



RESOLUTION NO. _____

BOARD LETTER APPROVAL

Simon Zewdu

SIMON ZEWDU
Senior Assistant General Manager
Power System

AR

Aram Benyamin (Jul 25, 2024 12:01 PDT)

ARAM BENYAMIN
Chief Operating Officer

Janisse Quiñones

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: July 15, 2024

SUBJECT: Contract No. 405 for Rental of Dump Trucks with Operators – L.A.C. Motor Enterprises, Inc.

SUMMARY

The proposed Contract No. 405 (Contract) will provide dump truck rental with operators on an as-needed basis for a term of three years, for an estimated expenditure of \$21,122,266 and for an amount not to exceed \$26,402,833 (budgeted). The contract is the result of a competitive bid process. The estimated expiration date of the contract is August 2027.

The rental of dump trucks with operators is a critical component of construction and demolition projects. These trucks transport debris and associated materials, such as, but not limited to, excavated soil, broken asphalt, roadway repairs, and improvements. This contract supports normal and emergency operations for utility restoration, installation, maintenance, repair, and construction of LADWP infrastructure located locally and in Owens Valley, including capital and regulatory projects.

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 L.A.C. Motor Enterprises (L.A.C.), Inc., the lowest bidder due to Local Business Preference Program preference under Group A and the lowest bidder under Groups B, C, D, E and F.

ALTERNATIVES CONSIDERED

LADWP considered purchasing additional dump trucks and hiring additional operators. However, this alternative is not cost-effective due to the labor and capital costs required to support sporadic demands.

Renting the dump trucks on an as-needed basis allows for continuous service when the LADWP-owned dump trucks and operators are unavailable or when peak demands exceed the current inventory.

FINANCIAL INFORMATION

The term of the contract is for three years and is budgeted.

| | <u>Minimum Expenditure</u> | <u>Estimated Expenditure</u> | <u>Maximum Expenditure</u> |
|----------------|--------------------------------|----------------------------------|--------------------------------|
| Contract Total | \$5,280,567 | \$21,122,266 | \$26,402,833 |

LADWP agrees to a minimum expenditure of 25 percent of the estimated amount of the contract (EAC) and will have the option of purchasing up to a maximum of 125 percent of the EAC.

The total quotation of \$21,122,266 is approximately 14 percent lower than the LADWP’s estimated cost of \$24,478,020. The estimate was based on pricing from the previous contract with adjustments for price increases based on market research. The price variance is attributed to some of the expected price increases not materializing during this bid process.

Information for Bid (IFB) No. 405, rental of Dump Trucks with Operators, was divided into multiple groups based on commodity and geographical coverage: Group A for Valley Zone Dump Trucks and Super 10s, Group B for Valley Zone Semi-Double Bottom Dumps, Group C for Valley Zone Low and High Side End Dumps, Group D for Metro Zone Dump Trucks and Super 10s, Group E for Metro Zone Semi-Double Bottom Dumps, and Group F for Metro Zone Low and High Side End Dumps. Thus, it had the potential to be divided into six separate awards allowing various bidders to participate.

BACKGROUND

Rental dump trucks with operators are generally used as a substitute when equipment and labor are unavailable via the LADWP Fleet and Aviation Services at times when demand exceeds inventory, during emergency declarations, and/or when regulatory and capital projects require immediate completion. In addition, rental dump trucks with operators are also utilized when a shortage occurs due to the equipment being removed

from service for repairs, maintenance, mandatory inspections, or when equipment has been retired due to high maintenance costs and/or regulatory non-compliance.

Prior to the award of IFB No. 405, a responsibility hearing was held with L.A.C. to verify the price reasonableness of their bids. Fleet and Aviation Services, Supply Chain Services, the Power System Contracts Office, and the City Attorney's Office were in attendance. L.A.C. provided a reasonable response to the questions posed by LADWP regarding their pricing, equipment availability, labor resources, including sub-contractors, and their ability to fulfill the requirements of this contract. L.A.C. confirmed that their bid pricing for all items is firm for the duration of this contract.

L.A.C. was given an unsatisfactory Contractor Performance Evaluation on the current contract from November 10, 2022, to May 31, 2023. L.A.C. has since corrected its deficiencies, performed satisfactorily during the subsequent rating periods, and met its contract obligations on all requests for services made by Fleet and Aviation Services.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060(c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378 (b)(4) states that government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment do not meet that definition. Therefore, the rental of dump trucks is not subject to CEQA.

CITY ATTORNEY

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

ATTACHMENTS

- Procurement Summary
- Resolution

PROCUREMENT SUMMARY

| | |
|----|---|
| 1. | Recommended Vendor: L.A.C. Motor Enterprises, Inc. (L.A.C.) |
| 2. | Procurement Type: Invitation for Bid (IFB) |
| 3. | Procurement Details: A. Contract Status: Replacement B. Bid Advertisement Date: January 8, 2024 C. Pre-Bid Conference Date: January 18, 2024 D. Bid/Proposal Due Date: February 28, 2024 E. Number of Downloads of Solicitation: 24* (18 primes, 6 subcontractors) F. Number of Bids Received: 5 G. Protest Received: No |
| 4. | Buyer Assigned: Daisy Curaming |
| 5. | Contract Administrator: Raul Fletes |
| 6. | LADWP System/Division: Joint/Fleet and Aviation Services |
| 7. | Contact Person for Item: John A Smith Jr. |

*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

| Group A | L.A.C. | Nuway Express, Inc. | Lohman Helicopter LLC | Alameda Construction Services, Inc. | ABT Transport & Equipment, Inc. |
|-------------------------------|--------------------|---------------------|-----------------------|-------------------------------------|---------------------------------|
| Original Period (Three Years) | \$6,018,940 | \$8,831,040 | \$15,946,160 | \$7,343,900 | \$5,979,334 |
| Less Cash Term Discount | (\$60,189) | (\$8,831) | - | - | (\$29,897) |
| Less LBPP | (\$476,700) | (\$882,221) | - | (\$587,512) | - |
| Total Evaluated Amount | \$5,482,051 | \$7,939,988 | \$15,946,160 | \$6,756,388 | \$5,949,437 |

| Group B | L.A.C. | Nuway Express, Inc. | Lohman Helicopter LLC |
|-------------------------------|--------------------|---------------------|---------------------------------|
| Original Period (Three Years) | \$1,228,250 | \$1,698,400 | Incomplete Bid |
| Less Cash Term Discount | (\$12,283) | (\$1,698) | - |
| Less LBPP | (\$97,277) | (\$169,670) | - |
| Total Evaluated Amount | \$1,118,690 | \$1,527,032 | Incomplete Bid (Non-responsive) |

| Group C | L.A.C. | Nuway Express, Inc. | Lohman Helicopter LLC |
|-------------------------------|--------------------|---------------------|---------------------------------|
| Original Period (Three Years) | \$2,200,300 | \$3,184,980 | Incomplete Bid |
| Less Cash Term Discount | (\$22,003) | (\$3,185) | - |
| Less LBPP | (\$174,264) | (\$318,180) | - |
| Total Evaluated Amount | \$2,004,033 | \$2,863,615 | Incomplete Bid (Non-responsive) |

| Group D | L.A.C. | Nuway Express, Inc. | Lohman Helicopter LLC | Alameda Construction Services, Inc. |
|-------------------------------|-------------|---------------------|-----------------------|-------------------------------------|
| Original Period (Three Years) | \$8,218,792 | \$12,078,560 | \$21,578,840 | \$10,084,976 |
| Less Cash Term Discount | (\$82,188) | (\$12,079) | - | - |
| Less LBPP | (\$650,928) | (\$1,000,000)* | - | (\$806,798) |
| Total Evaluated Amount | \$7,485,676 | \$11,066,481 | \$21,578,840 | \$9,278,178 |

| Group E | L.A.C. | Nuway Express, Inc. | Lohman Helicopter LLC |
|-------------------------------|-------------|---------------------|-----------------------|
| Original Period (Three Years) | \$1,502,640 | \$2,079,360 | \$3,435,512 |
| Less Discount | (\$15,026) | (\$2,079) | - |
| Less LBPP | (\$119,009) | (\$207,728) | - |
| Total Evaluated Amount | \$1,368,605 | \$1,869,553 | \$3,435,512 |

| Group F | L.A.C. | Nuway Express, Inc. | Lohman Helicopter LLC |
|-------------------------------|-------------|---------------------|-----------------------|
| Original Period (Three Years) | \$1,953,344 | \$2,769,840 | \$4,463,056 |
| Less Discount | (\$19,533) | (\$2,770) | - |
| Less LBPP | (\$154,705) | (\$276,707) | - |
| Total Evaluated Amount | \$1,779,106 | \$2,490,363 | \$4,463,056 |

*LBPP applied is the maximum cap of \$1M

B. Evaluation of Bid

LADWP received a total of five bids for Group A, three bids for Groups B, C, E and F, and four bids for Group D.

L.A.C. submitted the lowest bid due to Local Business Preference Program (LBPP) preference for Group A and submitted the lowest bid for Groups B, C, D, E and F.

Prices submitted under IFB No. 405 have been determined to be fair and reasonable based on a competitive bid process.

C. Procurement History

| Service/Item History – Number of Times Item or Service has been Procured | | | | | |
|--|--------------------------------|------------------|------------|-------------|-----------------|
| Contract/ PO No. | Contractor | Term of Contract | Start Date | Ending Date | Contract Amount |
| 235 | L.A.C. Motor Enterprises, Inc. | 3 Years | 11/10/2021 | 11/09/2024 | \$18,235,000 |
| 937 | L.A.C. Motor Enterprises, Inc. | 3 Years | 10/02/2018 | 10/01/2021 | \$17,484,500 |

| | | | | | |
|-----|--------------------------------|---------|------------|------------|--------------|
| 672 | L.A.C. Motor Enterprises, Inc. | 3 Years | 9/28/2015 | 9/27/2018 | \$21,568,750 |
| 371 | L. Curti Truck & Equipment | 3 Years | 10/02/2012 | 10/01/2015 | \$15,964,861 |

| 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 |
| 235 | Rental of Dump Trucks with Operators | 3 Years | 11/10/2021 | 11/09/24 | \$18,235,000 |
| 937 | Rental of Dump Trucks with Operators | 3 Years | 10/02/2018 | 10/01/2021 | \$17,484,500 |
| 42556 | Rental of Dump Trucks with Operators | One Time Purchase | 3/06/2019 | - | \$26,500 |

D. LBPP

The LBPP was included in this Bid. L.A.C. and Alameda Construction Services Inc. are certified local business enterprises. Nuway Express Inc. is a certified local business enterprise and a local small business. L.A.C. was awarded the Contract for Group A due to the LBPP discount of eight percent.

E. Additional Outreach Efforts Taken

- The IFB was posted on the City of Los Angeles the 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 18, 2024.

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

The minimum mandatory SBE/DVBE participation requirement set for this contract was 20 percent. L.A.C. committed to an overall SBE participation of 25.5 percent. L.A.C. is a certified SBE, MBE, and WBE firm.

| SBE PARTICIPATION | | | |
|---|------------------------------|---------------|-------|
| Name | Description of Work | Dollar Amount | % |
| L.A.C. Motor Enterprises, Inc (SBE/MBE/WBE) | Prime | \$792,085 | 3.00% |
| A. Baro's Trucking LLC | Specialized Freight Trucking | \$396,042 | 1.50% |
| Angelin Tricking, Inc. (MBE) | Specialized Freight Trucking | \$396,042 | 1.50% |
| Artnancy Trucking, Inc. | Specialized Freight Trucking | \$396,042 | 1.50% |
| C & S Trucking, Inc. (MBE) | Specialized Freight Trucking | \$792,085 | 3.00% |
| C. Bermudez Trucking, Inc. | Specialized Freight Trucking | \$792,085 | 3.00% |
| Columbo Truck, Inc. | Specialized Freight Trucking | \$396,042 | 1.50% |
| D & A Trucking, Inc. | Specialized Freight Trucking | \$396,042 | 1.50% |

| | | | |
|-------------------------------|------------------------------|--------------------|---------------|
| Greg Littleton Trucking (MBE) | Specialized Freight Trucking | \$396,042 | 1.50% |
| Jesmar Trucking | Specialized Freight Trucking | \$792,085 | 3.00% |
| Kickoff Trucking | Specialized Freight Trucking | \$396,042 | 1.50% |
| Rodrigo Munoz Trucking | Specialized Freight Trucking | \$396,042 | 1.50% |
| THA Trucking Inc. | Specialized Freight Trucking | \$396,042 | 1.50% |
| SBE Total: | | \$6,732,722 | 25.50% |

| OBE PARTICIPATION | | | |
|---------------------------------------|------------------------------|--------------------|--------------|
| Name | Description of Work | Dollar Amount | % |
| Arrizon Bros Trucking | Specialized Freight Trucking | \$396,042 | 1.50% |
| B and H Trucking | Specialized Freight Trucking | \$132,014 | 0.5% |
| David Manousadjan Trucking | Specialized Freight Trucking | \$132,014 | 0.5% |
| E. Villegas Trucking | Specialized Freight Trucking | \$132,014 | 0.5% |
| ED & Lil Trucking | Specialized Freight Trucking | \$132,014 | 0.5% |
| Fredrick Triplett dba 1 Stop Trucking | Specialized Freight Trucking | \$396,042 | 1.50% |
| J&S Trucking | Specialized Freight Trucking | \$132,014 | 0.5% |
| L Montoya Trucking, Inc. | Specialized Freight Trucking | \$132,014 | 0.5% |
| MG Trucking | Specialized Freight Trucking | \$396,042 | 1.50% |
| Petrosian Trucking | Specialized Freight Trucking | \$132,014 | 0.5% |
| R&R Gonzalez Trucking | Specialized Freight Trucking | \$132,014 | 0.5% |
| Rick Pinon Trucking | Specialized Freight Trucking | \$132,014 | 0.5% |
| Rodrigo J Munoz Trucking | Specialized Freight Trucking | \$396,042 | 1.50% |
| Sherman K Trucking | Specialized Freight Trucking | \$132,014 | 0.5% |
| OBE Total: | | \$2,904,312 | 11.0% |