



RESOLUTION NO. _____

BOARD LETTER APPROVAL

ANSELMO G. COLLINS
Senior Assistant General Manager
Water System

Aram Benyamini (Oct 24, 2024 17:06 PDT)

ARAM BENYAMIN
Chief Operating Officer

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: October 10, 2024

SUBJECT: Approval of Contract No. 7958 for City Trunk Line North Unit 2 with W.A. Rasic Construction Company, Inc.

SUMMARY

The proposed Contract No. 7958 (Contract) is to furnish and deliver the construction of the City Trunk Line North Unit 2 (Project) for a one-time purchase, for an estimated expenditure of \$56,215,000, and an amount not to exceed \$67,458,000 (budgeted) which includes a 20 percent contingency.

The Contract will provide construction services to install approximately 4,017 linear feet (LF) of 54-inch welded steel pipe (WSP) by micro-tunneling and sliplining and 2,068 LF of transitional open cut trench construction. The scope of work also includes but is not limited to, the development, approval, and implementation of traffic control plans and shoring plans. The Project is necessary to replace the existing City Trunk Line and improve the reliability and seismic resiliency of the potable water system serving the San Fernando Valley.

City Council approval is not required.

This Contract stipulates that the Project must be completed within 692 calendar days from the date specified on the "Notice to Proceed".

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 responsive bidder.

ALTERNATIVES CONSIDERED

Construction by in-house crews was considered. However, this alternative is not viable. The Department does not have personnel with the experience, skills, or training required to perform micro-tunneling and sliplining work. Also, this type of work requires specialized equipment that is not readily available for procurement or rental. LADWP staff have also declined the work and are currently scheduled for other critical projects.

FINANCIAL INFORMATION

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

Contract Amount:	\$56,215,000
Contingency Amount (20 percent):	<u>\$11,243,000</u>
Total Amount:	\$67,458,000

LADWP is requesting a 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 \$56,215,000 is the lowest complete bid and it is approximately 91 percent higher than LADWP's estimated cost of \$29,394,802. LADWP's cost estimate was based on the bid prices for previous pipe construction projects, including the following components: historic prices of WSP and installation by open trench, micro-tunneling, sliplining, 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 being awarded in 2019, which limited the actual market price data available to LADWP estimators. In addition, persistent inflation for the last five years, along with volatility in material and labor costs, poses a challenge for estimating current construction costs.

BACKGROUND

The Project is part of a larger project to replace the existing City Trunk Line which was installed in 1914. The existing City Trunk Line has experienced pipe breaks and must be replaced to ensure reliable conveyance of water to our customers and to prevent future pipe breaks.

In addition to the 4,017 LF of 54-inch WSP by micro-tunneling and sliplining and 2,068 LF of transitional open cut trench construction, the replacement of the existing City Trunk Line includes 5,591 LF of open cut trench currently under construction by

LADWP's Water Distribution Division Trunk Line Construction in-house crews. This portion of the Project is at 68 percent complete, and it has installed 4,270 LF out of 5,591 LF of open trench construction to date.

The existing City Trunk Line has a long history of leaks, ruptures, and pipe collapses which placed it in the top 32 percent of high-risk trunk lines studied at the time the Scope of Work was developed. Forgoing or delaying the Project will increase the likelihood of failure and need for emergency repair of the existing 110-year-old trunk line. In addition, delaying construction to a future date will increase construction costs, permit fees and traffic impacts, if the project is not completed prior to the Bureau of Street Services street resurfacing project starts its construction around the same area.

Rasic has performed satisfactorily on previous contracts.

ENVIRONMENTAL DETERMINATION

Determine item is in compliance with California Environmental Quality Act (CEQA) Guidelines Sections 15070-15075 (MND adopted on May 28, 2019). In accordance with CEQA, a Mitigated Negative Declaration (MND) was prepared to analyze the impacts associated with the construction and operation of the City Trunk Line North Project. On May 28, 2019, 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
- City Trunk Line North Unit 2 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: April 3, 2024 C. Pre-Bid Conference Date: April 10, 2024 D. Bid/Proposal Due Date: May 20, 2024 E. Number of Downloads of Solicitation: 62* (24 primes, 38 subcontractors) F. Number of Bids/Proposals Received: 4 G. Protest Received: No
4.	Buyer Assigned: Kien Hua/Daisy Curaming
5.	Contract Administrator: Lawrence Lin
6.	LADWP System/Division: Water / Water Engineering Technical Services (WETS)
7.	Contact Person for Item: Gregory R. Reed

* 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	Rasic	Steve P. Rados, Inc.	Steve Bubalo Construction Co.	Builders Ready Mix
Original Period	\$56,215,000	\$65,566,960	\$65,648,060	\$3,174,050
Less: Cash Terms Discount	-	-	-	-
Less: LBPP	(\$1,000,000)*	-	-	-
Total Evaluated Amount	\$55,215,000	\$65,566,960 Non-Responsive	Incomplete Bid	Incomplete Bid

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

B. Evaluation of Bid

LADWP received four bids under IFB No. 7958. Rasic submitted the lowest complete bid.

Prices submitted under Bid No. 7958 have been determined to be fair and reasonable based on 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)

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

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 April 10, 2024, via WebEx. Representatives from 12 companies attended the pre-bid 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 15 percent. W.A. Rasic Construction Company, Inc. committed to an overall SBE/DVBE participation of 19.8 percent.

SBE PARTICIPATION			
Name	Description of Work	Dollar Amount	%
Premier Consultant Services (WBE)	Quality Control Services – Welding	\$618,365	1.1%
Sterndahl Enterprises	Striping	\$955,655	1.7%
USC Supply (DVBE)	Construction Material Supplier	\$9,556,550	17.0%
SBE Total:		\$11,130,570	19.8%

OBE PARTICIPATION (Non-Certified Firms)			
Name	Description of Work	Dollar Amount	%
Hardy Harper	Asphalt Grind & Cap	\$1,349,160	2.40%
Frontier Kemper	Trenchless Construction	\$5,171,780	9.20%
Advanced Geosolutions, Inc.	Permaton Grouting	\$1,292,945	2.30%
Geocomp, Inc.	Instrumentation	\$787,010	1.40%
MSL Electric, Inc.	Traffic Signals	\$674,580	1.2%
OBE Total:		\$9,275,475	16.5%