



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

**BOARD LETTER APPROVAL**

David W Hanson (Sep 30, 2024 08:30 PDT)

**DAVID W. HANSON**  
Senior Assistant General Manager  
Power System

Aram Benyamin (Sep 30, 2024 08:48 PDT)

**ARAM BENYAMIN**  
Chief Operating Officer

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

**DATE:** September 9, 2024

**SUBJECT:** Contract Nos. 410A and 410B – Rental of Cranes with Operators with Reliable Construction Services, LLC and The Crane Guys, LLC, Respectively

**SUMMARY**

The proposed Contract Nos. 410A and 410B (Contracts) are for the rental of cranes with operators on an as-needed basis for a term of three years (anticipated expiration date of contracts is October 2027) for a cumulative estimated expenditure of \$12,562,031, and for a cumulative amount not to exceed \$15,702,540 (budgeted). The Contracts are a result of a competitive bid process.

The Contracts will support routine and emergency crane operations, allowing the Fleet and Aviation Services Division (FAS) to dispatch fully operated cranes (FOCs) to various geographical areas throughout Los Angeles County, San Bernardino County, Kern County, and Inyo County. These Contracts are a vital element in emergency response in minimizing system outages and assisting with public safety issues.

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 Contract No. 410A to Reliable

Construction Services, LLC (Reliable), the lowest bidder due to a cash term discount under Groups A and D; and Contract No. 410B to The Crane Guys, LLC (Crane Guys), the lowest bidder due to a cash term discount under Group B and the lowest bidder due to a cash term discount and Local Business Preference Program (LBPP) preference under Group C.

**ALTERNATIVES CONSIDERED**

FAS evaluated the cost of purchasing the additional cranes and hiring additional labor to operate the cranes. FAS also evaluated the cost of transportation, set up, maintenance, repair, mandatory annual/quad-annual crane certification, and storage of the cranes. FAS has determined that it is more cost-effective and operationally advantageous to rent the additional FOCs rather than assuming all the cost of owning, maintaining, and staffing them.

**FINANCIAL INFORMATION**

The Contracts are for a term of three years and are budgeted.

<b><u>Contract No. 410A – Reliable Groups A and D</u></b>	<b><u>Minimum Expenditure</u></b>	<b><u>Estimated Expenditure</u></b>	<b><u>Maximum Expenditure</u></b>
Contract Total (Three years)	\$ 591,300	\$ 3,941,997	\$ 4,927,497
<b><u>Contract No. 410B – Crane Guys Groups B and C</u></b>	<b><u>Minimum Expenditure</u></b>	<b><u>Estimated Expenditure</u></b>	<b><u>Maximum Expenditure</u></b>
Contract Total (Three years)	\$ 1,293,005	\$ 8,620,034	\$ 10,775,043
<b>Grand Total</b>	<b>\$ 1,884,305</b>	<b>\$ 12,562,031</b>	<b>\$ 15,702,540</b>

LADWP agrees to a minimum expenditure of 15 percent and a maximum expenditure of 125 percent of the estimated expenditures. The maximum cumulative expenditure will not exceed \$15,702,540.

The total quotation of \$12,562,031 for all groups is approximately 18 percent lower than LADWP’s estimated cost of \$15,347,093. LADWP’s price estimate was based on a market assessment of quotes for FOCs obtained from local vendors prior to advertising Invitation for Bid No. 410. The variance can be attributed to the competitive process.

**BACKGROUND**

The use of FOCs is a routine service to safely erect, repair, load, or unload heavy equipment, materials, and structures at exceptional working heights and weight loads.

They are commonly used at power generating stations, receiving/distribution stations, and on transmission and distribution projects, upgrades, maintenance, and construction work. FOCs are also used for emergency responses to help minimize system outages and assist with public safety issues.

LADWP owns and operates some of the same types of cranes to support daily operations. However, renting on an as-needed basis allows for immediate access to fully compliant FOCs to provide continuous service when LADWP-owned cranes and/or operators are unavailable to help support peak demands. Purchasing additional cranes and/or hiring operators would not be cost-effective due to the sporadic nature of the needed usage when cranes are committed to other projects, are out of service for repair, maintenance, mandatory inspections, or are removed from inventory due to expiration of service life. By renting the cranes, LADWP immediately receives newer fuel-efficient models with updated features that are in full compliance with air quality and safety standards.

Reliable has performed satisfactorily on previous contracts.

LADWP has no contract history with Crane Guys. A vendor authentication review was conducted, and no issues were found.

#### **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 invitation for bid and award of a contract to provide services for the rental of cranes with operators 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(s): Reliable Construction Services, LLC (Reliable); and The Crane Guys, LLC (Crane Guys)
2.	Procurement Type: Invitation for Bid (IFB)
3.	Procurement Details: A. Contract Status: Replacement B. Bid Advertisement Date: January 19, 2024 C. Pre-Bid Conference Date: N/A D. Bid/Proposal Due Date: February 20, 2024 E. Number of Downloads of Solicitation: 14* (13 primes, 1 subcontractor) F. Number of Bids/Proposals Received: 5 G. Protest Received: Yes
4.	Buyer Assigned: Daisy Curaming
5.	Contract Administrator: Raul Fletes
6.	LADWP System/Division: Joint / Fleet and Aviation Services
7.	Contact Person for Item: Raul Fletes

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

### A. Summary of Bids Received

Group A	Reliable Construction Services, LLC	Bragg	Maxim Crane Works, Inc..	Hill Crane Service, Inc.
Original Period (Three Years)	\$2,512,636	\$2,486,182	\$2,674,510	\$3,326,840
Less Cash Term Discount	(\$351,769)	(\$49,724)	(\$133,726)	(\$99,805)
Less LBPP	-	-	-	-
Total Evaluated Amount	\$2,160,867	\$2,436,458	\$2,540,784	\$3,227,035

Group B	The Crane Guys, LLC	Bragg	Reliable Construction Services, LLC	Maxim Crane Works, Inc.	Hill Crane Service, Inc.
Original Period (Three Years)	\$2,103,564	\$2,054,123	\$2,486,100	\$2,817,365	\$3,671,170
Less Cash Term Discount	(\$236,651)	(\$41,082)	(\$348,054)	(\$140,868)	(\$110,135)
Less LBPP	(\$149,353)	-	-	-	-
Total Evaluated Amount	\$1,717,560	\$2,013,041	\$2,138,046	\$2,676,497	\$3,561,035

Group C	The Crane Guys, LLC	Reliable Construction Services, LLC	Maxim Crane Works, Inc.	Bragg	Hill Crane Service, Inc.
Original Period (Three Years)	\$6,516,470	\$6,654,585	\$6,477,425	\$6,568,220	\$,792,550
Less Cash Term Discount	(\$733,103)	(\$931,642)	(\$323,871)	(\$131,364)	(\$233,777)
Less LBPP	(\$462,669)	-	-	-	-
Total Evaluated Amount	\$5,320,698	\$5,722,943	\$6,153,554	\$6,436,856	\$7,558,773

Group D	Reliable Construction Services, LLC	Bragg	Maxim Crane Works, L.P.	Hill Crane Service, Inc.
Original Period (Three Years)	\$1,429,361	\$1,382,213	\$1,460,748	\$1,956,080
Less Cash Term Discount	(\$200,111)	(\$27,644)	(\$73,037)	(\$58,682)
Less LBPP	-	-	-	-
Total Evaluated Amount	\$1,229,250	\$1,354,569	\$1,387,711	\$1,897,398

## B. Evaluation of Bid

LADWP received a total of four bids for Groups A and D and five bids for Groups B and C.

Reliable was deemed non-responsive for not holding a Class C license. Division A1 of the IFB requires the bidder to have an active Class C California Contractor's License at the time of bid submittal. The California Contractors State License Board website indicates Reliable only holds a Class A license.

On May 16, 2024, LADWP received a letter from Reliable protesting their bid's non-responsive determination. Reliable claimed their Class A Contractors license exceeded the Class C license requirement. Also, Reliable contended that they were eligible to receive a preference under the Local Business Preference Program (LBPP) because they had a Local Business Enterprise (LBE) certification.

After reviewing the information provided, LADWP found Reliable's contention regarding their contractor's license to have merit. However, Reliable's contention on receiving LBPP preference was denied. Under Subarticle 3c(1) of Division B2, to be eligible for any preference, the bidder is required to register and apply for certification prior to the bid deadline. Reliable submitted their LBE application after bid closing.

Reliable submitted the lowest bid under Groups A and D due to a cash term discount.

Crane Guys submitted the lowest bid due to a cash term discount under Group B, and the lowest bid due to a cash term discount and an LBPP preference under Group C.

Prices submitted under IFB No. 410 have been determined to be fair and reasonable based on a competitive bid process.

**C. Procurement History**

<b>Service/Item History – Number of Times Item or Service has been Procured</b>					
<b>Contract / PO No.</b>	<b>Contractor</b>	<b>Term of Contract</b>	<b>Start Date</b>	<b>Ending Date</b>	<b>Contract Amount</b>
233	Reliable Construction Services, LLC	3 Years	09/29/21	9/28/24	\$12,259,738
923	Reliable Construction Services, LLC	3 Years	10/10/18	10/09/21	\$23,665,561
652A	Maxim Crane Works, L.P.	3 Years	09/09/15	09/08/18	\$5,793,630
652B	Reliable Crane Services, LLC	3 Years	10/14/15	10/13/18	\$2,850,958
652C	Bragg Crane Service, Inc.	3 Years	10/14/15	10/13/18	\$4,041,095
372	Maxim Crane Works, L.P.	3 Years	06/15/12	03/14/15	\$10,268,501

<b>Reliable Construction Services, LLC Vendor Experience – Number of Contracts Vendor had with LADWP During the Past 5 Years</b>					
<b>Contract/ PO No.</b>	<b>Contract Description</b>	<b>Term of Contract</b>	<b>Start Date</b>	<b>Ending Date</b>	<b>Contract Amount</b>
233	Rental of Cranes with Operators	3 Years	09/29/21	09/28/24	\$12,259,738
2472A	Furnish, Deliver, & Pick Up Construction Equipment Bare Rental	One Year with Two Optional One-Year Periods	08/09/21	08/08/24	\$5,247,600
2498C	Heavy Construction Equipment, Bare Rental	One Year with Two Optional One-Year Periods	11/08/21	11/07/24	\$3,207,900
45539	Bare Rental Cranes	One Year with Two Optional One-Year Periods	03/17/21	03/16/24	\$2,064,825
923	Rental of Cranes with Operators	3 Years	10/10/18	10/09/21	\$23,665,561

Crane Guys has no contract history with LADWP.

**D. Local Business Preference Program**

LBPP was included in this bid. Crane Guys is a certified local business. Group C is awarded to Crane Guys due to a cash term discount and LBPP preference.

### **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 website.
- The IFB was electronically advertised in eRSP for direct download.

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

There were no subcontracting opportunities identified under this IFB due to the specialized nature of the work. However, bidders were encouraged to utilize SBE, DVBE, MBE, WBE, and other firms where feasible.