



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JUNE 11, 2015

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ -
REJECTION OF ALL BIDS
BERTH 142 CRANE MAINTENANCE BUILDING
SPECIFICATION NO. 2760**

SUMMARY:

The Berth 142 Crane Maintenance Building Project (Project) is part of the overall state-of-the-art automated container terminal development at the TraPac terminal. The Project will build an approximately 5,000 square-foot facility for automated shuttle carriers, the equipment operating within the automated backland development. It is recommended that all bids for Specification No. 2760 be rejected and that the Project be re-advertised as it is in the best interest of the City of Los Angeles Harbor Department (Harbor Department) to do so to ensure the most competitive bids and lowest cost to the Harbor Department.

RECOMMENDATION:

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

1. Reject all bids for Specification No. 2760 and authorize the Executive Director to re-advertise the Berth 142 Crane Maintenance Building Project; and
2. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – On December 6, 2007, the Board approved the Berths 136-147 (TraPac) Container Terminal Project Environmental Impact Report (EIR). Most recently, on September 19, 2013, an EIR addendum for the Berths 142-143 Backland Improvements Project was approved by the Board in connection with the Second Amendment to the TraPac Permit No. 881. These documents led to the overall automated container terminal development program at the TraPac terminal. In September 2008, the Board approved a Level III Coastal Development Permit (No. 08-07) for the TraPac Terminal Expansion Project, Berths 136-147.

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This Project, a component of the overall automated container terminal development program, consists of the construction of a 5,000 square-foot crane maintenance building to be used for the maintenance of automated shuttle carriers.

Construction Award Process – City of Los Angeles Charter Section 371(a) - Competitive Bidding sets forth the procedure staff followed to advertise this Project. 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 conducts a pre-bid conference and job walk to familiarize the prospective bidders with the Project and to answer questions related to the construction contract.

Following submittal to the Harbor Department, the bids are publicly opened, and the apparent lowest bidder is declared. Bid documents, Small Business/Very Small Business Enterprise Program (SBE/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, recommendation for award of the construction contract is made. If the apparent lowest bidder is found non-responsive, the next lowest bidder is reviewed, and so forth.

In conformance with the City Charter Section 371(a), the Notice of Inviting Bids for Specification No. 2760 was advertised on February 27, 2015 on the Port of Los Angeles website, in Dodge Construction "Green Sheet", LA Watt's Times, LA Opinion, Rafu Shimpo, and Metropolitan News Company to reach out to as many potential bidders as possible. A pre-bid meeting was held on March 11, 2015.

As authorized by the Executive Director on February 26, 2015, the Chief Harbor Engineer received four bids for the subject contract on May 21, 2015. The Analysis of Bids (Transmittal 1) lists the companies that submitted bids and their respective bid amounts. The bids received were opened, and Tobo Construction, Inc. (Tobo) was declared the apparent lowest bidder.

Reason for Rejection of Bids – Specification No. 2670 was written in accordance with City of Los Angeles Administrative Code Section 10.15, which reserves the right to reject all bids when to do so would be to the advantage of the City. Staff recommends that it is to the Harbor Department's advantage to reject all bids and re-advertise this Project for the following reasons:

- After the bid opening, staff evaluated Tobo's bid and determined that they did not meet the minimum required 5% VSBE percentage required. Tobo Construction also did not submit the required supplemental documents within the required four days after bid opening. In addition to not meeting those requirements, on May

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26, 2015, Tobo submitted a letter requesting to withdraw their bid due to a clerical error (Transmittal 2).

- Staff analyzed the bid for the second lowest bidder, AMG & Associates, Inc. (AMG) and found that AMG did not acknowledge receipt of Addenda 5-7. The Grand Total amount was also left blank on the bid proposal page.
- The Port also received a protest letter from the third bidder, FATA Construction & Development (FATA), requesting that the bids for Tobo & AMG be rejected and the Contract be awarded to FATA (Transmittal 3).

Staff recommends that it is in the best interest of the City to reject all bids to ensure the most competitive bid and lowest cost to the Harbor Department.

In anticipation of rejection of all bids, re-advertisement would occur in July 2015 with an anticipated construction start in December 2015.

ENVIRONMENTAL ASSESSMENT:

The proposed action is rejection of all bids for construction of the Berth 142 Crane Maintenance Building Project. As an administrative action for which the underlying Project was previously assessed, the Director of Environmental Management has determined that the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article 2(h) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

There are no financial impacts associated with rejection of all bids.

ECONOMIC BENEFITS:

There are no economic benefits associated with rejection of all bids.

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CITY ATTORNEY:

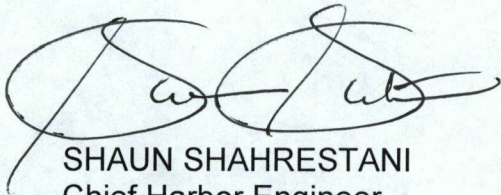
The Office of the City Attorney reviewed and approved Specification No. 2760 as to form and legality on February 24, 2015.

TRANSMITTALS:

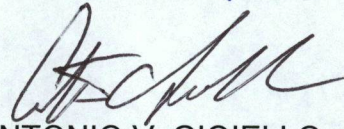
1. Analysis of Bids
2. Letter dated May 26, 2015 from Tobo Construction, Inc.
3. Protest letter from FATA Construction and the Port's response

FIS Approval: myb (initials)

CA Approval: gpl (initials)



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JS:be
2760RejectionB01