



RESOLUTION NO. _____

BOARD LETTER APPROVAL

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ANSELMO G. COLLINS
Senior Assistant General Manager
Water System

A handwritten signature in black ink, appearing to read "Janisse Quiñones", written over a horizontal line.

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: April 8, 2025

SUBJECT: Contract No. 681 for Asphalt Concrete and Concrete Pavement Trench Resurfacing, Group I - S E Pipe Line Construction Company and Group II - Paveco Construction, Inc.

SUMMARY

The proposed contracts for Group's I and II are to furnish services for asphalt concrete and concrete pavement trench resurfacing. The contracts are for a combined, estimated expenditure of \$144,737,090, and for an amount not to exceed \$180,921,362 (budgeted), for terms of one year with four optional one-year renewal periods. The contracts are a result of a competitive bid process.

These services are required to comply with the City of Los Angeles' street excavation permit requirements, as administered by the Department of Public Works (Public Works). Proper and timely restoration of pavement is necessary to ensure the longevity of repairs and the safety of motorists.

City Council approval is not required.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution authorizing Contract No. 681 to S E Pipe Line Construction Company (S E Pipe Line), the lowest responsive and responsible bidder for Group I, and to Paveco Construction, Inc. (Paveco), the lowest responsive bidder for Group II.

ALTERNATIVES CONSIDERED

LADWP is not staffed or equipped to do resurfacing work and is instead focusing on increasing the amount of mainline installation each year by expanding its mainline construction crews in coming years. The Bureau of Street Services, within Public Works, intends to continue to do the large-scale re-paving of city streets only and has no plan to include trench resurfacing work required by LADWP due to its limited resources. Neither LADWP nor Public Works has the resources to perform this work. There is no other alternative to issuing this contract.

FINANCIAL INFORMATION

Group I – S E Pipe Line

	<u>Minimum Expenditure</u>	<u>Estimated Expenditure</u>	<u>Maximum Expenditure</u>
Original Period (12 months)	\$4,318,119	\$17,272,475	\$ 21,590,594
First Optional Period (12 months)	\$ 0	\$17,894,528	\$ 22,368,159
Second Optional Period (12 months)	\$ 0	\$18,540,812	\$ 23,176,016
Third Optional Period (12 months)	\$ 0	\$19,210,538	\$ 24,013,172
Fourth Optional Period (12 months)	\$ 0	\$19,906,016	\$ 24,882,520
Contract Total	\$4,318,119	\$92,824,369	\$116,030,461

LADWP agrees to a minimum expenditure of 25 percent and a maximum expenditure of 125 percent of the estimated expenditure. The maximum expenditure will not exceed \$116,030,461.

S E Pipe Line's bid is approximately 4 percent lower than Paveco's bid of \$96,271,018, and approximately 14 percent lower than LADWP's estimated cost of \$107,423,527.

Group II – Paveco

	<u>Minimum Expenditure</u>	<u>Estimated Expenditure</u>	<u>Maximum Expenditure</u>
Original Period (12 months)	\$2,404,716	\$ 9,618,864	\$12,023,580
First Optional Period (12 months)	\$ 0	\$ 9,986,064	\$12,482,580
Second Optional Period (12 months)	\$ 0	\$10,366,754	\$12,958,442
Third Optional Period (12 months)	\$ 0	\$10,764,003	\$13,455,003
Fourth Optional Period (12 months)	\$ 0	\$11,177,037	\$13,971,296
Contract Total	\$2,404,716	\$51,912,722	\$64,890,901

LADWP agrees to a minimum expenditure of 25 percent and a maximum expenditure of 125 percent of the estimated expenditure. The maximum expenditure will not exceed \$64,890,901.

Paveco's bid is approximately 2 percent lower than S E Pipeline's bid of \$53,183,789, and approximately 3 percent lower than LADWP's estimated cost of \$53,420,728.

The overall combined quotations for Group I and Group II are approximately 10 percent lower than LADWP's estimated amount of \$160,844,255. LADWP's estimate is based on the previous contract's unit prices, indexed and non-indexed item increase percentages, and an average of the asphalt and concrete material indexes. The variance may be due to the indexed and non-indexed item increase percentages used being higher than the increase in labor and materials over the last five years and the result of a competitive bid process.

BACKGROUND

Pavement trench resurfacing services are required for restoration of street pavement, sidewalks, curbs, and gutters that have been removed by LADWP field crews for underground construction or repairs of water distribution and power distribution facilities in the public right-of-way. The contracts will allow LADWP to meet safety regulations and facilitate operation and maintenance of the water transmission and distribution system.

Water Distribution Division has significantly increased mainline replacement goals for the next 3 years. LADWP's use of the asphalt concrete and concrete pavement resurfacing contracts will greatly assist in reaching the mainline replacement goals by restoring street pavement, sidewalks, curbs, and gutters that have been removed by LADWP field crews.

The contracts will provide pavement trench resurfacing services in each of the geographic service areas. Group I is for work performed in the Metro area, comprised of the Central, Western, and Harbor Districts, and Group II is for work performed in the Valley area, comprised of the East and West Valley Districts.

S E Pipe Line and Paveco have performed satisfactorily on previous contracts. The Vendor Authentication Unit conducted a review, and the contractors have the capacity and capability to perform satisfactorily under this contract.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report has been requested.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines 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 award of Contracts to provide pavement trench resurfacing services on an as-needed basis 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): S E Pipe Line Construction Company (S E Pipe Line) for Group I and Paveco Construction, Inc. (Paveco) for Group II
2.	Procurement Type: Invitation for Bid (IFB)
3.	Procurement Details: A. Contract Status: Replacement B. Bid Advertisement Date: November 21, 2024 C. Pre-Bid Conference Date: December 17, 2024 D. Bid/Proposal Due Date: January 15, 2025 E. Number of Downloads of Solicitation: (8 primes, 5 subcontractors)* F. Number of Bids Received: 2 G. Protest Received: No
4.	Buyer Assigned: Niki Kelly
5.	Contract Administrator: Michael Amimoto
6.	LADWP System/Division: Water/Water Distribution Division
7.	Contact Person for Item: Michael Amimoto

*Note: Downloads do not necessarily accurately reflect unique vendor interests as multiple individuals in an organization can download solicitations.

A. Summary of Bids Received**Group I:**

Term	S E Pipe Line	Paveco
Original Period	\$17,272,475	\$17,791,390
1 st Optional Period	\$17,894,528	\$18,494,803
2 nd Optional Period	\$18,540,812	\$19,223,620
3 rd Optional Period	\$19,210,538	\$19,985,022
4 th Optional Period	\$19,906,016	\$20,776,182
Less Discount (if applicable)	-	-
Less LBPP (if applicable)	-	(\$1,000,000)*
Total Evaluated Amount	\$92,824,369	\$95,271,017

*Local Business Preference Program (LBPP) does not change ranking.

Group II:

Term	S E Pipe Line	Paveco
Original Period	\$ 9,924,536	\$ 9,618,864
1 st Optional Period	\$10,267,717	\$ 9,986,064
2 nd Optional Period	\$10,623,731	\$10,366,754
3 rd Optional Period	\$10,992,486	\$10,764,003
4 th Optional Period	\$11,375,297	\$11,177,037
Less Discount (if applicable)	-	-
Less LBPP (if applicable)	(\$1,000,000)*	-
Total Evaluated Amount	\$52,183,767	\$51,912,722

*LBPP does not change ranking.

B. Evaluation of Bids

LADWP received a total of two bids for both Group I and Group II, for IFB No. 681.

For Group I, S E Pipe Line submitted the lowest bid and is in full compliance with the IFB.

For Group II, Paveco submitted the lowest bid and is in full compliance with the IFB. LADWP surveyed the vendors who downloaded the IFB but had not submitted a bid. The following response was received:

Vendor	Reason for Not Bidding
Alameda Construction Services	The scope was too large for the vendor's company to handle.

S E Pipe Line and Paveco have performed satisfactorily on previous contracts.

The bid prices recommended for award have been determined to be fair and reasonable based upon competitive bidding and comparison to historical pricing on Contract No. 188 for the same services.

The Vendor Authentication Unit performed a cursory review on S E Pipe Line and Paveco and no issues were found.

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
00188	Paveco Construction, Inc.	One year with four one-year optional periods	11/12/2020	11/11/2025	\$190,281,980

Vendor Experience – Number of Contracts S E Pipeline had with LADWP During the Past 5 Years					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
00872B	Blowout Pavement Repairs and Site Improvements – Group B	One year with two one-year optional periods	5/1/2018	4/30/2021	\$16,098,594
00872C	Blowout Pavement Repairs and Site Improvements – Group C	One year with two one-year optional periods	5/1/2018	4/30/2021	\$10,736,199

Vendor Experience – Number of Contracts Pavco had with LADWP During the Past 5 Years					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
01075-4	Pavement Repairs and Site Improvements	One year with two one-year optional periods	1/4/2024	1/3/2027	\$ 7,817,129
00998	Blowout Pavement Repairs	One year with four one-year optional periods	7/3/2019	7/2/2024	\$73,612,711

D. Local Business Preference Program (LBPP)

The LBPP was included in this Bid. However, LBPP was not a determining factor in the evaluation and recommendation of award for this proposed contract.

E. Additional Outreach Efforts Taken

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

- The IFB was posted and electronically advertised in eRSP for direct download.
- Five additional vendors were notified of the solicitation via email.
- A pre-bid conference was held on December 17, 2024, via WebEx.
- Three representatives from three different firms attended the meeting.

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. S E Pipe Line committed to an overall SBE/DVBE participation of 20.8 percent.

SBE PARTICIPATION			
Name	Description of Work	Dollar Amount	%
Cindy Trump, Inc., DBA Lindy's Cold Planing	Pavement Grinding/ Cold Milling/ Trucking	\$11,113,780	7.5%
Mallard Construction (DVBE)	Asphalt Material Supplier	\$19,263,886	13%
Smithson Electric	Traffic Signal Loop Construction	\$ 444,551	0.3%
SBE Total:		\$30,822,217	20.8%
MBE PARTICIPATION			
Name	Description of Work	Dollar Amount	%
Luna's Trucking (WBE)	Trucking	\$1,481,837	1%
MBE Total:		\$1,481,837	1%

WBE PARTICIPATION			
Name	Description of Work	Dollar Amount	%
Whitecore Concrete Cutting	Asphalt and Concrete Saw Cutting, Operating Equipment	\$2,222,756	1.5%
WBE Total:		\$2,222,756	1.5%

OBE PARTICIPATION (Non-Certified Firms)			
Name	Description of Work	Dollar Amount	%
Associated Readymix	Readymix Concrete Supplier	\$ 1,481,837	1%
BC Rentals dba BC Traffic Specialist	Traffic Striping and Traffic Control	\$ 1,481,837	1%
Sully-Miller Contracting Co dba Blue Diamond	Asphalt Supplier	\$ 5,927,350	4%
Robertson's Readymix	Readymix Concrete Supplier	\$ 2,222,756	1.5%
Vulcan Materials	Asphalt Supplier	\$ 4,445,512	3%
OBE Total:		\$15,559,292	10.5%

The minimum mandatory SBE/DVBE participation requirement set for this contract was 20 percent. Paveco committed to an overall SBE/DVBE participation of 65 percent.

SBE PARTICIPATION			
Name	Description of Work	Dollar Amount	%
Paveco Construction, Inc.	Prime	\$95,282,145	64.3%
Smithson Electric	Traffic Signal Loop Construction	\$ 296,367	0.2%
Cindy Trump, Inc., DBA Lindy's Cold Planing	Surface Grinding for Projects requiring 6' or larger Cold Planer	\$ 740,919	0.5%
SBE Total:		\$96,319,431	65%

OBE PARTICIPATION (Non-Certified Firms)			
Name	Description of Work	Dollar Amount	%
Paveco Leasing Inc.	Truck and Equipment Leasing	\$ 7,409,187	5%
Utility Paving Leasing Corporation	Truck and Equipment Leasing	\$ 7,409,187	5%
Aris Trucking	Trucking and Hauling	\$ 2,963,675	2%
Supreme Sweeping	Street Sweeping	\$ 740,919	0.5%
PCI	Striping	\$ 1,481,837	1%
Blue Diamond	Asphalt Supplier	\$14,818,374	10%
National Ready Mix	Concrete Supplier	\$ 740,919	0.5%
Associated Ready Mix	Concrete Supplier	\$ 740,919	0.5%
Robertson's Ready Mix	Concrete Supplier	\$ 740,919	0.5%
Vulcan Materials	Asphalt Supplier	\$14,818,374	10%
OBE Total:		\$51,864,310	35.0%