



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: NOVEMBER 6, 2024

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT
CONTRACTOR: AXIOM GROUP
NORTH GAFFEY STREET BEAUTIFICATION PHASE II
SPECIFICATION NO. 2833**

SUMMARY:

Staff requests approval of an award of a contract (Contract) to Axiom Group (Axiom), to construct the North Gaffey Street Beautification Phase II project (Project). The Project consists of constructing improvements along a pedestrian pathway between Gatun Street and Channel Street, including but not limited to, landscape, hardscape, pedestrian path, parking lot, and site lighting. The lowest responsive and responsible bidder is Axiom, located at 4251 Huntington Drive North, Los Angeles, CA 90032. The Contract amount of \$5,337,756.76 plus a 10% contingency, is \$5,871,532.44, and the Contract duration is 450 calendar days. The City of Los Angeles Harbor Department (Harbor Department) is financially responsible for payment of expenses incurred under the proposed Contract.

RECOMMENDATION:

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

1. Find that the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) and Article III Class 1(3) and 4 (3) of the Los Angeles City CEQA Guidelines;
2. Find that, in accordance with the Los Angeles City Charter Section 1022, work under the subject Contract can be performed more feasibly by an independent contractor rather than by City employees;
3. Award and approve, Specification No. 2833 for Item Nos. 1 through 18 of the Bid Proposal Line Items to Axiom for a total amount of \$5,871,532.44 including a 10% contingency, and a total term of 450 calendar days;

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4. Authorize the Executive Director to execute and the Board Secretary to attest to this Contract for and on behalf of the Board;
5. Delegate and authorize the Executive Director to adjust the final bid quantities and accept the construction Contract upon its completion in accordance with City Charter Section 655 (g); and
6. Adopt Resolution No. _____.

DISCUSSION:

Project Objectives - This Project will improve the east side of North Gaffey Street from Gatun Street to Channel Street as part of the Northwest San Pedro Beautification Program (Program). This Program was initiated by the Northwest San Pedro Neighborhood council, recommended by the former Port Community Advisory Committee, and approved by the Board of Harbor Commissioners in March 2006. The Board allocated \$5.2 million from the China Shipping Community Aesthetic Mitigation fund to beautify the area along the east side of North Gaffey Street from Westmont Drive to Channel Street. This Project will provide a pedestrian pathway that will connect the previously completed North Gaffey Street Beautification Phase I and Front Street Beautification projects.

Project Description - The Project consists of construction of a landscaped area with a multi-use path along the east side of Gaffey Street between Gatun Street and Channel Street (Transmittal 1) and will also include improvements to the Caltrans Park and Ride site at Channel Street and John S. Gibson Boulevard. Work within the east side of North Gaffey Street and the Caltrans Park and Ride area includes but is not limited to demolition and removals, grading, construction of a multi-use concrete path, installation of shrubs, groundcover, landscape, and hardscape, installation of chain link fencing, irrigation system, light poles, security cameras, utility connections, trenching required for conduits, signage, pavement markings and striping of parking stalls. The southern end of the pathway within the Caltrans Park and Ride area will connect the previously completed projects.

Construction Award Process - City of Los Angeles Charter Section 371 (a) - Competitive Bidding sets forth the procedure staff followed to award the Contract. For construction contracts such as this one, the Harbor Department publishes the Notice Inviting Bids in daily newspapers and trade publications circulated in the City of Los Angeles, as well as on the Port of Los Angeles website. The Harbor Department also conducts a pre-bid conference to answer questions related to the construction contract.

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Bidders submit bids through the Port's Construction Division Business Opportunity Network (CDBON) System. The opportunity to submit bids closes once a predetermined time is reached. After bid closing, bid documents, Small Business Enterprise (SBE) and Very Small Business Enterprise (VSBE) participation, and other required documents are reviewed for compliance with Harbor Department requirements. Once all information is verified, and if the lowest bidder is deemed responsive, a recommendation for award of the construction contract is made. If the apparent low bidder is found non-responsive, the next lowest bidder is reviewed.

In conformance with the City Charter section for competitive bidding, as stated above, the Notice of Inviting Bids for Specification No. 2833 was advertised on the Port of Los Angeles website, Daily Breeze, Chinese Daily News, La Opinion, Dodge Construction "Green Sheet", and Metropolitan News Company to reach out to as many potential bidders as possible. A pre-bid meeting was held on July 9, 2024.

As authorized by the Executive Director on June 18, 2024, the Chief Harbor Engineer received three bids for the Contract on September 12, 2024. Axiom was declared the apparent lowest bidder with a bid of \$5,337,756.76. The analysis of bid results with the companies and their respective bid amounts are included in Transmittal 2. Axiom submitted the required documents in Section 00012.09 within the time specified in the specifications. Staff has verified Axiom's state license, which was found to be in good standing.

The Harbor Department had set a minimum SBE participation level of 18%, of which 5% shall be VSBE participation. Axiom has provided the required documents regarding their SBE and VSBE participation, and staff has calculated their SBE/VSBE participation to be 100% and 100%, respectively (Transmittal 3). Axiom is a VSBE and, therefore, qualifies for SBE and VSBE participation levels of 100%.

The Contract is consistent with State of California Prevailing Wage provisions. The Contract is subject to the local business preference ordinance adopted by the Board on April 5, 2012, and Project Labor Agreement Resolution No.17-8164 as approved by the Board on September 7, 2017, and the Los Angeles City Council on December 5, 2017.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a Contract with Axiom to construct the multi-use North Gaffey Street pedestrian path, which is an administrative activity and an activity involving repair, maintenance, or minor alteration of existing streets, sidewalks, and bicycle and pedestrian trails and new gardening, tree planting, or landscaping. Therefore, the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of the CEQA in accordance with Article II Section 2(f) and Article III Class 1(3) and 4(3) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Contract will authorize a total amount of \$5,871,532.44 over a 450-day period for the construction of the Project. Funds are anticipated to be spent as follows:

FY 2024-2025	\$2,000,000.00
FY 2025-2026	\$3,871,532.44
TOTAL	\$5,871,532.44

Fiscal Year (FY) 2024-2025 funding in the amount of \$1,500,000.00 is available within Account No. 205020 (China Shipping – Community Aesthetic Mitigation), Expenditure Organization 00000 (Harbor Global). The remaining \$500,000.00 is available within Account No. 161305 (Capital Construction Services), Expenditure Organization 00000 (Harbor Global). Future fiscal year funding will be requested and budgeted as part of the annual budget process, upon Board approval.

Although Axiom is not obligated to perform any work under the Contract in any fiscal year in which no appropriation for the Contract has been made, the Contractor 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 therefore is approved within that 60-day period. The Contractor 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 an extension of time is not compensable.

If in any subsequent fiscal year funds are not appropriated for work required by the Contract, the Contract shall be terminated. However, such termination shall not relieve the parties of liability for any obligation previously incurred.

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CITY ATTORNEY:

The Office of the City Attorney reviewed and approved Specification No. 2833 as to form and legality on May 15, 2024.

TRANSMITTALS:

1. Aerial Site Plans
2. Analysis of Bids
3. Contractor, Subcontractor, and Supplier List

FIS Approval: JS

CA Approval: SO



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SHAUN SHAHRESTANI
Chief Harbor Engineer

Dina Aryan-Zahlan
DINA ARYAN-ZAHLAN, P.E.
Deputy Executive Director

APPROVED:

Erica M. Calhoun for

EUGENE D. SEROKA
Executive Director

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