

Agenda Report

TO: CITY COUNCIL

DATE: July 16, 2007

FROM: City Manager

SUBJECT: CONTRACT AWARD TO MANUEL BROS., INC., A QUANTA SERVICES CO., FOR THE STATE ROUTE (SR) 710 MITIGATION TRAFFIC CONTROL AND MONITORING SYSTEM - INTELLIGENT TRANSPORTATION SYSTEMS (ITS) PROJECT, FOR AN AMOUNT NOT TO EXCEED \$5,000,000

RECOMMENDATION

It is recommended that the City Council accept the bid dated April 17, 2007, submitted by Manuel Bros., Inc., a Quanta Services Company, in response to the Plans and Specifications for the Traffic Control and Monitoring System-ITS Project; reject all other bids received; and authorize the City Manager to enter into a contract not to exceed \$5,000,000 which includes the base bid of \$4,751,100 and \$248,900 for any additional work the City may order pursuant to the project plans and specifications.

BACKGROUND

The Traffic Control and Monitoring System-ITS project is one of the eight projects included in Pasadena's SR 710 Mitigation Project funded by Transportation Bill H.R. 5394 and is included in the approved Capital Improvement Program.

This project has been determined to be Categorically Exempt in accordance with the requirements of the California Environmental Quality Act (CEQA) and Programmatic Categorical Exclusion in accordance with the requirements of the National Environmental Policy Act (NEPA). The California Department of Transportation, which is administering the funds provided under H.R. 5394 has approved the environmental documents and the Notice of Exemption has been recorded with the Los Angeles County Clerk.

The Traffic Control and Monitoring System – ITS project is being advertised and constructed in two phases because there are two different types of work being done that are not normally constructed by the same pool of contractors. The first phase has already been advertised, and is essentially complete. It consisted of the installation of fiber optic communications. The contract currently being awarded is the second phase of the Traffic Control and Monitoring System – ITS project. It consists of traffic signal modifications and the installation of ITS devices, such as a closed circuit television camera and a changeable message sign on the following 11 corridors:

1. Sierra Madre Boulevard (Michillinda to South City Limit)
2. San Gabriel Boulevard (210 Freeway to South City Limit)
3. Marengo Avenue (Orange Grove to Del Mar Boulevards)
4. California Boulevard (St. John to Lake Avenues)
5. Hill Avenue (210 Freeway to Del Mar Boulevard)
6. Cordova Street (Arroyo Parkway to Hill Avenue)
7. Allen Avenue (Orange Grove to Del Mar Boulevards)
8. Del Mar Boulevard (Orange Grove to Rosemead Boulevards)
9. Orange Grove Boulevard (Colorado Boulevard to Sierra Madre Villa Avenue) / Rosemead Boulevard (Sierra Madre Villa to Foothill Boulevard)
10. Fair Oaks Avenue (Orange Grove Boulevard to North City Limit)
11. Los Robles Avenue (Del Mar Boulevard to North City Limit)

This project was advertised in the Pasadena Journal on March 15, 2007. In addition, the Notice Inviting Bids was published in four trade publications. Bid packets were obtained by 29 Contractors, three of whom submitted bids for the project.

Following advertising, bids were received on April 18, 2007, and are as follows:

<u>Bidder</u>	<u>Amount</u>
1. Manuel Bros., Inc.	\$4,751,100
2. Terno, Inc.	\$4,898,421
3. Steiny and Company, Inc.	\$5,521,400
Engineer's Estimate	\$3,499,800

It is recommended that Manuel Bros. Inc. be awarded the contract for this project as they are the lowest responsive and responsible bidder and that the other bids be rejected. The proposed contract with Manuel Bros. Inc. fully complies with the competitive bidding ordinance and the rules and regulations promulgated thereunder as did the Contractor selection process. The contractor has indicated that this contract will result in seven new hires to his present work force.

The International Brotherhood of Electrical Workers (IBEW) and the second lowest bidder have submitted award protest letters asserting that the bid from Manuel Bros. Inc. should be declared nonresponsive. The Department of Public Works, the City Attorney's Office, and outside legal counsel with expertise in contract labor compliance has reviewed the protest and found that the reasons cited by IBEW are not grounds for rejecting Manuel Bros.' bid. The IBEW asserts that Manuel Bros. Inc. cannot comply with Section 2-3.1 of the Standard Specifications that require the prime contractor to perform at least 50 percent of the work with their own forces. In response to this, Manuel Bros. Inc. has provided documentation showing that they intend to perform approximately 75 percent of the work with their own forces. The IBEW letter also questions whether Manuel Bros. Inc. will comply with California Code of Regulations regarding electrical work. Manuel Bros. Inc. holds a valid class "A" contractor's license, which enables them to perform specialty trades, including hiring and retaining certified electricians to perform electrical work covered under a class "C-10" contractor's license. The IBEW further notes that use of apprentices is required for this project. Under bid document BP-(f), item 5, Manuel Bros. Inc. has agreed to comply with California Labor Code apprentice requirements.

The contract for this project will be set up as follows:

Base Bid	\$ 4,751,100
Contingency Allowance	\$ 248,900
Contract "Not to Exceed" Amount	\$ 5,000,000

Construction will begin in September 2007 and is scheduled for completion in September, 2008.

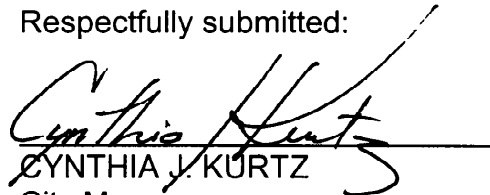
The cost of construction materials such as steel, concrete, timber, etc. have significantly increased in the last couple of years, due to a boom in construction activities, both domestic and foreign. In addition, traffic signal and ITS projects, similar to this project, are prevalent in the Southern California region, as evidenced by the reduced availability of contractors doing this type of work. Staff believes that the increased cost of construction materials and contractor availability are the reasons for the higher bids. Because the three bids are relatively close in range, it is believed that they reflect industry cost trends and a re-advertisement of this project would result in similar bids.

Funds are available in the capital improvement program budget account to award the contract for this project in the amount specified above. Therefore, it is recommended that the City proceed with the contract award to Manuel Bros. Inc.


FISCAL IMPACT

Funds to award the construction contract and cover the City's share of project costs are available in Budget Account 75019, SR 710 Mitigation – Traffic Control and Monitoring System-ITS.


Respectfully submitted:


CYNTHIA J. KURTZ
City Manager


Prepared by:


Robert Gardner, Principal Engineer
Department of Public Works

Reviewed by:


For Daniel A. Rix, City Engineer
Department of Public Works

Approved by:


Martin Pastucha, Director
Department of Public Works

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment of 2000
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than a 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name:

MANUEL BROS., INC. A QUANTA SERVICES CO.

2. Name(s) of trustees, directors, partners, officers of Contractor/Organization:

PRESIDENT - GARY W. SMITH
VICE PRESIDENT & ASSISTANT SECRETARY - JAMES HADDOX, DERRICK JENSEN, TANA POOL, DAVID BRITTAIN, PETER O'BRIEN
VICE PRESIDENT - WILL BURDINE, LOGAN TEAL, LEE SHAKAS, KENNETH TRAWICK
TREASURER - NICHOLAS GRINDSTAFF
SECRETARY - VINCENT MERCALDI
ASSISTANT SECRETARY - ROBERT MOEN

3. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:

NONE

Prepared by: Debbie Johnson
 Title: Administrative Assistant
 Date: 4/16/07

For office use only: Contract/Transaction No. _____ If not a contract, type of transaction: _____

Rodriguez, Jane

From: Martin Truitt [mtruitt@trustrow.com]
Sent: Friday, July 20, 2007 12:24 AM
To: Rodriguez, Jane
Subject: Taxpayer Protection Act disclosure form

Jane...can you please include this as public comment on agenda item 4.A. for the July 23 council meeting?
Thank you.

martin truitt

Dear City Council:

Re: Manual Bros. disclosure docs

The Pasadena Taxpayer Protection Act disclosure form prepared by Manual Bros. appears to be incorrect where it responds "NONE" to Question 3. "Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization".

The Taxpayer Protection Act language states that it applies to "any individual or person who, during a period where such benefit is received or accrues...has more than a 10% equity, participation, or revenue interest in that entity..."

Assuming that the word "person" refers to a juristic person like a corporation then the appropriate answer should have been "Quanta Services" not "NONE" (Manual Bros.,Inc. is owned by Quanta) and should have gone on to list those individuals or entities that have more than a 10% interest in Quanta.

I would suggest you change the question on the disclosure form to read: "Names of INDIVIDUALS OR ENTITIES with more than a 10% DIRECT OR INDIRECT equity, participation, or revenue interest in Contractor/Organization:" in order to eliminate confusion in the future.

I am assuming that the use of the phrase "revenue interest" means that the Taxpayer Protection Act is intended to apply to individuals and entities that indirectly own a contract beneficiary. If the TPA does not cover indirect ownership interests, then that obviously creates a massive loophole. In that case an individual could escape the provisions of the TPA simply by creating a parent corporation to stand between himself/herself and the corporation that is receiving the benefit.

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Rodriguez, Jane

From: Wright, Steve
Sent: Monday, July 16, 2007 2:25 PM
To: Rodriguez, Jane
Cc: Jomsky, Mark
Subject: FW: ITS Projects - Transportation Enhancements funded through FHWA and Caltrans

FYI

From: Subodh Kumar [mailto:cfmgroupsk@earthlink.net]
Sent: Monday, July 16, 2007 10:00 AM
To: Bogaard, Bill; Robinson, Jonathan; McAustin, Margaret; Holden, Chris; Haderlein, Steve; Gordo, Victor; Madison, Steve; Tyler, Sid
Cc: Kurtz, Cynthia; Wright, Steve; 'Claire W. Bogaard'; david.worrell@att.net
Subject: ITS Projects - Transportation Enhancements funded through FHWA and Caltrans

Mayor Bogaard and Council Members:

I am writing to you as a long-time resident of the City of Pasadena, former Chair of the Transportation Commission, and as a member of the Pasadena Design Advisory Group (DAG).

Most of you are aware that the Pasadena DAG has led the selection of projects funded by, and the investment of funds provided by, Transportation Bill H.R. 5394 as related to SR 710. Our principal focus for almost the past decade has been to work to improve traffic mobility while protecting affected neighborhoods from its impact. I am also familiar with the national impacts of traffic flow improvements as a result of ITS programs, having managed the design of such a system a while back for 150 miles of LA County freeways.

One of the comprehensive projects long recommended by the DAG is the Traffic Control and Monitoring System-ITS which is on the Council agenda item 7 (A) (1), for this evening. I am writing to urge your approval of the recommendation of the City Manager (Contract Award to Manuel Bros., Inc.). This is the second phase of the ITS program, having installed the supporting infrastructure in the first phase.

Further delays in the implementation of this project will only continue to delay these items which are intended to improve the traffic flow and quality of lives of Pasadena residents.

Subodh Kumar, IFMA Fellow, CFM
Chartered Facility Management Group, Inc
Strategic Value Enhancement Leaders
T: 626.351.9145
F: 626.351.7645
M: 626.318.8590

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Item 7.A.1



OFFICE OF THE CITY MANAGER

DATE: July 23, 2007
TO: City Council
FROM: City Manager
RE: Contract Award to Manuel Bros., Inc. for the SR 710 Mitigation – Traffic Control and Monitoring System – ITS Project
Federal-Aid Project No. RABA02-5064(045)

IBEW has raised labor compliance issues both in writing and in meetings with City staff held after receipt of their protest letter. Staff investigated these by contacting the City of Los Angeles (LA) and the State of California Department of Transportation (Caltrans). Both of these agencies have contracted with Manuel Bros., Inc. and the results of staff's findings are summarized below.

The City of LA currently has two construction contracts with Manuel Bros., Inc. in the amounts of approximately \$5 million and \$5.7 million. Staff contacted the City of LA Labor Compliance Section and found there had been misclassification of some workers for particular types of work and apprenticeship requirements. Although these are violations, they were categorized as minor. Manuel Bros., Inc. is working with the City of LA to remedy the labor compliance violations, and they expect penalties to be less than \$25,000 (½ percent of the contract amount). The \$5.7 million LA project started after the \$5 million project. Manuel Bros., Inc. has been working with the City of LA to avoid having similar labor compliance penalties on this contract. The City of LA staff also indicated that Manuel Bros., Inc. provides good quality of work and that they would hire them again if the opportunity arises.

Caltrans was also contacted regarding their experience with Manuel Bros., Inc. They indicated that Manuel Brothers met Caltrans standards. Caltrans staff rated the quality of work, timeliness of work, and project management as excellent and their labor compliance submittals as above average. Lastly, the labor compliance officer for Caltrans indicated that there are no past or current labor compliance issues with Manuel Bros., Inc.

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Handout by staff

DEPARTMENT OF INDUSTRIAL RELATIONS
DIVISION OF APPRENTICESHIP STANDARDS

455 Golden Gate Avenue, 10th Floor
San Francisco, CA 94102
Tel: (415) 703-4920
Fax: (415) 703-5477

www.dir.ca.gov



ADDRESS REPLY TO:
Div. of Apprenticeship Standards
P. O. Box 420603
San Francisco, CA 94142-0603

May 10, 2006

Mr. Dick Reed
Assistant Business Manager
L.A. NECA I.B.E.W. Local #11
297 N. Morengo Ave.
Pasadena, CA 91101

Dear Mr. Reed:

The DAS received an inquiry from your office requesting information on approved apprenticeship programs offering training in the occupation of Transportation Systems Electrician also known as Intelligent Transportation System Installer, DOT Code No. 824.381 010 in the county of Los Angeles.

My review of our records revealed that the Southern California Transportation Systems Electrical JAC, Das file No. 10243, is currently the only program approved to offer training in the occupation of Transportation Systems Electrician also known as Intelligent Transportation System Installer, DOT Code No. 824.381 010 in the county of Los Angeles.

Sincerely,

A handwritten signature in cursive script that reads "Mary Sorokolit".

Mary Sorokolit
Sr. Apprenticeship Consultant
DAS

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Handout by Patrick Owens

CONTRACTORS

§ 7056

Ch. 9

bid by contractor on specialty work was not prerequisite to grant of declaratory relief. *Chas. L. Harney, Inc. v. Contractors' State License Bd.* (1952) 39 Cal.2d 561, 247 P.2d 913.

2. Subcontracting

An individual who has secured a landscape contractor's license may employ other duly licensed contractors to install lawn-sprinkling systems. *Lasley v. Baldwin* (App. 1958) 159 Cal.App.2d 468, 324 P.2d 108.

3. Supplemental classification

Evidence that contractor when he constructed building held a license to do general contracting business and had no actual knowledge of regis-

trar's rule requiring a supplemental classification established that contractor was acting in substantial compliance with the law, so that contractor would not be denied recovery of contract price for building. *Odde v. Hedde* (App. 1950) 101 Cal.App.2d 375, 225 P.2d 929.

A judgment refusing contractor recovery of contract price for building on theory that contractor was not licensed would be denied as inequitable, where contractor substantially complied with all the statutory law enacted for his governance and only failed to secure a supplemental classification as required by registrar's rule because of ignorance thereof. *Odde v. Hedde* (App. 1950) 101 Cal.App.2d 375, 225 P.2d 929.

§ 7056. General engineering contractor

A general engineering contractor is a contractor whose principal contracting business is in connection with fixed works requiring specialized engineering knowledge and skill, including the following divisions or subjects: irrigation, drainage, water power, water supply, flood control, inland waterways, harbors, docks and wharves, shipyards and ports, dams and hydroelectric projects, levees, river control and reclamation works, railroads, highways, streets and roads, tunnels, airports and airways, sewers and sewage disposal plants and systems, waste reduction plants, bridges, overpasses, underpasses and other similar works, pipelines and other systems for the transmission of petroleum and other liquid or gaseous substances, parks, playgrounds and other recreational works, refineries, chemical plants and similar industrial plants requiring specialized engineering knowledge and skill, powerhouses, power plants and other utility plants and installations, mines and metallurgical plants, land leveling and earthmoving projects, excavating, grading, trenching, paving and surfacing work and cement and concrete works in connection with the above mentioned fixed works.

(Added by Stats.1945, c. 1159, p. 2207, § 2. Amended by Stats.1951, c. 1606, p. 3608, § 1.)

Historical and Statutory Notes

Former § 7056, added by Stats.1939, c. 37, § 1, defining a general engineering contractor, was repealed by Stats.1941, c. 971, § 6. See, now, this section.

Derivation: Former § 7056, added by Stats. 1939, c. 37, § 1.

Stats.1929, c. 79, § 3½, added by Stats.1935, c. 816, § 4, amended by Stats.1937, c. 499, § 3.

Cross References

Registered civil and professional engineers exempt from chapter, see Business and Professions Code § 7051.

Code of Regulations References

Limitation of classifications, see 16 Cal. Code of Regs. § 834.
Solar system contractors, see 16 Cal. Code of Regs. § 832.62.

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Handout by Philip Putnam