



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

**BOARD LETTER APPROVAL**

  
David Hanson (Nov 22, 2024 12:20 PST)

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



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

**DATE:** November 22, 2024

**SUBJECT:** Contract No. 410B – Rental of Cranes with Operators with The Crane Guys, LLC

**SUMMARY**

The proposed Contract No. 410B (Contract), for groups B and C under Information for Bid (IFB) No. 410, is for the rental of cranes with operators on an as-needed basis for a term of three years, for an estimated expenditure of \$8,620,034, and for an amount not to exceed \$10,775,043 (budgeted). The Contract is a result of a competitive bid process.

The Contract will support routine and emergency crane operations allowing Fleet and Aviation Services Division (FAS) to dispatch fully operated cranes (FOCs) to various geographical areas throughout the Los Angeles, San Bernardino, Kern, and Inyo Counties. This Contract is a vital element to 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 (Board) adopt the attached Resolution authorizing the award of 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.

FAS is completing the evaluation of the award of Contract No. 410A for groups A and D. Once the review is complete, FAS expects to award Contract No. 410A under the General Manager's authority, as the maximum expenditure is less than \$5,000,000 over the three-year contract term.

### **ALTERNATIVES CONSIDERED**

FAS evaluated the cost of purchasing the additional cranes and hiring additional labor to operate the cranes. FAS also evaluated the cost for transportation, set up, maintaining, repairing, 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 Contract is for a term of three years and is budgeted.

<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>\$ 1,293,005</b>	<b>\$ 8,620,034</b>	<b>\$ 10,775,043</b>

LADWP agrees to a minimum expenditure of 15 percent and a maximum expenditure of 125 percent of the estimated expenditures. The maximum expenditure will not exceed \$10,775,043.

The total quotation of \$8,620,034 for groups B and C under IFB No. 410 is approximately 20 percent lower than LADWP's estimated cost of \$10,728,909 for those groups. LADWP's price estimate was based on a market assessment of quotes for FOCs obtained from local vendors prior to advertising IFB 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. The FOCs are also used for emergency responses to help minimizing system outages and assisting 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 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.

LADWP has no contract history with The 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 IFB and award of a contract to provide services for 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): Groups B and C - 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: Kien Hua
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 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	\$7,922,550
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

### B. Evaluation of Bid

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

Groups A and D are still under evaluation.

Originally, Reliable Construction Services, LLC (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 indicated that Reliable only holds a Class A license and not a Class C.

On May 16, 2024, LADWP received a letter from Reliable protesting their bid's non-responsive determination and for not being eligible to receive the Local Business Preference Program (LBPP) preference. Reliable claimed that their Class A Contractors license is applicable and that they have 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.

The protest did not affect Groups B and C. 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 LBPP preference under Group C.

Prices submitted under IFB No. 410 Groups B and C 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
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

Crane Guys has no contract history with LADWP.

### D. LBPP

LBPP was included in this bid. The Crane Guys, LLC is a certified local business. Group C is awarded to The Crane Guys, LLC 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 (RAMP) 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.