



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

**DATE: AUGUST 29, 2017**

**FROM: CONSTRUCTION AND MAINTENANCE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - AGREEMENT BETWEEN THE  
CITY OF LOS ANGELES HARBOR DEPARTMENT AND AMERICAN  
MARINE CORPORATION FOR UNDERWATER DIVING SERVICES**

**SUMMARY:**

Staff requests that the Board of Harbor Commissioners (Board) approve a one-year agreement, with two one-year renewal options with American Marine Corporation (AMC) of San Pedro, California for on-call underwater diving services. The amount of this agreement shall not exceed \$1,200,000 for the initial year, and \$1,500,000 for each of two one-year renewal options, or a total of \$4,200,000 over three years. This contract is the financial responsibility of the Harbor Department.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Find 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 as determined by the Director of Environmental Management;
2. Find that in accordance with Los Angeles City Charter Section 1022, work under the subject agreement (underwater diving services) can be performed more feasibly by an independent contractor than by City employees;
3. Approve the Agreement with American Marine Corporation for a term of one year with two, one-year renewal options with an annual compensation amount not to exceed \$1,200,000 in the first year; annual compensation amounts not to exceed \$1,500,000 in the two renewal option years; and the total compensation amount not to exceed \$4,200,000;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the Agreement and any renewal options therein; and
5. Adopt Resolution No. \_\_\_\_\_ .

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**DISCUSSION:**

Background/Context – The Construction and Maintenance Division of the Harbor Department (C&M) is responsible for the inspection and maintenance of timber wharves and the assessment of underwater slopes for wharf structures throughout the Port of Los Angeles (Port). Underwater diving services are an essential part of the inspection and maintenance function. These services include:

- Annual inspection and evaluation of the condition of fenders, piles, and other underwater structures;
- Timber wharf maintenance repairs, including maintenance repairs performed in conjunction with a C&M surface crew;
- Participation in formal wharf damage inspections/surveys in order to document conditions;
- Inspection of new construction for conformance with Harbor Department specifications; and
- Inspection of plastic pile wrapping and seals to ensure proper installation.

Insofar as there are no employee classifications in the City of Los Angeles that perform hard hat underwater diving, it is necessary to use a contract service to accomplish this specialized function.

Request for Proposal (RFP) – An RFP was released on May 10, 2017 and posted on the Harbor Department's website and the Los Angeles Business Assistance Virtual Network (LABAVN). A pre-proposal meeting was held on May 23, 2017 to review the RFP and answer any questions pertaining to the document. The Harbor Department received proposals from two companies by the June 19, 2017 deadline.

The proposals were evaluated by a selection committee comprised of three individuals: a Director of Port Construction and Maintenance I (C&M), a Civil Engineering Associate IV (C&M), and a supervisor of diving services from the Port of Long Beach.

The proposals were scored based on the following criteria and weight factors as stated in the RFP:

- Firm Qualifications, Experience, and References (25%),
- Project Organization, Personnel, and Staffing (25%),

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- Project Approach, Work Plan, Management, Safety Program, Equipment (20%),
- Rates, Fees, and Budget Control (20%), and
- Clarity and Comprehensiveness of the Proposal (10%)

All three members of the selection committee independently reviewed and rated each proposal (Transmittal 1).

Of the two companies that submitted proposals, AMC was selected by the committee as the strongest proposer.

AMC demonstrated a thorough understanding of the services required by the Port and provided many details of the layout, geography, pile conditions, and marine environment of the Port. AMC has extensive experience in wharf repair with wrapping, bracing and structural supports. The proposal submitted by AMC included a well-organized, clear and comprehensive approach to the work elements specified in the RFP. It was very substantive with specific references to action plans for every berth at the Port. They provided value-added proposals for alternative materials, work methods, and additional services such as pile wrap fabrication. They also provided detailed operating procedures for addressing the work elements detailed in the RFP. AMC has an excellent safety program and meets the equipment requirements of the RFP.

**ENVIRONMENTAL IMPACT:**

The proposed action is approval of an Agreement with AMC for on-call underwater diving services for inspection and maintenance of underwater structures. As an administrative and maintenance activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

The proposed agreement authorizes a total not-to-exceed expenditure of \$1,200,000 for the first year of the agreement and \$1,500,000 for each of the two following annual renewal option periods, if the renewal options are exercised. It is recognized that funds will be spent only to the level authorized in the annual budget. The total maximum allowable expenditure under the proposed agreement would be \$4,200,000. Expenditures are anticipated to be as follows:

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<b>Fiscal Year (FY)</b>	<b>Expenditures</b>
FY 2017-2018	\$ 800,000
FY 2018-2019	\$ 1,400,000
FY 2019-2020	\$ 1,500,000
FY 2020-2021	\$ 500,000
<b>Total</b>	<b>\$ 4,200,000</b>

Funding in the amount of \$1,200,000 has been budgeted in Account 54040 (Maintenance Services - Wharves), Center No. 0510 (Construction and Maintenance Division), Program No. 000, for Fiscal Year 2017-18. As only \$800,000 is expected to be spent in Fiscal Year 2017-18, there is expected to be a budget saving of \$400,000 in the current fiscal year. Funding for future fiscal years will be requested as part of the annual budget process upon Board approval.

The Harbor Department's financial obligations after the current fiscal year are contingent upon the Board's appropriation of funds. If any subsequent fiscal year funds are not appropriated by the Board for the work required by the agreement, the agreement shall be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred. A funding out clause is included in the agreement.

C&M spent \$3,135,038 from August 22, 2014 through May 21, 2017 on prior underwater hard hat diving services.

**CITY ATTORNEY:**

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

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**TRANSMITTALS:**

1. Selection Committee Scoring Summary
2. Agreement with American Marine Corporation

FIS Approval: MB (Initials)

CA Approval: CFAB (Initials)



TIM CLARK  
Director of Port Construction & Maintenance



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

APPROVED:



EUGENE D. SEROKA  
Executive Director

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