



MARK PESTRELLA, Director

**COUNTY OF LOS ANGELES  
DEPARTMENT OF PUBLIC WORKS**

*"To Enrich Lives Through Effective and Caring Service"*

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**ADOPTED**

IN REPLY PLEASE  
REFER TO FILE

September 13, 2022

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

51 September 13, 2022

CELIA ZAVALA  
EXECUTIVE OFFICER

**CONSTRUCTION CONTRACT  
TRANSPORTATION CORE SERVICE AREA  
AWARD CONSTRUCTION CONTRACT  
EAST LOS ANGELES COMMUNITY ROADWAY IMPROVEMENT  
PROJECT ID NO. RDC0016147  
IN THE CITIES OF COMMERCE AND MONTEBELLO AND  
THE UNINCORPORATED COMMUNITY OF EAST LOS ANGELES  
(SUPERVISORIAL DISTRICTS 1 AND 4)  
(3 VOTES)**

**SUBJECT**

Public Works is seeking Board approval to award a construction contract to Palp Inc., dba Excel Paving Company for the East Los Angeles Community Roadway Improvement Project in the Cities of Commerce and Montebello and the unincorporated community of East Los Angeles.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the recommended actions are within the scope of a previous exemption from the California Environmental Quality Act for the reasons stated in this Board letter and in the record of the project.
2. Award and authorize the Director of Public Works or his designee to execute a construction contract to Palp Inc., dba Excel Paving Company in the amount of \$9,634,240.74 and establish the effective date following receipt of approved Faithful Performance and Labor and Material Bonds and insurance certificate filed by the contractor for Project ID No. RDC0016147, East Los Angeles Community Roadway Improvement Project.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended actions will find that the project is exempt from the California Environmental Quality Act (CEQA), award the contract to Palp Inc., dba Excel Paving Company, and allow Public Works to execute a construction contract to construct the East Los Angeles Community Roadway Improvement Project in the Cities of Commerce and Montebello and in the unincorporated community of East Los Angeles.

This project includes repair of existing facilities; resurfacing of pavement; and reconstruction of curb ramps, sidewalk, driveways, and curb and gutter. The project will increase the service life of the roadway improvement, better motorists' rideability, and reduce wear and tear on vehicles.

On March 1, 2022, the Board approved the project, adopted the plans and specifications, instructed the Executive Officer of the Board of Supervisors to advertise the project, and delegated certain authorities to the Director of Public Works to deliver the project, including the authority to award the project and execute a contract with the responsible contractor with the lowest responsive bid within or less than the estimated cost range of \$6,000,000 and \$9,000,000.

On April 12, 2022, four bids were received (see Enclosure). Palp Inc., dba Excel Paving Company was the apparent lowest responsive and responsible bidder with a bid price of \$9,634,240.74. This bid price exceeded the Director of Public Works' authority to award the project and represents a price 44 percent higher than the construction cost estimate, which was based on historical average contract prices for similar items of work. A review of the estimate indicates prices of several items were below current market prices. Re-advertising the project will result in increased contract administration costs and delay construction with no guarantee that lower bids will be received. Public Works believes the bid price submitted by Palp Inc., dba Excel Paving Company is reasonable and recommends awarding them the contract.

It is anticipated the work will start in December 2022 and be completed in February 2024.

## **Implementation of Strategic Plan Goals**

These recommendations support the County Strategic Plan: Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability, Objective III.3.2, Manage and Maximize County Assets, by supporting ongoing efforts to manage and improve public infrastructure assets.

## **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

The revised construction contract cost in the amount of \$9,634,240.74 represents the lowest bid received and reflects an increase of \$634,240.74 from the original estimated range of \$6,000,000 to \$9,000,000. The revised total project cost is estimated to be \$16,600,000.

Portions of the project are in the Cities of Commerce and Montebello. The cities will finance their jurisdictional shares of the project cost estimated to be \$87,000 and \$30,000, respectively, under Service Requests.

This project will be administered under the Federal Surface Transportation Block Grant Program, formerly known as Surface Transportation Program, covered by Agreement No. 78542 with the State of California. Under this program, Federal-aid funds allocated to local agencies are used to finance a portion of the construction cost of qualifying projects. Approximately \$8,150,000 in Federal-aid funds have been allocated to this project. The remaining project cost of \$8,333,000 is funded with the First Supervisorial District's Transportation Improvement Program Proposition C Local Return funds.

Funding for the project is included in the Road Fund (B03 - Capital Assets - Infrastructure and Services and Supplies), and First and Fourth Supervisorial Districts' Transportation Improvement Programs in the Proposition C Local Return Fund (CN9 - Capital Assets - Infrastructure and Services and Supplies) Fiscal Year 2022-23 Budgets.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The contract award will comply with applicable Federal and State requirements and Board policies and mandates. The contract documents will require the contractor to comply with these same requirements, policies, and mandates. The construction contract will be in the form previously reviewed and approved as to form by County Counsel.

Documents related to award of this contract will be available at Los Angeles County Public Works, Project Management Division III, 900 South Fremont Avenue, 8th Floor, Alhambra, CA 91803.

### **ENVIRONMENTAL DOCUMENTATION**

On March 1, 2022, the Board approved an exemption pursuant to Section 15301 (c) and 15303 (e) of the State CEQA Guidelines and Class 1 (x) Subsections 2, 4, 9, 14, 19, and 22 and Class 3 (b) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. The recommendations are within the scope of the previously approved exemptions from CEQA, as there is no change in the project scope.

### **CONTRACTING PROCESS**

The contract was solicited on an open-competitive basis in accordance with the provisions of the State Public Contract Code.

To increase contractor awareness of Public Works' program to contract work out to the private sector, this project was listed on both the County's "Doing Business with the County" and "Do Business with Public Works" websites for open bids:

<https://lacounty.gov/business/doing-business-with-la-county>

<http://pw.lacounty.gov/general/contracts/opportunities>

Public Works received and publicly opened four bids on the solicitation for the advertised project. The responsible contractor with the lowest responsive bid identified in the enclosure was not a certified Local Small Business Enterprise or a certified Community Business Enterprise.

As required by Board Policy No. 5.140, information such as defaulted contracts with the County, complaints filed with the Contractors State License Board, labor violations, and debarment actions was considered before making the recommendation to award to Palp Inc., dba Excel Paving Company.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

When the project is completed, it will have a positive impact by increasing the service life of the roadway pavement, improving motorists' rideability, and reducing wear and tear on vehicles.

**CONCLUSION**

Please return an adopted copy of this letter to Public Works, Project Management Division III.

Respectfully submitted,



MARK PESTRELLA, PE

Director

MP:RLG:dw

Enclosures

c: Chief Executive Office (Chia-Ann Yen)  
County Counsel  
Executive Office  
Internal Services Department (Countywide  
Contract Compliance)

CONSTRUCTION CONTRACT  
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BID OPENING DATE: April 12, 2022

BID SUMMARY:

<u>Bidder</u>	<u>Bid Amount</u>	<u>Local Small Business Enterprise Certified</u>	<u>Certified Business Enterprise Certified</u>	<u>Disabled Veterans Business Enterprise Certified</u>
1. Palp Inc., dba Excel Paving Company P.O. Box 16405 2230 Lemon Avenue Long Beach, CA 90806	\$9,634,240.74	No	No	No
2. Toro Enterprises, Inc. 2101 Ventura Boulevard Oxnard, CA 93036	\$9,692,759.07	No	No	No
3. Sully-Miller Contracting Company 135 South State College Boulevard Brea, CA 92821	\$9,780,000.00	No	No	No
4. All American Asphalt 400 East 6th Street Corona, CA	\$9,984,768.53	No	No	No