



**THE PORT  
OF LOS ANGELES**  
Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: MARCH 28, 2017**

**FROM: CONSTRUCTION AND MAINTENANCE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - AWARD OF CONTRACT NO. 39817 TO SIMPLEXGRINNELL FOR PORT-WIDE FIRE ALARM AND FIRE SUPPRESSION SYSTEM MAINTENANCE AND UPGRADES**

**SUMMARY:**

The Construction and Maintenance Division (C&M) requests the approval of a one-year contract with one one-year renewal option to SimplexGrinnell of Santa Fe Springs, California, for port-wide fire alarm and fire suppression system maintenance and upgrades for an amount not to exceed \$2,700,000 for the first year and an equal amount for the subsequent year if the renewal option is exercised. The contract is based on a cooperative arrangement with the National Joint Powers Alliance through Contract No. 031913-SGL. The fire-life safety systems installed for the Los Angeles City Harbor Department (Harbor Department) require personnel with specialized certification to maintain, test, and program the equipment that City employees do not possess. This contract is the financial responsibility of the Harbor Department.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the proposed action is exempt from the requirements of the California Environment Quality Act (CEQA) under Article III Class 1(6) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Find that in accordance with City of Los Angeles Administrative Code Division 10, Chapter 1, Article 2, Section 10.15 (a)(8), the Harbor Department may enter into the agreement with SimplexGrinnell based on a cooperative arrangement with the National Joint Powers Alliance to utilize Contract No. 031913-SGL;
3. Find that in accordance with Los Angeles City Charter Section 1022, work under the subject contract can be performed more feasibly by independent contractors than by City employees;
4. Award Contract No. 39817 in the amount of \$2,700,000 for fire alarm and fire suppression system maintenance and upgrades throughout the Port of Los Angeles to SimplexGrinnell of Santa Fe Springs, California, for a period of one year, with one one-year renewal option in the same amount to be exercised by the Executive Director or his/her designee;

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5. Authorize the Executive Director to execute Contract No. 39817 in accordance with National Joint Powers Alliance No. 031913-SGL effective April 1, 2017; and
6. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background/Context - The Harbor Department is responsible for maintaining and monitoring fire alarm and fire suppression systems at locations throughout the Port of Los Angeles (Port) including:

- a. Port of Los Angeles (POLA) Administration Building
- b. Port Police Headquarters (330 Centre Street)
- c. Liberty Hill Plaza
- d. Pilot Station and two trailers
- e. C&M/Contracts & Purchasing Administration Building (500 Pier A Street)
- f. C&M Yard and Shops (Berth 161)
- g. Port of Los Angeles Test Lab
- h. Police Facility (239 N. Avalon Blvd.)
- i. Police Dive Team Facility (954 Seaside Street)
- j. Maritime Museum (Berth 84)
- k. Former U. S. Customs Building (300 Ferry Street)
- l. World Cruise Center (Berths 91- 93)
- m. Banning's Landing (100 Water Street)
- n. Maritime Law Enforcement Training Center (MLETC) (300 E. Water Street)
- o. Former Naval Reserve facility (801 Reeves Avenue)
- p. Former Southwest Marine facility (Berth 240)
- q. Yang Ming buildings (Berths 121-131)
- r. TraPac buildings (Berths 135-147)
- s. Yusen Terminal buildings (Berths 212-225)
- t. Everport buildings (Berths 226-236)
- u. APL buildings (Berths 302-305)
- v. APMT buildings (Berths 401-406)

The work performed under this contract (Transmittal No. 1) will involve maintaining, repairing, and upgrading fire-life safety equipment requiring specialized training and certification. This includes a C-16 Fire Protection license from the State of California, National Institute for Certification in Engineering Technologies (NICET) certification, and certification from the manufacturer for installation.

The work to be performed will involve fully certified, local union technicians performing the repair, maintenance, inspection, testing, programming, and upgrades required for the Harbor Department's systems. They will also complete complete upgrades of existing fire-life safety systems.

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The tasks that SimplexGrinnell will perform under this contract include the Los Angeles Fire Department mandated Chief's Regulation No. 4 testing of smoke detectors, pull stations, sprinkler heads, and notification devices. Most fire-life safety systems require annual testing and repair, with exceptions for quarterly sprinkler inspections to comply with insurance liability provisions, and semi-annual testing of halon fire extinguishers and air/gas systems to comply with National Fire Protection Association (NFPA) guidelines and City of Los Angeles Department of Building and Safety codes.

In addition, SimplexGrinnell is assisting C&M in the upgrade of fire-life safety systems throughout the Port as part of the \$5 million per year Deferred Maintenance Program in the capital budget. A portion of those capital funds, at least \$1.8 million, will be used to upgrade fire-life safety systems at the World Cruise Center, the former Southwest Marine facility, Maritime Museum, and other locations requiring compliance with Los Angeles Fire Department Regulation 4 requirements.

C&M is contracting with SimplexGrinnell in the same way C&M is using Ford as its primary vehicle manufacturer – standardization of equipment, parts inventory, maintenance, and training. More than 90 percent of all existing fire life safety equipment in the Port is manufactured by SimplexGrinnell. As is standard in the fire life safety industry, the manufacturer of the equipment requires that their certified technicians (with NICET Level II certification and manufacturer training) maintain that equipment. Utilizing SimplexGrinnell as the fire life safety systems manufacturer was also determined by Port Police Homeland Security staff to be the best choice to migrate over to mass notification fire-life safety systems throughout the Port. Past observations and experiences with some other fire-life safety vendors have resulted in a high number of failures and problems. SimplexGrinnell has demonstrated that they can provide technologically and operationally superior products and services for terminal and other critical locations.

Contract Process - The National Joint Powers Alliance (NJPA) is a municipal contracting agency under the authority of the State of Minnesota that provides cooperative contract purchasing opportunities for government, education, and non-profits nationwide. There is no cost, obligation or liability to participate in NJPA contracts. All of their contracts are competitively bid and the aggregation of products and services to a high volume of users results in competitive pricing.

In the case of SimplexGrinnell, the NJPA pricing structure is the lowest that SimplexGrinnell offers. It is approximately two percent lower than the federal General Services Administration (GSA) pricing used in earlier Harbor Department contracts, and ten percent lower than local district pricing (versus national volume pricing). SimplexGrinnell currently offers NJPA pricing to California State University Fullerton and California State University San Bernardino at contract amounts similar to the Harbor Department. The Harbor Department may find a cheaper alternative to SimplexGrinnell, but not without incurring millions of dollars in fire-life safety equipment modifications and changes to the already approved equipment platform for the Port-wide mass notification system, and not without compromising safety, security and reliability. Thirteen years ago, the Harbor Department

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had contracts with several other fire-life safety companies, but reliability problems and other challenges negatively impacted the Port's fire-life safety systems. C&M staff determined that utilizing SimplexGrinnell achieved the highest level of reliability with a technology platform that cost effectively serves all the Port's needs.

The NJPA contract with SimplexGrinnell addresses all fire-life safety materials and services required by the Harbor Department and expires on April 23, 2018 (Transmittal No. 2). C&M requests the Board to authorize the Harbor Department to enter into a cooperative arrangement commencing April 1, 2017 and ending one year later (should the Harbor Department exercise a one-year renewal option).

The City of Los Angeles Charter Article III, Section 371(e)(8) and Los Angeles Administrative Code Division 10, Chapter 1, Article 2, Section 10.15 (a)(8) allow for "contracts for cooperative arrangement with other governmental agencies for the utilization of the purchasing contracts and professional, scientific, expert or technical services contracts for those agencies and any implementing agreements, even though the contracts and implementing agreements were not entered into through a competitive bid process."

The NJPA contract is a mechanism for the Harbor Department to utilize SimplexGrinnell at prices that match or exceed high volume government discounts. If the Harbor Department had released a bid for the services and products, it is possible that SimplexGrinnell would have been the sole responsive bidder and charged the Harbor Department a higher price than those in the NJPA price lists. The cooperative arrangement allows for the best prices for an extended period of time. Therefore, in accordance with the City of Los Angeles Charter and Administrative Code, the proposed action by the Board is consistent with City contracting policies.

**ENVIRONMENTAL IMPACT:**

The proposed action is award of a contract to SimplexGrinnell for maintenance and upgrades of port-wide fire suppression systems. As an activity involving the addition of safety devices for use in conjunction with existing facilities, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article III Class 1(6) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

In the past several years, C&M has spent between \$700,000 and \$2,690,000 on fire-life safety systems maintenance, repair, installation, testing, programming and upgrades. The most recent contract period has seen expenditures to date of \$1,900,000 with work that included major upgrades at the APL terminal (Berths 302-305) and Port's C&M maintenance yard (Berth 161). Over the course of the proposed contract, additional upgrade projects are anticipated to include mass notification networking upgrades at the

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Everport, Yusen Terminal, and APMT terminals as well as maintenance work at the World Cruise Center and Maritime Museum and the assumption of new work at the Cabrillo Way Marina.

In the first year of the new contract, a total of \$2,700,000 is expected to be spent as follows:

<u>Account No.</u>	<u>Center No.</u>	<u>Program No.</u>	<u>FY 2016-17 Amount</u>	<u>FY 2017-18 Amount</u>	<u>Total</u>
54010	0510	000	\$ 325,000	\$ 575,000	\$ 900,000
54010	1207	000	\$ 100,000	\$1,700,000	\$1,800,000
		<b>TOTAL</b>	<b>\$ 425,000</b>	<b>\$2,275,000</b>	<b>\$2,700,000</b>

A funding out clause is included in the contract. In order to fund the contract renewal option, future fiscal year funding will be requested as part of the annual budget process upon Board approval. Assuming such funding is approved by the Board and if the one-year renewal option is exercised in the second year, with the approval of the Executive Director, an additional \$2,700,000 will be authorized a total contract amount of \$5,400,000.

**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the subject contract as to form and legality.

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TRANSMITTALS:

1. Contract No. 39817
2. NJPA Contract No. 031913-SGL

FIS Approval: YB (initials)

CA Approval: JMC (initials)



TIM CLARK  
Director of Port Construction and Maintenance



ANTONIO V. GIOIELLO, P.E.  
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA  
Executive Director

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