



Executive Director's

Report to the

Board of Harbor Commissioners

**DATE: JUNE 4, 2019**

**FROM: CONSTRUCTION**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ -  
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT  
CONTRACTOR: MANSON CONSTRUCTION COMPANY  
BERTHS 226-236 TERMINAL IMPROVEMENTS  
SPECIFICATION NO. 2770**

**SUMMARY:**

Staff requests approval of award of a contract (Contract) to Manson Construction Company to construct the Berths 226-236 Terminal Improvements Project (Project). The Project consists of dredging, wharf improvements, backland improvements, and utility relocation and removals. The lowest responsive and responsible bidder is Manson Construction Company, located at 340 Golden Shore, Suite 310, Long Beach, CA 90802. The Contract amount of \$50,301,380, plus a 10% contingency, is \$55,331,518, and the Contract duration is 750 calendar days. The Project is partially funded under the Proposition 1B, State Trade Corridor Improvement Fund, through the State of California Department of Transportation, in the amount of \$5,430,000. 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 is statutorily exempt from 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;

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3. Award and approve, Specification No. 2770 for Item Nos. 1 through 65 of the proposal schedule to Manson Construction Company for the amount of \$50,301,380; that a 10% contingency not included in the original Contract amount be applied for a total authorization of \$55,331,518; and authorize payment from the Harbor Department Construction Account. The Contract time for performance of the work shall be 750 calendar days from the Notice to Proceed;
4. Authorize the Executive Director to execute and the Board Secretary to attest to this Contract for and on behalf of the Board;
5. In accordance with City Charter Section 655 (g), delegate and authorize the Executive Director to adjust the final bid quantities and accept the construction Contract upon its completion; and
6. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Project Objectives - This Project will provide sufficient depth to accommodate larger container vessels anticipated to call at the terminal, improve the container terminal backland capacity to maximize container land use and operations at the terminal, and promote the long-term development and growth of the Port. This project is defined as Harbor Department deliverables described in the Sixth Amendment to Permit No. 888 between the Harbor Department and Everport, approved by the Board under Resolution No. 18-8287.

Project Description - This Project consists of performing dredging to -53 ft, installation of approximately 1500 ft of steel sheet piles, repair of damaged concrete piles, reconfiguring and upgrading electrical substations in the backlands, installation of Alternative Maritime Power (AMP) facilities at Berths 228 and 230, paving an approximately 1.5-acre parcel of backlands, striping, replacing the electrical wires for all of the high-mast light poles in the terminal, relocating and modifying utilities as required, coordinating the work with parties involved, as well as securing the necessary permits, and other site improvements.

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 Business Assistance Virtual Network (LABAVN), 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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Following the submittal to the Harbor Department, the bids are publicly opened and the apparent lowest bidder is declared. 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. 2770 was advertised on the Port of Los Angeles website, Los Angeles Times, LA Watts Times, Rafu Shimpo, Dodge Construction "Green Sheet", Metropolitan News Company, and in the LABAVN to reach out to as many potential bidders as possible. A pre-bid meeting was held on November 8, 2018.

As authorized by the Executive Director November 8, 2018, the Chief Harbor Engineer received three bids for the subject Contract on March 21, 2019. The Analysis of Bids lists the companies that submitted bids and their respective bid amounts (Transmittal 1). The bids were received and opened; Manson Construction Company was declared the apparent lowest bidder at the time of the bid opening with a bid of \$50,301,380, subject to evaluation and verification of bid documents.

Construction staff has verified Manson Construction Company's state license. In conformance with Section 10.8.4 of Ordinance No. 143429, certification is hereby made that Manson Construction Company has executed and filed an Affirmative Action Plan with their bid. A notification letter has been sent to the City Office of Contract Compliance (OCC) as required in the ordinance.

The Harbor Department had set a minimum SBE participation level of 17%, of which 5% shall be VSBE participation. Manson Construction Company has provided the required documents regarding their SBE and VSBE participation and has included 18.08% SBE Subcontractor/Suppliers of which 10.24% are VSBE Subcontractors/Suppliers. (Transmittal 2).

The Contract is consistent with State of California Prevailing Wage provisions. The Contract is also subject to the Local Business Preference Program 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 the award of this construction Contract to Manson Construction Company which is an activity for which the underlying project has been previously assessed in the Berths 226-236 Everport Container Terminal Improvements Project Environmental Impact Report (SCH# 2014101050), which was certified by the Board on October 19, 2017. Therefore, the Director of Environmental Management has determined that the proposed action is statutorily exempt from the requirements of CEQA under Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Funds in the amount of \$26,231,071 are budgeted for the FY 2019-2020 in Account No. 54510 (Capital Construction Services), Center Nos. 1155 and 1186, Program No. 000. Funds are anticipated to be expended as follows:

FY 2019-2020	\$26,231,071.00
FY 2020-2021	\$26,223,724.00
FY 2021-2022	<u>\$2,876,723.00</u>
<b>TOTAL</b>	<b>\$55,331,518.00</b>

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

Although Manson Construction Company 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.

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**CITY ATTORNEY:**

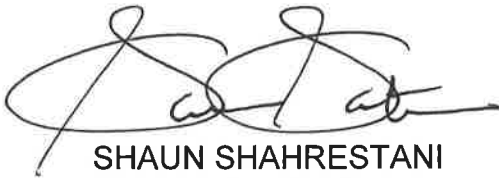
The Office of the City Attorney reviewed and approved Specification No. 2770 as to form and legality on October 25, 2018.

**TRANSMITTALS:**

1. Analysis of Bids
2. Contractor and Subcontractor List
3. Aerial Site Plan

FIS Approval: 

CA Approval: 



SHAUN SHAHRESTANI  
Chief Harbor Engineer  
Director of Construction



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

**APPROVED:**

 FOR

EUGENE D. SEROKA  
Executive Director

Author: B. Roboubi  
BR:lh  
2770B01  
File No. 4.7