

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: May 28, 2019

TO: Honorable Paul Krekorian, Chair
Honorable Curren D. Price, Jr., Vice Chair
Honorable Paul Koretz, Member
Honorable Bob Blumenfield, Member
Honorable Mike Bonin, Member
Budget and Finance Committee

FROM: Enrique C. Zaldivar, Director and General Manager
LA Sanitation and Environment



SUBJECT: LA SANITATION AND ENVIRONMENT – REPORT BACK ON BUDGET & FINANCE COMMITTEE REPORT (19-0600) ITEM NO. 152 CITY SEWER CONSTRUCTION CREWS

During the Fiscal Year 2019-20 Proposed Budget Deliberations, \$1,300,000 from the Sewer Capital Fund was placed in the Unappropriated Balance and LA Sanitation and Environment (LASAN) was asked to report back with General Services Department on the potential for establishing City construction crews to perform work on small diameter sewers, including an analysis of whether Targeted Local Hire (TLH) may be used.

Background

LASAN manages a Clean Water Capital Improvement Expenditure Program (CIEP) of approximately \$330 million per year, with virtually all of that work performed by contractors. This leaves the City vulnerable during times of rising construction costs, or with projects that are likely to incur changes during the construction process. LASAN is always looking for opportunities to control costs, keep our operational systems functional at all times, and ensure service reliability to our customers. LASAN has successfully brought other work in-house that has proven the value of building expertise in-house and being able to modulate operational costs. LASAN now processes and markets approximately 25% (400tpd) of the green waste generated by our customers. LASAN also purchased and operates the Central Los Angeles Refuse Transfer Station rather than relying exclusively on third-party transfer stations.

LASAN currently performs some small construction projects utilizing staff and equipment from the Solid Resources Processing and Construction Division. This staff is very experienced with earthmoving work, and has brought that experience to bear on a variety of grading and greenway projects, including the construction of bioswales.

LASAN proposes to build on this expertise by piloting two construction teams to repair and construct small sewers that are 6-10" in diameter. Having these construction forces under our control offers alternatives for situations when all of the bids come in higher than the estimate, or for projects where there will be a significant amount of coordination, easement issues, or changes during construction. These teams could also be mobilized quickly to handle unsafe conditions that are causing liability to the City. City staff would also bring their knowledge of the

conveyance system operations to bear in designing the flow bypass and air treatment systems necessary during construction, as well as complying with LASAN's Spill Prevention Plan.

Construction costs are increasing due to a variety of reasons, including increasing costs of materials, higher labor costs, and contractors who have plenty of bidding opportunities due to the healthy economy.

LASAN reviewed the bids received in the past year for Secondary Sewer Renewal Projects. Bids on four of the six projects received in the past year were higher than the estimate, as shown in the table below:

Project	Low Bid % High	Average % High
SSRP H07 & H08	25.49	36.56
SSRP H31	10.10	25.60
SSRP T07	21.57	52.90
SSRP W20	63.74	88.71

If in-house crews were able to complete these projects at the estimated cost, it would have provided \$2.5 million in savings.

The City has approximately 6,000 miles of secondary sewers, so bringing a certain amount of this work in-house will not significantly reduce the amount of opportunities for local contractors.

LASAN discussed this proposal with the General Services Department and their General Manager confirmed that they do not have expertise in the field of wastewater construction that would allow them to take on this work.

Classifications in the Sewer Construction Crews

The proposal is for two teams, each with the following composition:

- three Maintenance and Construction Helpers
- one Wastewater Collection Worker II
- one Equipment Operators
- one Pipefitters,
- one Construction and Maintenance Supervisor I

The teams (see attached organization chart) would be under the direction of a Senior Construction Engineer and augmented by existing LASAN staff (heavy equipment operators, construction and maintenance superintendent) as well as hiring hall staff (bricklayers, cement finishers). Work that may be performed by each of the classifications is shown below and included in the attached position descriptions.

Maintenance and Construction Helpers (M&C Helpers) (3115) – Examples of duties performed by an M&C Helper include: Assists in building, construction, maintenance, and repair

operations using various materials, equipment, and hand, pneumatic, and power tools in the performance of semiskilled manual tasks. LASAN is requesting six M&C Helpers, which are excellent candidates for TLH and a Bridge to Jobs. The employees assigned to these positions will gain experience and be trained to get the necessary certifications to allow them to move into the Equipment Operator positions that are also part of these crews as vacancies open, as well as other Equipment Operator positions in LASAN.

Wastewater Collection Workers II (4110-2) - Performs a variety of semi-skilled and skilled tasks in the operation, maintenance and repair of sanitary sewers and storm drains and has knowledge of the methods and procedures used in preventive maintenance, routine repair and limited construction of sanitary sewers, storm drains and associated structures. The current feeder classification for this classification is Maintenance Laborer, which is a TLH classification. LASAN is also working with the Personnel Department to incorporate this classification as part of the Bridge to Jobs Program.

Equipment Operator (3525) - An Equipment Operator operates a wide variety of gasoline and diesel-powered heavy wheeled and track-laying construction and maintenance equipment, including bulldozers, motor graders, rollers, loaders of one-half cubic yard or larger capacity, pavement breakers, paving machines, tractor-mounted backhoes of less than one cubic yard capacity, and similar equipment. This classification requires specific license, so it is not a good candidate for TLH, but the classification offers a promotional opportunity for M&C Helpers and Wastewater Collection Workers on the Sewer Construction Crews.

Pipefitter (3433) - Performs skilled work in the installation, replacement, maintenance, and repair of industrial steam, oil, air, gas, water, steam heating, and other pipe systems, including high pressure and high temperature systems. The pipefitter is distinguished from the plumber in working on industrial rather than domestic piping systems. Completion of a four-year apprenticeship or the attainment of journey level rank as a Pipefitter or four years of experience as a pipefitter helper is required for Pipefitter, so it is not a good match for TLH.

Construction and Maintenance Supervisor (3127) – Examples of duties include: Plans, lay outs assigns, and supervises through subordinate supervisors, coordinates, and inspects the work of a group of craft and labor supervisors, journey-level workers, equipment operators, helpers, laborers, and other employees engaged in a variety of construction and maintenance work. As a supervisory position, this classification is not eligible for TLH.

Senior Construction Engineer (7289) - Examples of duties include: checks construction progress reports to make adjustments for projects that are off schedule; conducts job site meetings with contractors to review construction progress and to avoid construction delays; meets with contractors to resolve differences in interpretations of contract provisions related to buildings and other facilities; reviews completed plans for possible construction problems; contacts other agencies to coordinate joint construction projects; reviews time and cost estimates for accuracy and completeness; develops cost and data collection procedures used to prepare status and manpower utilization reports; personally reviews, approves, and coordinates the more complex work; and resolves non-routine problems with contractors and coordinates such resolutions with other public agencies and private organizations. In this proposal, the Senior

Construction Engineer would be performing these duties with in-house crews rather than with contractors.

Recommendations

LASAN is therefore requesting that following items be added to the FY 2019-20 Adopted Budget:

1. Recognize \$2,200,000 as revenue on Schedule 14 - Sewer Construction and Maintenance Fund for the repayment of a loan from Measure W, the repayment of which is recorded in Schedule 7 - Stormwater Pollution Abatement Fund, but the receipt of which was inadvertently omitted from Schedule 14.
2. Add nine-months funding and resolution authority for 15 positions consisting of six Maintenance and Construction Helpers, two Construction and Maintenance Supervisors I, two Equipment Operators, two Pipefitters, two Wastewater Collection Workers II, and one Senior Construction Engineer.
3. Increase appropriations within the Bureau of Sanitation (Budget Page 164) as follows:

Salaries General (Fund 761)	\$854,293
Hiring Hall Salaries (Fund 761)	\$149,843
Benefits Hiring Hall (Fund 761)	\$43,888
Expense – Uniforms (Fund 761)	<u>\$2,400</u>
Subtotal	\$1,050,424
4. Increase the appropriation in the Wastewater Special Purposes Fund (Budget Page 229), Sewer Capital Fund, General Services Expense and Equipment line for the purchase of vehicles by \$298,200.
5. Increase the appropriation in the Schedule 14 Sewer Construction and Maintenance Fund (Budget Pages 284-286), Sewer Capital Fund, Reimbursement of General Fund Costs by \$506,339.

The total cost for nine-month's funding for the positions plus equipment is \$1,854,963, which can be completely covered by recognizing the revenue from the loan repayment.

Thank you in advance for your continued support of LASAN. If you have any questions or would like to discuss any of these items further, please feel free to contact me or Lisa B. Mowery, LASAN's Chief Financial Officer at (213) 485-2210.

LBM/ECZ:lbn

Attachments

LASAN Sewer Construction Crews
FY 2019-20 Proposed Budget
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c: Kevin James, President, BPW
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LASAN Executive Team

