



RESOLUTION NO. \_\_\_\_\_

**BOARD LETTER APPROVAL**

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**ANSELMO G. COLLINS**  
Senior Assistant General Manager  
Water System

  
Aram Benyamin (Aug 9, 2024 07:37 PDT)

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**ARAM BENYAMIN**  
Chief Operating Officer

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**JANISSE QUIÑONES**  
Chief Executive Officer and Chief Engineer

**DATE:** August 6, 2024

**SUBJECT:** Contract No. 8020 for Western Trunk Line – Phase 2A with W.A. Rasic Construction Company, Inc.

**SUMMARY**

The proposed Contract No. 8020 (Contract) is to furnish and deliver the construction of the Western Trunk Line – Phase 2A (Project) for a one-time purchase, for an estimated expenditure of \$67,715,000, and an amount not to exceed \$81,258,000 (budgeted) which includes a 20 percent contingency. The Contract is a result of a competitive bid process.

The Contract will provide construction services to install approximately 12,000 linear feet of 36-inch trunk line and 7,000 linear feet of 6-inch to 12-inch mainline and appurtenances to replace a section of the deteriorating Harbor Trunk Line. The Project is necessary to replace the 100-year-old trunk line and improve the reliability and water quality of the potable water serving the South Los Angeles and Harbor communities.

City Council approval is not required.

## **RECOMMENDATION**

It is recommended that the Board of Water and Power Commissioners adopt the attached Resolution authorizing the award of the Contract to W.A. Rasic Construction Company, Inc. (Rasic) the lowest bidder.

## **ALTERNATIVES CONSIDERED**

Construction by in-house crews was considered. However, this alternative is not viable, since LADWP staff has declined the work and is currently scheduled for other critical projects. The existing pipeline is vulnerable to continuing deterioration and not constructing the Project will result in an increased risk of emergency repairs. Leaks along Western Avenue have the potential to significantly impact many businesses and residences. Delaying construction to a future date will increase construction costs and impact traffic since this work is planned to be constructed prior to the Bureau of Street Services (BSS) street improvements in the same area.

## **FINANCIAL INFORMATION**

The Contract is a one-time purchase and is budgeted:

Contract Amount:	\$67,715,000
Contingency Amount (20 percent):	<u>\$13,543,000</u>
Total Amount:	\$81,258,000

LADWP is requesting 20 percent contingency due to unforeseen conditions that may arise during construction, which may include differing soil conditions, unknown substructures, archeological findings, and provisions for public safety.

The total quotation of \$67,715,000 is approximately 25 percent higher than LADWP's estimated cost of \$54,277,605. LADWP's cost estimate was based on the bid prices for recent pipe construction projects, including the following components: historical prices of earthquake resistant ductile iron and welded steel pipe installation by open trench, and historical unit prices of option items. The variance between the quotation and the estimate can be attributed to the last LADWP trunk line bid awarded in 2019, which limited the actual market price data available to our estimators. Persistent inflation for the last four years and volatility in materials and labor cost represents a challenge to estimate construction projects.

## **BACKGROUND**

The Harbor Trunk Line is an essential transmission pipeline in the LADWP water system and is critical for supplying potable water to the South Los Angeles and Harbor communities. The Project is part of a Water System plan to remove the vulnerable sections of the existing trunk line, which are ranked in the top 10 priority list of the Trunk

Line Condition Assessment Report and replace them with seismically resilient infrastructure to supply reliable water for the next century.

The Project includes installation of Earthquake Resistant Ductile Iron Pipe to replace approximately 1,900 linear feet of pre-stressed concrete cylindrical pipe which has a history of catastrophic failures. Forgoing or delaying the Project will increase the likelihood of failure of the existing 100-year-old trunk line and trigger an unplanned construction/repair in an emergency circumstance.

Water System is pursuing low-interest financing from the California Safe Drinking Water State Revolving Fund which would result in a savings of approximately \$30,000,000.

The Project will install infrastructure in potential conflict with the BSS street beautification project, as proposed by Council District 8. BSS and LADWP staff are coordinating the construction of the pedestrian improvements with the trunk line projects and communicating with staff from Council District 8 to avoid interference between the projects.

### **ENVIRONMENTAL DETERMINATION**

Determine item is in compliance with California Environmental Quality Act (CEQA) Guidelines Sections 15070-15075 (MND adopted on July 28, 2020). In accordance with CEQA, a Mitigated Negative Declaration (MND) was prepared to analyze the impacts associated with the construction and operation of the Western Trunk Line Project. On July 28, 2020, the Board of Water and Power Commissioners adopted the MND and Mitigation Monitoring and Reporting Program, and approved the project.

### **CITY ATTORNEY**

The Office of the City Attorney reviewed and approved the Resolution as to form and legality.

### **ATTACHMENTS**

- Procurement Summary
- Resolution
- Western Trunk Line Phase 2A Map

## PROCUREMENT SUMMARY

1.	Recommended Vendor: W.A. Rasic Construction Company, Inc. (Rasic)
2.	Procurement Type: Invitation for Bid (IFB)
3.	Procurement Details: A. Contract Status: New B. Bid Advertisement Date: January 11, 2024 C. Pre-Bid Conference Date: January 24, 2024 D. Bid/Proposal Due Date: March 12, 2024 E. Number of Downloads of Solicitation: 63* (24 primes, 39 subcontractors) F. Number of Bids/Proposals Received: 3 G. Protest Received: No
4.	Buyer Assigned: Jamie Vasquez
5.	Contract Administrator: Wilson Elias
6.	LADWP System/Division: Water / Water Engineering Technical Services (WETS)
7.	Contact Person for Item: Evelyn Cortez-Davis

\* Note: eRSP requires vendors to express interest either as a prime contractor or subcontractor only in order to download solicitation documents. Downloads do not necessarily accurately reflect unique vendor interests as multiple individuals in an organization can download solicitations.

### A. Summary of Bids Received

Term	W.A. Rasic Construction Co	Steve Bubalo Construction Co.	Steve P. Rados, Inc.
Original Period	<b>\$67,715,000</b>	\$91,728,673	\$109,254,269
Less: Cash Discount	<b>\$0</b>	\$0	\$0
Less: LBPP	<b>N/A</b>	N/A	N/A
Total Amount	<b>\$67,715,000</b>	\$91,728,673	\$109,254,269

### B. Evaluation of Bid

LADWP received three bids in response to IFB No. 8020. Rasic submitted the lowest bid. The bid prices recommended for award have been determined to be fair and reasonable based upon a competitive bid process.

### C. Procurement History

These services have not previously been procured.

Vendor Experience – Number of Contracts Vendor had with LADWP During the Past 5 Years					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
05518	San Fernando Pipe Jacking	One time purchase	08/31/2023	-	\$1,955,200
02815	Pile Drilling, Placement and Extraction	One Year with Two Optional One-Year Period	02/08/2023	02/07/2026	\$8,353,500
22442	Roscoe Trunk Line - Mobile Ramp Services	One time purchase	02/10/2021	-	\$12,400

0102	Construction Services for Underground Conduits	One Year with Four Optional One-Year Periods	02/12/2020	02/11/2025	\$206,139,108
05501	Coronado Trunk Line - Sewer Relocation	One time purchase	09/21/ 2020	-	\$1,565,922
7701	City Trunk Line – Unit 3	One time purchase	05/14/2019	-	\$57,034,199

#### **D. Local Business Preference Program (LBPP)**

LBPP was not included in the bid because this project is federally funded.

#### **E. Additional Outreach Efforts Taken**

In addition to the original bid list, the following outreach efforts were taken:

- The IFB was posted on the City of Los Angeles Regional Alliance Marketplace for Procurement (RAMP) website.
- The IFB was electronically advertised in eRSP for direct download.
- A pre-bid meeting was held on January 24, 2024.

#### **F. Small Business Enterprises (SBE)/Disabled Veterans Business Enterprises (DVBE)/Minority Business Enterprises (MBE)/Women Business Enterprises (WBE)/Other Business Enterprises (OBE) Participation**

This contract is funded by the DWSRF, subjecting the procurement to DWSRF regulations. The state funding mandated a Good Faith Effort (GFE) outreach to be included in the procurement which precluded the use of the Department's SBE/DVBE participation program.

Rasic successfully completed the steps required to demonstrate a GFE to reach out to available Disadvantaged Business Enterprises (DBE) and SBE/DBE/MBE/WBE/OBE firms. As a result, Rasic committed to utilizing the following subcontractor:

<b>DBE PARTICIPATION</b>			
Name	Description of Work	Dollar Amount	%
Tom Grbavac & Sons, Inc.	Sawcutting	\$285,000	0.42
<b>DBE Total:</b>		<b>\$285,000</b>	

As a result of the GFE, Rasic also indicated an anticipated participation of the following OBE subcontractors:

<b>OBE PARTICIPTATION (Non-Certified Firms)</b>			
Name	Description of Work	Dollar Amount	%
Superior Pavement Markings	Traffic, Striping Restoration	\$133,265	0.20
Hardy & Harper, Inc.	Asphalt Grinding and Cap	\$999,000	1.48
ABM General Engineering	Pipe Welding	\$30,260	0.04
Accurate Corrosion	Cathodic Protection System Testing	\$46,305	0.07
Saftco Supply	Piping Materials	\$98,515	0.15
Northwest Pipe	Steel Pipe	\$3,575,000	5.28
Western Waterworks Supply Co.	Pipes and Fittings	\$11,534,383	17.03
Kubota-ERDIP	Ductile Iron Pipes and Fittings	\$2,359,270	3.48
F3 Survey	Survey Control / Construction Staking	\$82,000	0.12
Fenagh Engineering and Testing	Welding Inspection Services	\$255,000	0.38
<b>OBE Total:</b>		<b>\$19,112,998</b>	<b>28.23</b>