



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

Board of Harbor Commissioners

DATE: APRIL 20, 2021

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ -
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT
CONTRACTOR: JILK HEAVY CONSTRUCTION, INC.
BERTHS 167-169 MARINE OIL TERMINAL IMPROVEMENTS
SPECIFICATION NO. 2787**

SUMMARY:

Staff requests approval of an award of a contract (Contract) to Jilk Heavy Construction, Inc. (Jilk), to construct the Berths 167-169 [Shell] Marine Oil Terminal Improvements (Project). The Project consists of constructing concrete wharf structure, catwalks, mooring bits, access ramps, and trestles at Berths 167-169 conforming to Marine Oil Terminal Engineering and Maintenance Standards. The lowest responsive and responsible bidder is Jilk, located at 500 S Kraemer Blvd., Suite 380 Brea, California 92821. The Contract amount of \$19,744,691, plus a 10% contingency, is \$21,719,160.10, and the Contract duration is 480 calendar days. Payment of expenses incurred under the Contract is the financial responsibility of the Harbor Department.

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 has been previously evaluated pursuant to the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(i) 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;

DATE: APRIL 20, 2021

PAGE 2 OF 5

**SUBJECT: BERTHS 167-169 MARINE OIL TERMINAL IMPROVEMENTS
SPECIFICATION NO. 2787**

3. Award and approve, Specification No. 2787 for Item Nos. 1 through 41 of the Bid Proposal Line Items to Jilk for the amount of \$19,744,691; that a 10% contingency not included in the original Contract amount be applied for a total authorization of \$21,719,160.10 and authorize payment from the Harbor Department Construction Account. The Contract time for performance of the work shall be 480 calendar days from the Notice to Proceed;
4. Delegate and authorize the Executive Director to grant a Temporary Entry and Use Permit to the Contractor for the use and occupancy of the Contractor Laydown Area and Field Office Location for the duration of the Contract;
5. Authorize the Executive Director to execute and the Board Secretary to attest to this Contract for and on behalf of the Board;
6. 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
7. Adopt Resolution No. _____.

DISCUSSION:

Project Objectives – The Contract allows the Harbor Department to construct a loading platform structure at Berths 167-169 to satisfy the requirements of the Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) (California Building Code, Chapter 31F – Marine Oil Terminals) which is intended to protect public health, safety, and the environment. MOTEMS requires all marine oil terminals to undergo an audit to determine "Fitness for Purpose" of the marine structures, embankment, piping, electrical, mechanical, and fire suppression equipment under the jurisdiction of the California State Lands Commissions. The existing wharf at Berths 167-169 has deteriorated extensively and is classified as "not fit for service" pursuant to MOTEMS. The age of the wharf makes bringing the marine oil terminal in compliance with the current codes a challenge, therefore, in order to fully comply with the MOTEMS regulations, it was deemed that the existing wharf needed to be replaced. The current two-berth structure will be replaced with a single berth structure at Berth 167. An aerial map of Berths 167-169 is attached (Transmittal 1).

Project Description - The Project consists of constructing concrete wharf structure, catwalks, mooring bitts, access ramps, and trestles at Berths 167-169 conforming to MOTEMS in accordance with Drawing No. 1-3303. This work additionally includes the demolition of existing timber wharf structure, timber piles, timber catwalks, mooring bitts, and related improvements.

DATE: APRIL 20, 2021

PAGE 3 OF 5

**SUBJECT: BERTHS 167-169 MARINE OIL TERMINAL IMPROVEMENTS
SPECIFICATION NO. 2787**

Contractor Laydown Area and Field Office Location- A Contractor Laydown Area and Field Office Location is required on all construction contracts to store material and equipment, and for Contractor and Harbor Department personnel to be stationed in the vicinity of the project site, in order to support construction activities for the duration of the Contract. Staff recommends that the Board delegate and authorize the Executive Director to grant a Temporary Use and Entry Permit (TEUP) to the Contractor for the use and occupancy of the Contractor Laydown Area and Field Office Location as delineated and more particularly described on Drawing No. 1-3303 C-05 (Transmittal 2). Under the TEUP, the permitted use shall be for the operation of both the Contractor Laydown Area and Field Office Location, the term shall be for the duration of the Contract, the Contractor shall owe no compensation for the use of the premises, and the Contractor shall indemnify the City and all of its boards, agents, officers, and employees in relation to the Contractor's use of the premises. All other terms of the TEUP, including but not limited to the appropriate insurance the Contractor shall procure and maintain in relation to the use of the premises, shall be at the sole discretion of the Executive Director.

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.

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, 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. 2787 (Specification) was advertised on the Port of Los Angeles website, Daily Breeze, Eastside Journal, Chinese Daily News, Dodge Construction "Green Sheet", Metropolitan News Company, and in the Los Angeles Business Assistance Virtual Network to reach out to as many potential bidders as possible. The virtual pre-bid conference was held on October 21, 2020 and bidders' questions were addressed through the CDBON.

DATE: APRIL 20, 2021

PAGE 4 OF 5

**SUBJECT: BERTHS 167-169 MARINE OIL TERMINAL IMPROVEMENTS
SPECIFICATION NO. 2787**

As authorized by the Executive Director on October 7, 2020, the Chief Harbor Engineer received three responsive bids for the Contract on March 10, 2021. Jilk was declared the apparent lowest bidder with a bid of \$19,744,691.00. The analysis of bid results with the companies and their respective bid amounts are included in Transmittal 3. Jilk submitted the required documents in Section 00012.09 within the time specified in the specifications. Staff has verified Jilk's state license, which was found to be in good standing.

The Harbor Department had set a minimum SBE participation level of 9%, of which 2% shall be VSBE participation. Jilk has provided the required documents regarding their SBE and VSBE participation. Since Jilk is an SBE, the proposed SBE participation level is 100%, and the VSBE participation level by Subcontractors/Suppliers is 4.54% (Transmittal 4).

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.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the award of the Contract to Jilk, which is an activity for which the underlying project has been previously assessed in the Berths 167-169 [Shell] MOTEMS Environmental Impact Report (SCH#2015061102), which was certified by the Board on August 23, 2018. Therefore, the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to the requirements of CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Funds in the amount of \$14,000,000 are budgeted for FY 2021-2022 in Account No. 54510 (Capital Construction Services), Center No. 1195, and Program No. 000. Funds are anticipated to be expended as follows:

FY 2021-2022	\$ 14,000,000.00
FY 2022-2023	\$ 7,719,160.10
TOTAL	\$ 21,719,160.10

Funds for future fiscal years will be requested and budgeted as part of the annual budget process, upon Board Approval.

DATE: APRIL 20, 2021

PAGE 5 OF 5

SUBJECT: BERTHS 167-169 MARINE OIL TERMINAL IMPROVEMENTS
SPECIFICATION NO. 2787

Although Jilk 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 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.

CITY ATTORNEY:

The Office of the City Attorney reviewed and approved Specification No. 2787 as to form and legality on March 23, 2020.

TRANSMITTALS:

1. Aerial Site Plans
2. Contractor and Construction Management Field Office Location
3. Analysis of Bids
4. Contractor, Subcontractor, and Supplier List



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SHAUN SHAHRESTANI
Chief Harbor Engineer

FIS Approval: MB

CA Approval: JS



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S2787B01
File No. 4.7