE</u>	<u>HIGH/LOW</u>
CITY ENGINEER'S ESTIMATE	\$ 3,826,152.00		
1 PPC CONSTRUCTION, INC.	\$ 6,069,219.00	58.62%	HIGH
2 AXIOM GROUP	\$ 6,235,252.03 *	62.96%	HIGH
* Corrected Bid Amount (AS NEEDED)			
AVERAGE (MEAN)	\$ 6,152,235.52	60.79%	HIGH
MEDIAN	\$ 6,152,235.52		

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

APPROVED BY THE BOARD
PUBLIC WORKS OF THE
CITY OF LOS ANGELES
CALIFORNIA

Date: December 20, 2024

FEB 12 2025

To: TJ Knight, Acting Executive Officer
Board of Public Works

E. Torres
Executive Officer
Board of Public Works

From: Arsen Voskerchyan, PE *Arsen Voskerchyan*
Division Engineer **box SIGN** 13578J61-18KZ83L5
Project Award and Control Division
Bureau of Engineering

Subject: **AXIOM GROUP REQUEST TO WITHDRAW BID**

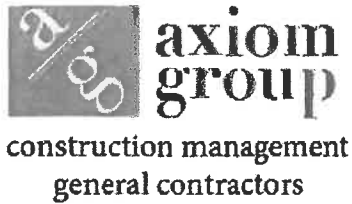
Bids were received on October 30, 2024 and opened on November 6, 2024 by the Board of Public Works (Board) for **THE AFFORDABLE HOUSING & SUSTAINABLE COMMUNITIES (AHSC) PROGRAM ROUND 4 JORDAN DOWNS S3 SUSTAINABLE TRANSPORTATION INFRASTRUCTURE (STI) & TRANSIT RELATED AMENITIES (TRA) IMPROVEMENTS (Work Order No. E1908685)** project. Axiom Group (Axiom) was the sole bidder on this project. Esteban Torres, President of Axiom, submitted a letter dated November 11, 2024 (Attachment 1) to Mr. TJ Knight, Acting Executive Officer of the Board of Public Works, requesting to withdraw their bid due to a clerical error in which Axiom did not list a low-voltage and controls subcontractor.

PACD staff in conjunction with the BOE's Project Manager have reviewed Axiom's withdrawal request and acknowledge receiving Axiom's claim of clerical error in filling out their final bid. Axiom's request complies with the Public Contracting Code §5103 for granting bid withdrawals as stipulated in the General Instructions and Information for Bidders in the bid documents for the project. Therefore, the PACD recommends that Axiom be allowed to withdraw their bid with the understanding that, in accordance with the Public Contracting Code, the Board will not accept a bid from Axiom in the event this project is re-advertised.

Attachment:

1. Letter dated November 11, 2024, from Mr. Esteban Torres, President of Axiom Group

cc: Mina Grais, Street Improvement Division
Jan Chen, Street Improvement Division
Nur Malhis, Street Improvement Division



November 11th, 2024

TJ Knight
Acting Executive Officer and
Director of Administrative Services
Board of Public Works
200 N. Spring St., Room 355
Los Angeles, CA 90012

Re: Bid Withdrawal Request for The AHSC Program Round 4 Jordan Downs S3 STI & TRA
Improvements - W.O. E1908685

Dear Mr. Knight,

Please let this letter serve as a request to withdraw from the above-referenced bid package pursuant to Public Code Contract 5103.

Axiom Group acknowledges that a mistake was made due to a clerical error and we did not list a low-voltage and controls subcontractor.

We apologize for the inconvenience. Should you have any questions, please contact me at (323) 612-6343.

Sincerely,



Esteban Torres
President
Axiom Group