



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

DATE: JUNE 13, 2012

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ - AWARD OF CONTRACT
CONSULTANT: APSI CONSTRUCTION MANAGEMENT
MASTER SCHEDULING, COST ESTIMATING AND CLAIMS
MANAGEMENT CONSULTING SERVICES**

SUMMARY:

This Agreement provides for a full-time master scheduler and an on-call cost estimator, as well as claims management services for Port of Los Angeles construction projects. Also included in the Agreement is a provision for training City of Los Angeles Harbor Department (Harbor Department) employees in related topics. APSI Construction Management (APSI), located in Irvine, California, is recommended to provide the required services. The Agreement amount is \$2,691,088, and the Agreement duration is three years.

RECOMMENDATION:

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

1. Find that in accordance with the City Charter Section 1022, work under the subject Agreement can be performed more economically and feasibly by an independent consultant, and is necessary due to a peak in work volumes, current employees being committed to other assignments, and expertise that is needed for the subject services;
2. Award the Agreement to APSI Construction Management in the amount of \$2,691,088; and the payment be authorized from the Construction Management Services account. The Agreement duration for performance of the work will be three years;
3. Authorize the Executive Director to execute and the Board Secretary to attest to this Agreement for, and on behalf of, the Board; and,
4. Adopt Resolution No. _____.

DATE: JUNE 13, 2012

PAGE 2 OF 6

**SUBJECT: MASTER SCHEDULING, COST ESTIMATING AND CLAIMS
MANAGEMENT CONSULTING SERVICES**

DISCUSSION:

Scope of Services - This Agreement provides for a full-time Master Scheduler, on-call cost estimator, and assistance with managing claims from construction contractors (Transmittal 1). Such services are highly specialized, utilizing unique software applications, requiring high levels of training.

The Master Scheduler will review contractor's construction schedules, verify construction progress in the field, provide parallel schedules to contractor's monthly update schedules (based on field observations) assist Harbor Department Construction Managers in reviewing requests for time extensions, and prepare and maintain a schedule for projects.

APSI will also provide as-needed cost estimating services for projects being advertised, review and verify contractor costs or quotes, and provide services to address potential claims during construction.

The Agreement has provisions for the enhancement of staff's knowledge by providing in-house training for Construction Managers. Construction Managers will receive training on scheduling fundamentals, including how to develop, review and maintain Critical Path Method Schedules, conduct time impact analysis, and create, maintain and review schedules using Primavera software, which is the industry standard for construction scheduling. Construction Managers will also receive training on the fundamentals of construction estimating, and instruction on how to create and review construction estimates.

The Construction Division has trained, and will continue to train staff, to perform scheduling and estimating in-house. However, the need for outside services will continue. Scheduling and estimating are specialty fields that require years of training and experience to ensure timely completion and delivery of our critical projects by mitigating potential delays in a proactive and cooperative manner during construction, as well as, mitigate potential claims. The Master Scheduler and Estimator provided, each have over 15 years of scheduling and estimating experience. Additionally, the diverse range of disciplines (architectural, electrical, mechanical, landscape, etc.) included in most construction contracts require expertise and experience. The consultant team provides access to a diverse team of experts in multiple disciplines.

Background and History – Larger projects managed by the Construction Division are often supported by a dedicated consultant team (with scheduling and estimating elements) under a project-specific consulting agreement. Since 2001, a Master

**SUBJECT: MASTER SCHEDULING, COST ESTIMATING AND CLAIMS
MANAGEMENT CONSULTING SERVICES**

Scheduling, Cost Estimating and Claims Management Consulting Services agreement has been used to provide these services for small and medium-sized projects, where there is no specific consultant obtained to assist with construction management. For those (typically larger) projects where specific consultant support is obtained, the Master Scheduler remains involved by reviewing schedules for consistency with other projects, and providing guidance to the project-specific scheduler regarding how to apply and enforce contract specifications governing construction schedules.

The Master Scheduler monitors schedules for all projects, and maintains a program-wide master schedule of all projects during, or just prior to, the construction phase. Historically, the Master Scheduler closely monitored schedules of adjacent projects, watching for impacts that one project may have on others, and has coordinated construction efforts to avoid conflicts between adjacent construction activities and contractors. These efforts are very valuable in situations where multiple contractors are working side-by-side. The Construction Division will face such challenges within the next five years during the Berths 134-147 Expansion Program, when multiple concurrent projects in and around the Trans Pacific Container Service Corp. (TraPac) terminal will be in construction, including a series of backland improvement projects, the Rear Berth 136-139 Terminal Buildings and Main Gate, Berth 200 Rail Yard, C Street/I-110 Access Ramp Improvements, Berth 142-147 – ICTF & Backland, and the South Wilmington Grade Separation.

Previous services were provided by Jacobs Project Management Co., Project Controls Consulting, Inc., and Pinnacle One (the most recent agreement). Pinnacle One (since acquired by Arcadis) was the first to include a training component. APSI has provided services to the Harbor Department in the past as a subconsultant and as a small business. This is the first opportunity APSI has had with the Harbor Department to serve as a prime consultant.

Selection Process - A Request for Qualifications (RFQs) was released on June 2, 2011. Eighteen Statements of Qualifications (SOQs) were received and evaluated by a selection committee consisting of members from the Construction Division and the Port of Long Beach. After evaluating and ranking the SOQs based on qualifications of the prime and sub-consultants, the following firms were invited to continue in the selection process:

- APSI Construction Management, Irvine (SBE)
- Arcadis, Los Angeles

**SUBJECT: MASTER SCHEDULING, COST ESTIMATING AND CLAIMS
MANAGEMENT CONSULTING SERVICES**

- Faithful+Gould, Seal Beach
- Hill International, Inc., Irvine
- Jacobs Associates, Pasadena
- Jacobs Project Management Co., Los Angeles
- Kal Krishnan Consulting Services, Inc., Los Angeles (SBE)
- WorleyParsons Infrastructure & Environment, Long Beach

The Request for Proposals (RFP) was sent to the eight firms on October 18, 2011. Seven firms submitted proposals. Jacobs Associates declined the invitation to submit a proposal. The seven proposals were reviewed and ranked by the selection committee. All seven firms were invited to participate in an oral interview. However, Jacobs Project Management Co. declined the invitation to continue in the selection process. The remaining six firms were interviewed on February 7, 8 and 9, 2012 by the selection committee. Firms were evaluated and ranked based on the following criteria:

- Master Scheduler's experience with marine construction, with developing schedules for complex projects and with Primavera
- Estimator's experience with developing construction estimates
- Claims Management personnel's experience and qualifications
- Team organization
- Quality and clarity of the presentation
- Key personnel's answers to questions
- Firm's experience with other projects completed for the City of Los Angeles

The evaluation committee interviewed the six remaining firms, and selected APSI as the most qualified firm because of the experience and qualifications of the proposed Master Scheduler and Estimator, and the qualifications of their supporting staff and subconsultants. Please see Transmittal 2 for the consultant ranking and cost proposals, and Transmittal 3 for APSI and their sub-consultants' work descriptions.

Small Business Enterprise Program and Sub-consultant Participation - APSI is a Small Business Enterprise (SBE), and, therefore, will qualify for 100% SBE participation, exceeding the overall Small Business Enterprise participation level of twenty-five (25) percent. APSI's subconsultants, which include two Very Small Business Enterprises (VSBE), are as follows:

- O'Conner Construction Management, Irvine (SBE)
- Kugan & Associates, San Diego (SBE, VSBE, MBE)
- Totum Corporation, Long Beach (SBE, VSBE)

DATE: JUNE 13, 2012

PAGE 5 OF 6

**SUBJECT: MASTER SCHEDULING, COST ESTIMATING AND CLAIMS
MANAGEMENT CONSULTING SERVICES**

ENVIRONMENTAL ASSESSMENT:

The proposed action is the award of a contract to APSI for master scheduling, cost estimating and claims management consulting services. As an administrative action, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA guidelines.

ECONOMIC BENEFITS:

Spending under the proposed contract will support 21 direct and 19 secondary one-year equivalent jobs for the five-county region.

FINANCIAL IMPACT:

Funding for the Fiscal Year 2012/2013 has been budgeted in Account No. 54225 (Construction Management Support Services), Center No. 1900, Program No. 000 in the amount of \$866,500. Upon Board approval, expenditures are expected to be spent as follows:

FY 2012/2013	\$866,500
FY 2013/2014	\$897,000
FY 2014/2015	\$897,000
FY 2015/2016	\$ 30,588
Total	\$2,691,088

Although APSI is not obligated to perform any work under the contract in any fiscal year in which no appropriation for the contract has been made, APSI agrees to resume performance of the work required by the contract on the same terms and conditions for a period of 60 days after the end of the fiscal year if an appropriation is approved within that 60-day period.

APSI is responsible for maintaining all insurance and bonds during this 60-day period. The time for performance shall be extended during this period until the appropriation is made; however, such extension of time is not compensable.

DATE: JUNE 13, 2012

PAGE 6 OF 6

SUBJECT: MASTER SCHEDULING, COST ESTIMATING AND CLAIMS
MANAGEMENT CONSULTING SERVICES

CITY ATTORNEY:

The Office of the City Attorney has prepared and approved as to form and legality the proposed Agreement.

TRANSMITTALS:

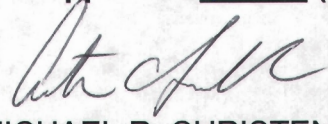
1. Agreement between the City of Los Angeles and APSI Construction Management
2. Final Evaluation and Rankings
3. Consultant and Sub-consultant Work Description

FIS Approval: KR (initials)


CA Approval: Ima (initials)



SHAUN SHAHRESTANI
Chief Harbor Engineer
Construction Division

FOR 
MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D
Executive Director

CA:be/lm
Author: C. Adams
APSI/AWARD