

City of Los Angeles Request for Proposals

Contractor Development and Bonding Program Broker/Administrator

1. Invitation

The City of Los Angeles (City), the Governing Boards of the Los Angeles County Metropolitan Transportation Authority (Metro), and the County of Los Angeles (County), in their ongoing efforts to increase the level of small, local and Disadvantaged/Disabled Veterans/Minority/Women owned business enterprises (small, local and DBE/DVBE/MBE/WBE) contractor and subcontractor participation in the bidding process for contracting opportunities in the Los Angeles Region, have requested the continuance of the Los Angeles Regional Contractor Development and Bonding Program (Program) which includes opportunities at the City of Los Angeles, Los Angeles County Metropolitan Transportation Authority, County of Los Angeles, Los Angeles Department of Water and Power, Los Angeles World Airports, and Port of Los Angeles (Program member agencies). Through the City's Office of the City Administrative Officer (CAO), Risk Management, the selected Broker/Administrator will provide the needed technical assistance, capacity building, and financial guidance to small, local, and DBE/DVBE/MBE/WBE contractors and subcontractors to help them obtain the required surety bonds or other technical assistance necessary to bid on Program member agency projects. Selection of the Broker/Administrator will be conducted by a panel consisting of one representative from CAO Risk Management, the Office of the Mayor, Metro, County, Department of Water and Power, Los Angeles World Airports, and Port of Los Angeles.

Each Program member agency's participation in the Program is contingent upon the approval of their respective Boards of Administration, and the selected broker/administrator's successful negotiation and execution of a separate agreement with each Program member agency.

The Program member agencies are seeking proposals for administration of the Los Angeles Regional Contractor Development and Bonding Program. **Proposals must be submitted no later than 3:00 P.M., Thursday, December 6, 2018.**

2. City of Los Angeles – General Background

The City of Los Angeles is the second most populous city in the United States with an estimated 2018 population of approximately 4.05 million. Los Angeles is the principal city of a metropolitan region stretching from the City of Ventura to the north, the City of San Clemente to the south, and the City of San Bernardino to the east. The City's 470 square miles contains 11.5 percent of the area and 39.1 percent of the population of the County of Los Angeles.

As Executive Officer, the Mayor supervises the administrative process of the City and works with the Council in matters relating to legislation, budget and finance. As governing body of the City, the 15 member, full-time Council enacts ordinances, levies taxes, approves utility rates, authorizes contracts and public improvements, adopts zoning and other land use controls, and provides the necessary resources for the budgetary departments and offices of the City.

Public services provided by the approximately 32,000 City employees (not including employees at the Departments of Water and Power, Harbor, or Airports) include: police, fire and paramedics, residential refuse collection and disposal, wastewater collection and treatment, street maintenance and other public works functions, enforcement of ordinances and statutes relating to building safety, public libraries, recreation and parks, community development, housing and aging services, and planning.

The City Capital Improvement Program is divided into three major categories: 1) Wastewater, which includes the sewer collection system, pumping stations, and treatment plants; 2) Physical Plant, which includes streets, streetlights, and storm drains; and 3) Municipal Facilities, which includes all City-owned buildings, parks and service yards. Based upon the City of Los Angeles Fiscal Year 2018-19 budget, the construction value for the Clean Water System Projects is estimated to be approximately \$330 million.

Department of Water and Power – General Background

The Los Angeles Department of Water and Power (LADWP), the largest municipally owned utility in the nation, was established over 100 years ago to deliver reliable, safe water and electricity to 3.8 million residents and businesses in Los Angeles. DWP provides its 666,000 water customers and 1.4 million electric customers with quality service at competitive prices. The LADWP employs approximately 10,000 employees to serve a 465-square-mile area ranging from the Pacific Ocean to the San Gabriel Mountains. It began the municipal distribution of water in 1902 and distribution of electricity in 1916.

The LADWP is administered by a five-member Board of Water & Power Commissioners appointed by the Mayor and confirmed by the City Council for five-year terms. As a revenue-producing proprietary department, the LADWP transfers a portion of its annual estimated electric revenues to the City of Los Angeles General Fund. LADWP's operations are financed solely by the sale of water and electric services. Capital funds are raised through the sale of bonds. No tax support is received.

Operations and work forces are centered in the greater Los Angeles area with additional facilities in Utah and Nevada. At the highest level, the LADWP is organized by a line of business units or "Systems", i.e. Water, Joint, or Power. The Water, Joint, and Power systems operate almost as independent companies with separate budgets, with a combined annual budget of \$7.5 billion.

Port of Los Angeles – General Background

The Port of Los Angeles (Port) is managed by the Los Angeles Harbor Department, a self-supporting proprietary department of the City. The Port is governed by the Board of Harbor Commissioners, which consists of five commissioners, appointed by the Mayor and confirmed by the City Council. As trustee for the State of California under a series of tidelands grants, the Department manages the Port of Los Angeles, located in San Pedro Bay, approximately 20 miles south of downtown Los Angeles. The Port is the busiest container port in the nation handling over 9.3 million twenty-foot equivalent units during calendar year 2017. In terms of physical size, the Port is the largest port on the west coast, occupying 7,500 acres of land and water encompassing approximately 43 miles of waterfront and 27 terminal facilities. The Port operates as a “landlord” port with its docks, wharves, transit sheds and terminals leased to shipping or terminal companies, agents and to other private firms. In addition to major terminal operators, other tenants include marinas, commercial fishing operations, cruise operations, restaurants and recreational facilities.

Los Angeles World Airports – General Background

Under the Charter of the City of Los Angeles, the Department of Airports of the City, commonly known as Los Angeles World Airports (LAWA), is a self-supporting proprietary department. As such, LAWA operates independently using its own revenues, and administering and controlling its fiscal activities. LAWA is under the control of a seven-member Board of Airport Commissioners appointed by the Mayor, subject to the oversight of the Council. It is administered by an executive director.

LAWA is a system of two airports owned and operated by the City of Los Angeles. Each airport – Los Angeles International (LAX) and Van Nuys (VNY) – plays an integral role in helping to meet the regional demand for passenger, cargo, and general aviation services. Each airport makes a distinct contribution to the strength of the system as each provides a high level of safety, security, and service for its customers, communities and stakeholders.

The operation of LAWA’s airports is based on a highly complex relationship between a number of governmental and private organizations. Each organization plays an important role in the activities necessary to provide Los Angeles, the region, the nation, and the world with a modern air transportation system. The following entities are the major organizations involved in making it possible for LAWA to provide the service it does:

- LAWA, as the airport operator
- Federal Aviation Administration (FAA)
- U.S. Department of Homeland Security (DHS) and Transportation Security Administration (TSA)
- Commercial air carriers
- Concessionaires
- Other private contractors

The Airport Revenue Fund is a special fund established by the Charter of the City. All fees, charges, rentals, and revenue from every source collected by LAWA in connection with its possession, management and control of LAWA facilities, and assets are deposited in the Airport Revenue Fund. LAWA's operating expenses, as well as costs for the acquisition, purchase, lease, or condemnation of LAWA facilities and assets, are paid from the Airport Revenue Fund. LAWA's Capital Improvement Programs (CIP) for the time period 2014-2018 was approximately \$12 Billion.

Los Angeles County Metropolitan Transportation Agency – General Background

The Los Angeles County Metropolitan Transportation Authority (Metro) operates the third largest public transportation system in the United States. Metro is unique among the nation's transportation agencies in that it serves as transportation planner and coordinator, designer, builder and operator for one of the country's largest, most populous counties. More than 9.6 million people – nearly one-third of California's residents – live, work, and play within its 1,433-square-mile service area.

Metro directly operates bus, light rail, heavy rail and bus rapid transit services. In addition, Metro funds and provides direct planning support for commuter rail and freeway/expressway projects within LA County.

Metro also partially funds a total of sixteen municipal bus operators and a wide array of transportation related projects which include bikeways and pedestrian facilities, local road and highway improvements, the movement of goods, the Southern California Regional Rail Authority (Metrolink), Freeway Service Patrol and freeway call boxes within the greater metropolitan Los Angeles region.

Metro currently is underway with one of the largest public works program in the nation with five rail lines simultaneously under construction and two of the projects scheduled for opening in the latter half of 2019. At this time, the Fiscal Year 2019-20 Capital Program is valued at over \$2.0 billion, continuing the Measure R and Measure M construction programs and continued progress on various capital projects to maintain Metro's assets in a state of good repair.

County of Los Angeles – General Background

Los Angeles County Department of Public Works (DPW) delivers regional infrastructure and services improving the quality of life for more than 10 million people in Los Angeles County and is responsible for the design, construction, operation, and maintenance of roads, traffic signals, bridges, airports, sewers, flood control, water supply, water quality, and water conservation facilities. These diverse operations fall within six core service areas: Transportation, Water Resources, Environmental Services, Public Buildings, Development Services, and Emergency Management.

Departmental responsibilities include monitoring and controlling traffic signals countywide from its Traffic Management Center in Alhambra. DPW also maintains a 24-hour Dispatch Center and an on-call Department Emergency Operations Center. In addition, it provides project management services for the design and construction of the County Capital Projects Program and plays a leadership role in the countywide transportation system, traffic mitigation efforts, and solid and hazardous waste management. DPW also manages about 232 active capital projects with a total construction value of over \$847 million. The annual budget of \$2.7 billion is funded by restricted revenues, such as gas excise and sales tax, benefit assessment, water and sewer sales, user fees, and contract cities revenues. The DPW workforce is made up of nearly 4,000 employees in more than 500 job classifications including professional, technical, clerical and skilled crafts.

Construction Division at DPW is responsible for the advertising, award, administration and inspection, and final acceptance of contracts awarded for the construction of public works infrastructure. Contracts include road improvements, traffic signals, bridges, airports, sewers, flood control, water supply, water quality, and water conservation facilities. Approximately 50 construction contracts are awarded each year with a total value of approximately \$100-\$125 million dollars. The contract amounts vary in size from approximately \$200,000 to over \$65 million.

3. General Information

Qualified Brokers interested in providing broker/administrator services to the Program member agencies are expected to respond in a prescribed manner as outlined in this Request for Proposals (RFP).

Questions concerning the information contained within this RFP may be submitted no later than Friday, November 16, 2018 via e-mail to:

Curtis Kelley
Risk Manager
curtis.kelley@lacity.org

Responding parties must send proposals **(one hard copy, wet signature, original; and six flash drive electronic versions)** in a sealed package to the address below. All proposals must be signed by the individual or official of the firm who has the authority to bind the firm contractually.

*Attn: Contractor Development and Bonding Program Request for Proposals
City of Los Angeles
Office of the City Administrative Officer, Risk Management
200 North Main Street,
City Hall East, Room 1240
Los Angeles, CA 90012*

Responses will be reviewed promptly. All proposals must be received no later than 3:00 P.M., P.S.T. on Thursday, December 6, 2018. Late responses will not be considered for review. The City may schedule interviews depending upon the number of responders and the perceived need for additional information.

Proposal Timetable

Release of RFP.....	November 9, 2018
Final Day for Broker to Submit Questions.....	November 16, 2018
Proposal Due Date.....	December 6, 2018
Broker Interviews.....	December 13, 2018
Broker Selected.....	December 21, 2018
Contract Start Date.....	March 1, 2019

The City intends to award a contract, in a form approved by the City Attorney, to the selected Broker. This RFP and the proposal submitted or any part thereof may be incorporated into and made a part of the contract. Proposals accepted by the City in writing constitute a legally binding contract offer. Awarding of the contract shall be made to the responsible proposer whose proposal is determined to be the highest evaluated offer. Proposers will be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals. The City does not accept any financial responsibility incurred by any proposer in responding to this RFP. In addition, the City reserves the right to accept or reject any or all proposals, or waive any and all formalities not considered advantageous to the City.

4. Scope of Services

Service requirements for this program include, but are not limited to, the following:

Assist participating Program member agencies in administering the Program to assist small, local and DBE/DVBE/MBE/WBE contractors and subcontractors in qualifying for surety bonds or other technical assistance typically needed in public construction bidding and contracting. This Program may be expanded at a later date to include other regional construction related technical assistance and outreach activities. This initial Program includes, but is not limited to, the following elements:

1. Conduct a Los Angeles Regional outreach designed to encourage Program participation from small, local and DBE/DVBE/MBE/WBE contractors and educate them on the Program and its worth.
2. Attend workshops and meetings. Provide needed materials as requested by the Program member agency and/or make presentations to highlight Program.
3. Convene events to promote the Program and provide eligible contractors training and education on topics related to public construction bidding/contracting.

4. Analyze prior denied bonding requests. Establish strategy for addressing and overcoming the factors that led to the denials.
5. The selected Broker's approach must maintain the contractor's existing broker client relationship, and only refer contractors not represented, to Program broker partners. Select qualified, financially sound surety underwriting facilities and develop working relationships with these resources to assist in the process of bonding contractors. The Program is to be an "open surety market" allowing participation by any willing surety. If necessary and appropriate, negotiate and develop written agreements with these entities on behalf of the Program.
6. Provide training to Program member agency staff and others as deemed necessary.
7. Work with selected sureties to develop underwriting criteria that will protect Program resources, but will allow maximum participation by contractors and subcontractors requiring bond assistance.
8. Establish a network of advisors and service providers (CPAs, insurance brokers, TPAs, etc.) as necessary to assist contractors and subcontractors in the qualification process and to help ensure successful completion of the Program.
9. Develop necessary forms, instruction documents, procedure manuals and other written control mechanisms for operation of the Program.
10. Educate contractors and subcontractors on the surety bonding process and the necessary steps to qualify. In addition, provide other technical assistance, capacity building and financial guidance and counseling to small, local and DBE/DVBE/MBE/WBE contractors and subcontractors, on such items as preparation of financial reports and business plans, insurance placement, bonding application and establishment of assets or credit resources for operating capital and all other areas relevant to the development of small contractors.
11. Refer contractors and subcontractors to qualified resources such as bankers, accountants, insurance brokers, business consultants, economic development advisors and Program member agency resources.
12. Utilize existing Program member agency resources that aid in the development of the contractors' and subcontractors' ability to obtain surety bonds or provide for other needed technical assistance.
13. Provide conflict resolution between Program participating contractors, subcontractors, service providers and surety underwriting facilities.
14. Verify the accuracy and validity of all premiums and fees charged. Establish accounting controls for all Program member agency funds used in the Program.
15. Provide monthly reports to Risk Management and other Program member agencies documenting the number of contractors counseled and bonded, technical assistance provided, tracking of Program impact, and highlight savings to the Program resulting from Program-qualified contractors and subcontractors winning bids.
16. Provide outreach to non-English speaking contractors and subcontractors.

17. Monitor contractor and subcontractor activities to ensure continued financial and organizational stability during the contractual phase.
18. Establish a contractor work plan which includes, but is not limited to, establishment of bonding capacity, securing prequalified status with prime contractors, creating a marketing profile, and matching with trade specific contracting/subcontracting opportunities with the Program member agency and its prime contractors.
19. Continue to review programs to better enhance contractor development.
20. Provide resources which include, but are not limited to, notification of project bidding opportunities and networking events.
21. Collaborate with Program member agencies to identify specific small contractor conductive opportunities and assist with strategies, approaches, targeted outreach and project specific technical support.
22. Consult and advise on small and diverse business technical assistance and policies.
23. Provide inclusivity policy consulting and related services as requested.
24. Prepare annual stewardship reports and a closeout report (at the terminus of the contract) documenting total savings and success of the project.
25. Complete other tasks as deemed necessary by the Program member agencies.

5. Required Information and Format

Broker should respond to all requirements of this RFP to the maximum extent possible. Clearly identify any limitations or exceptions; be straightforward, clear and concise in all responses.

1. A one page letter of introduction signed by an authorized officer or owner of the firm:
 - a. If submitting as a team, note which team is the prime Broker or lead joint venture partner (if applicable).
 - b. The name, address and phone number of the individual who will be in charge of this project.
2. A statement of qualifications that reflects the reasons why your firm believes it is qualified to provide the services requested in the RFP. Please limit your response to five (5) pages.
 - a. Provide information on your firm's experience performing similar services for public agencies, specifically projects with large metropolitan areas.
 - b. Give your firm's primary location and any branch locations.
 - c. List, in detail, any legal actions against your firm within the last five (5) years.

3. A brief discussion as to how you would administer the Contractor Development and Bonding Program based upon your firm's experience. Include program training, development, resources, outreach, project monitoring and bonding.
4. A list of all staff to be assigned to the account, designating the individual who will have primary responsibility for oversight of the account (account manager or Broker). This individual(s) must have the appropriate license(s) from the State of California authorizing them to work with sureties and give bonding advice. Provide resumes of the key staff members who will be responsible for the Program. Describe what function(s) each staff member will perform and his or her experience in working on similar projects. Include name of project(s), client(s), city, and state.
5. Three client references with which your firm has worked within the past five (5) years. Please include firm name, address and telephone number, contact name and telephone number, services performed, and a brief highlight of the results of the program.

6. Outreach

Brokers should respond to the following questions: a) Based upon prior experience, how would you design the most effective outreach program for the Program member agencies? b) How would you perform outreach to diverse constituencies? Discuss methods of advertising and promoting, and locations within the City and County where you are targeting (e.g., professional trade groups, unions, etc.).

7. Fee

Submit a proposed detailed annual Program Administration Fee (Fee) including Program staffing, individual hourly billing rate, budgeted hours per month, estimated outside service costs (TPA, accountants, and others) and any additional costs such as travel, filing and letters. This Fee must reflect the total annual cost that your firm will be invoicing the Program member agencies. No other sources of compensation (including straight or contingent commissions) for services provided under this RFP are allowable.

8. Evaluation Process and Criteria

Broker will be evaluated by a panel primarily on the basis of overall qualifications, experience and Program content. The panel will also evaluate overall costs and compliance with Program member agency policies. The review criteria will include proposal quality and responsiveness; experience and capabilities of assigned staff; broker experiences and resources; compliance with Program member agency policies; interview; and fees.

9. Basis of Award

The proposals will be evaluated based upon the following scoring. The Broker with the highest overall score will be awarded the contract.

Program Content	25%
Outreach program	10%
Cost of Program	20%
Interview	10%
Overall qualifications & experience	35%

10. Responsiveness Criteria

To be considered responsive to this solicitation, proposers must submit complete responses to all items requested in this document, including completed responses to City’s Appendices A – K: City Business Tax Registration Certificate or Vendor Registration Number; Insurance Instructions; Affirmative Action Program; Equal Benefits Ordinance; Slavery Disclosure Ordinance/Border Wall Disclosure Ordinance; Child Care Policies; Child Support Ordinance; Contractor Responsibility Ordinance; Affidavit of Non-Collusion compliance; Municipal Lobbying Ordinance; and Bidder Certification. Additionally, proposers must be responsive to Metro Appendices L – N: Letter of Invitation State Local Supplement SBE DVBE RFP; Diversity & Economic Opportunity Department SBE/DVBE Contract Compliance Manual; and Diversity & Economic Opportunity Department SBE and DVBE Instructions to Proposers. Failure to include satisfactory responses to these items may result in the City rejecting such proposals as non-responsive. All Appendices must accompany proposer’s hard copy response as well as the City’s Appendices must be submitted electronically to the City’s Business Assistance Virtual Network (LABAVN, <https://www.labavn.org/>).

Completion of Los Angeles County disclosures/ordinances is not required at this time. However, in anticipation of entering into a future contract with Los Angeles County, the selected broker/administrator must agree to fully comply with all Los Angeles County disclosures/ordinances attached to this RFP.

11. Notice to Proposers Regarding the Public Records Act

All documents submitted in response to this solicitation are subject to public disclosure as permitted by the California Public Records Act. Specifically, responses to this solicitation become the exclusive property of the Program member agencies. All proposals submitted in response to the request for proposals become a matter of public record and shall be regarded as public records. Exceptions will be those elements in each proposal which are trade secrets as that term is defined in California Government Code Section 62543.7 and which are so marked as *Trade Secret*, *Confidential*, or *Proprietary*. The Program member agencies shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked if disclosure is deemed to be required by law or

by order of the Court. Proposers who indiscriminately and without justification identify all or most of their proposals as exempt from disclosure may be deemed unresponsive.

12. Term of Contract

The term of the contract will be for three (3) years beginning March 1, 2019.

13. Attachments

1. Standard Provision for Personal Services Contracts, revised 10/17, v3
2. Form Gen. 146 IR (Insurance Requirements), revised 06/12
3. Los Angeles County Disclosures/Ordinances