

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Agenda Item No. 5

DATE: December 14, 2023

TO: **Matthew W. Szabo, Chair**
Municipal Facilities Committee

FROM: *Khalil M. Gharios*
Khalil M. Gharios, P.E.
Division Manager
LA Sanitation & Environment
Solid Resources Processing & Construction Division (SRPCD)

SUBJECT: LOS ANGELES SANITATION & ENVIRONMENT (LASAN) REQUESTS APPROVAL TO BEGIN CONSTRUCTION FOR THE CENTRAL LOS ANGELES RECYCLING AND TRANSFER STATION (CLARTS) ROOF REPLACEMENT AND SOLAR PANEL INSTALLATION PROJECT BY JANUARY 2024

RECOMMENDATION

That the Municipal Facilities Committee (MFC):

1. Authorize LASAN to begin construction for the CLARTS Roof Replacement & Solar Panel Installation Project by January 2024.

FACILITY BACKGROUND:

The Central Los Angeles Recycling and Transfer Station (CLARTS) facility is located at 2201 E. Washington Boulevard. CLARTS is in a heavy industrial zone (M-3) and permitted as a solid waste transfer station facility that is permitted to receive and process 4,025 tons per day (tpd) of solid waste with an inbound of approximately 3,100 tpd. CLARTS provides hauling and trans-loading services to the City of Los Angeles curbside collection operations, and it is open to commercial waste haulers, independent operators and the general public.

CLARTS was originally built in 1989 and officially purchased by the City of Los Angeles in 2004. CLARTS parcel size is 9.14 acres of which 1.26 acres occupied by the transfer station building and 0.86 acres occupied by the Green Waste Building. The Green Waste Building is used for receiving and transfer operation of 250 tpd of organic waste (commingled food waste and green waste), a maintenance bay for rolling stock, and storage of equipment lubricates and other functions.

PURPOSE AND NEED:

Currently, the existing transfer building roof panels are unsafe to repair; thus, the roof cannot be salvaged and needs to be completely replaced. CLARTS was cited by the Local Enforcement Agency (LEA) for potential to create excessive leachate (water leaking on refuse) during rain events. CLARTS was conditionally certified by the Facility Certification Program which is part of LASAN's RecycLA's Division. CLARTS must now comply with RecycLA's Facility Certification Program where the tipping floor must be enclosed under negative pressure. The current roof and doors are not in adequate condition to meet RecycLA's enclosure standard. A bio-filter and air vent blowers will be designed and installed to treat, remove and clean the air from the dust and odor produced from the collection trucks unloading refuse. There is also a need to replace or rehabilitate damaged push walls, the concrete wall by the exit tunnel, bollards and safety rails to guard building columns to ensure worker safety. The 616 solar panels are rated for 255 Watts (W) each and have a life of 25 years. This allows CLARTS to generate anywhere between 56%-77% of the electricity required to run the facility.

CURRENT STATUS:

This project was awarded at board on October 11, 2023 to Green Building Corporation (GBC). Currently the project is in the pre-construction phase, with ongoing communication with GBC. Construction is expected to start early January 2024 and take 200 working days to complete.

The current scope of this project is as follows:

- i. Demolition and disposal of the old roof material,
- ii. Installation of new an Aluminum roof, translucent tiles, gutters, ladder, roof vents, etc.,
- iii. Installation of PV System and electrical work,
- iv. Installing an air system
- v. Construction of walkway to connect admin office to operations office.
- vi. Consultant support:
 - a) Final as-built contract plans for the roof (with a vent and filter) and solar panel system
 - b) Providing design, engineering, or other analysis support related to CLARTS
 - c) Reviewing Requests for Information (RFIs) by contractors

Because CLARTS needs to remain operational during the construction phase, construction will occur after hours (5PM-1AM) Monday through Friday. If this project is allowed to start on January 2024, this project will be completed by the last quarter of 2024.

PROJECT FINANCIALS

LASAN estimated project cost is \$8.747 million. Currently, the Solid Waste Revenue Bond Fund (60M) and the CLARTS Trust Fund (47R) have been identified for partial funding of this project with \$4.281 million and \$4.466 million respectively. This project has the required funds to start and be completed.

FISCAL IMPACT

There is no anticipated General Fund impact to the current fiscal year. Sufficient appropriated funding has been identified to start and complete this project.

For additional information, please contact CLARTS Project Manager, Timmie De Ramos, Environmental Engineer for Solid Resources Processing Construction Division (SRPCD) at (213) 847-2800.

cc: Elis Lee, City Administrative Officer
LaTanya Roux, City Administrative Officer
Sharon Tso, City Legislative Officer
Joshua Drake, City Legislative Officer
Bernyce Hollins, Office of the Mayor Karen Bass
Sarai Bhaga, LASAN
Eva Sung, LASAN
Quyên Doan, LASAN
Miguel Zermeno, LASAN
Alejandro Morales, LASAN

Attachment 1: Board Report-Contract Award to GBC

Department of Public Works

Bureau of Engineering
Bureau of Contract Administration
Bureau of Sanitation
Joint Report No. 1

October 11, 2023
CD No. 14

CONTRACT AWARD TO GREEN BUILDING CORPORATION FOR THE CENTRAL LOS ANGELES RECYCLING AND TRANSFER STATION IMPROVEMENTS (WORK ORDER NO. S31PCRRP)

RECOMMENDING THE BOARD OF PUBLIC WORKS (BOARD):

1. DECLARE Green Building Corporation (Green Building), sole bidder, to be the lowest responsive, responsible bidder, and AWARD Green Building a contract for the Central Los Angeles Recycling and Transfer Station (CLARTS) Improvements for \$7,497,671.00.
2. AUTHORIZE the President or two members of the Board to execute the contract after approval as-to-form has been obtained from the City Attorney.

TRANSMITTAL

Summary of bids received on May 3, 2023.

DISCUSSION

Background

This project will provide roof replacement of the main transfer building, solar panel system, and second floor pedestrian walkway and conference room for CLARTS, located at 2201 E. Washington Boulevard, Los Angeles, CA 90021. The contract duration is 200 working days. Figure No.1 shows the current condition of the roof panels that need replacing.



Figure No. 1: Current Roof Condition at CLARTS Transfer Building

The project has been reviewed for environmental considerations. It was determined to be categorically exempt pursuant to the provisions of the California Environmental Quality Act (CEQA) of 1970 under Article III of the City of Los Angeles' (City)'s CEQA Guidelines.

Bid Review

The sole bid received (Transmittal) compared with the City Engineer's estimate of \$6,549,998.00 is:

Business Codes:

- MBE = Minority Business Enterprise
- WBE = Women Business Enterprise
- SBE = Small Business Enterprise
- LBE = Local Business Enterprise
- EBE = Emerging Business Enterprise
- DVBE = Disabled Veteran Business Enterprise
- OBE = Other Business Enterprise
- LGBTBE = Lesbian, Gay, Bisexual, Transgender Business Enterprise

Bid No.	Contractor Name	Bid Amount	% High/Low	% Pledged			
				MBE	WBE	SBE	LGBTBE
Sole Bid	Green Building (SBE, EBE)	\$7,497,671.00	14.47% High	0.00%	0.00%	0.41%	0.00%
				EBE	DVBE	OBE	
				0.00%	0.00%	37.17%	

Green Building, sole bidder, listed their Total Bid Amount incorrectly. Staff corrected Green Building's Total Bid Amount in accordance with the procedures set forth in the General Instructions and Information for Bidders. Green Building was contacted and notified of corrections.

LA Sanitation and Environment (LASAN) staff believe that the size of this project is the reason for the sole bidder. After evaluating the bid, LASAN staff believe that the sole bid is reasonable, and the unit prices submitted by the sole bidder are balanced. Staff also believe that re-advertising the project will not likely attract additional or lower bidders. The contract may be awarded to Green Building, sole bidder, subject to verification of all other bidding requirements.

Local Business Preference (LBP) Program

The Los Angeles Administrative Code (L.A.A.C.), Division 10, Chapter 1, Article 4, Section 10.25, adopted the LBP Program which was designed to increase local employment and expenditures in the local private sector. Businesses that qualify as a LBE may be granted an 8.00 percent reduction of their bid amount solely for bid evaluation purposes. If the LBE is also a Local Small Business (LSB) and/or a Local Transitional Employer (LTE), they may be granted an additional 2.00 percent reduction for each of those certifications, up to a total of 12 percent. Businesses that qualify as a LBE, but neither as a LSB and/or a LTE, may be granted a 1.00 percent reduction, up to a maximum of 2.00 percent for each of those certifications, for every 10.00 percent of their bid that is to be performed by a LSB and/or a LTE subcontractor. Additionally, all non-LBE businesses may be granted a 1.00 percent reduction, up to a maximum of 5.00 percent, of their bid amount solely for bid evaluation purposes, for every 10.00 percent of their bid that is to be performed by a LBE, a LSB, and/or a LTE subcontractor.

For this project, the Bureau of Contract Administration (BCA) verified that the Green Building sole bidder, is not a certified LBE.

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Business Inclusion Program (BIP)

On January 12, 2011, the Mayor issued Executive Directive No. 14, which created the BIP. This program provides MBE, WBE, SBE, EBE, DVBE, and OBE firms an equal opportunity to compete for, and participate in, City contracts. Additionally, the BIP requires bidders to perform and document BIP Outreach via the internet utilizing the Los Angeles Regional Alliance Marketplace for Procurement service.

This project was advertised with anticipated participation levels of 4.00 percent MBE, 2.00 percent WBE, 25.00 percent SBE, 8.00 percent EBE, and 3.00 percent DVBE, and with mandatory BIP documentation requirements. Currently, the LGBTBE certification is not required as part of the BIP Outreach but is tracked for statistical purposes. The Office of Contract Compliance, based on a review of the documents submitted by Green Building, reported that the contractor pledged participation levels of 0.00 percent MBE, 0.00 percent WBE, 0.41 percent SBE, 0.00 percent EBE, 0.00 percent DVBE, 0.00 percent LGBTBE, and 37.17 percent OBE, and complied with the BIP outreach requirements of the bid. The Mandatory Subcontracting Minimum requirement for this project is 25.00 percent and the contractor has complied by pledging a subcontractor participation level of 38.85 percent. This percentage was calculated after subtracting the fixed cost items of \$245,000.00 from the total bid amount.

Green Building pledged the following subcontractor utilization:

Gender/Ethnicity Codes:

- | | |
|------------------------------|-----------------------------------|
| AA = African American | HA = Hispanic American |
| APA = Asian Pacific American | SAA = Subcontinent Asian American |
| NA = Native American | C = Caucasian |
| M = Male | F = Female |

Subcontractors	MBE/WBE/ SBE/EBE/ DVBE/OBE /LGBTBE	Gender/ Ethnicity	% of Bid	Dollar Amount
Eckles Construction, Inc.	SBE		0.41%	\$ 30,854.00
Leed Electric, Inc.*	OBE		21.18%	\$1,587,777.00
Sark, Inc.	OBE		4.53%	\$ 339,985.00
Cal Engineering & Construction, Inc. dba Cal HVAC Services	OBE		0.87%	\$ 65,500.00
Infinity Drywall Contracting, Inc.	OBE		1.06%	\$ 79,500.00
Maranatha Sheet Metal, Inc.	OBE		9.52%	\$ 714,100.00

Note: Subcontractors may be certified in multiple certification categories; therefore, per the requirements of Executive Directive No. 14, the dollar amounts were credited toward multiple pledged participation categories.

*Certified LBE

Compliance with the City’s Non-Discrimination Policies

Green Building shall comply with the Affirmative Action, Non-Discrimination, and Equal Employment Practices Provisions, Equal Benefits Ordinance, Contractor’s Use of Criminal History for Consideration of Employment Application Ordinance, Living Wage Ordinance, Worker Retention Ordinance, First Source Hiring Ordinance, Slavery Disclosure Ordinance, and Disclosure of Border Wall Contracting Ordinance requirements of the bid.

Previous Work Record

Green Building has worked on several contracts issued by the Board. No significant or unresolved problems in inspection, contract, compliance, or bidder responsibility have been experienced by the BCA.

The following table summarizes the MBE, WBE, SBE, EBE, DVBE, and OBE participation levels pledged by Green Building in the past five years under the BIP:

MBE/WBE/SBE/EBE/DVBE/OBE Pledged Utilization Table						
No. of Contracts		3	Total \$ Amount of Contracts			\$13,154,465.00
Pledged MBE \$ Amount	Pledged WBE \$ Amount	Pledged SBE \$ Amount	Pledged EBE \$ Amount	Pledged DVBE \$ Amount	Pledged OBE \$ Amount	
\$419,330.00	\$0.00	\$1,385,077.00	\$749,330.00	\$529,428.00	\$1,305,996.20	
Total MBE %	Total WBE %	Total SBE %	Total EBE %	Total DVBE %	Total OBE %	
3.19%	0.00%	10.53%	5.70%	4.02%	9.93%	

Contractor Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10, of the L.A.A.C., the Project Manager and the City Inspector for this construction contract shall submit Contractor Performance Evaluation Reports to the BCA (Department of Public Works) upon completion of this contract.

Peak Hour Construction and Right-of-Way Obstruction Regulations

All contractors must comply with the requirements specified in the Los Angeles Municipal Code Section 62.61 related to peak hour traffic restrictions unless an exemption from the Peak Traffic Hours Prohibition is approved.

Contractor Responsibility Ordinance

All contractors participating in this program are subject to compliance with the requirements specified in the City Contractor Responsibility Ordinance No. 173677 (Article 14, Chapter 1, Division 10, L.A.A.C.). Failure to comply with all the requirements specified in the ordinance may render this bidder’s contract subject to termination pursuant to the conditions expressed therein.

Project Labor Agreement (PLA)

The project incorporates a PLA. The PLA will facilitate an orderly settlement of labor disputes and grievances without strikes, work stoppages, or lockouts to assure the timely and economical completion of the project. The PLA will also promote employment

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opportunities for local residents and will provide apprenticeship training for the duration of the construction. The contractor will be bound on all the provisions of the PLA.

Bid Bond Extension

Green Building was requested to extend their Bid Bond which expired on August 1, 2023. The contractor has agreed to extend their Bid Bond until November 3, 2023.

Conclusion

In view of the above findings, staff recommends that the Board declare Green Building, sole bidder, to be the lowest responsive, responsible bidder, and award Green Building the contract for this project.

Program Review Committee (PRC) Approval

The PRC approved a total budget of \$8,747,343.00, including contingency, for this project on July 12, 2023.

STATUS OF FUNDING

There is no impact to the General Fund. The total funding for this project is not to exceed \$8,747,343.00, including consultant engineering support and this construction contract.

Funding for this contract in the amount of \$8,200,059.00, including contingencies, are available in Fund No. 47R, CLARTS Trust Fund, Department No. 50, Appropriation Unit No. 50SX82, Sanitation expense and equipment, and in Fund No. 60M, Solid Waste Resources Revenue Bonds Series 2018-A Acquisition Fund, Department No. 50, Appropriation Unit No. 50VU71, CLARTS Roof Replacement Project.

The contract contains a “Financial Liability Clause” which states that “the City’s liability under this contract shall only be to the extent of the present City appropriation to fund the contract. However, if the City shall appropriate funds for any succeeding years, the City’s liability shall be extended to the extent of such appropriation, subject to the terms and conditions of the contract.”

The following funding has been verified and approved by the Director of the Office of Accounting subject to the conditions described above:

Fund No.	Appropriation Unit No.	Budget Fiscal Year	Contract	Contingencies	Total
47R	50SX82	2019-20	\$3,816,436.00	\$357,528.00	\$4,173,964.00
60M	50VU71	2021-22	\$3,681,235.00	\$344,860.00	\$4,026,095.00
Total			\$7,497,671.00	\$702,388.00	\$8,200,059.00

(RS RMK KG DW)

Report reviewed by:

BOE (ADM) and BOS (FMD)

Report prepared by:

Project Award and Control Division


Reynaldo Sison, PE
Acting Division Engineer
Phone No. (213) 847-0552

Compliance review performed
and approved by:


Lynda McGlinchey (Sep 26, 2023 17:37 PDT)

Lynda McGlinchey, Program Manager II
Office of Contract Compliance
Bureau of Contract Administration

Statement as to funds approved by:



Miguel De La Peña, Director
Office of Accounting
Fund Ref. 47R/50SX82/\$4,173,964.00
Fund Ref. 60M/50VU71/\$4,026,095.00
Date: 9/25/2023

Statement as to funds approved by:



Sarai Bhaga
Chief Financial Officer
Bureau of Sanitation
Date: 9/28/23

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Questions regarding this
report may be referred to:
Timmie De Ramos, PE
Phone No. (213) 847-2800
E-mail: timmie.deramos@lacity.org

Respectfully submitted,


ENGINEERING
Electronically signed by Ted Allen
on 09/25/2023 8:24:07 AM
City of Los Angeles

Ted Allen, PE
City Engineer
Bureau of Engineering



John L. Reamer, Jr.
Inspector of Public Works
Bureau of Contract Administration



Barbara Romero
Director and General Manager
Bureau of Sanitation