



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JULY 17, 2013

FROM: CONSTRUCTION

SUBJECT: RESOLUTION NO. _____ –
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT
CONTRACTOR: TETRA TECH CONSTRUCTION, INC.
FIBER OPTIC NETWORK – PHASE 2
SPECIFICATION NO. 2748

SUMMARY:

This contract is for the construction of an addition to the fiber optic network that spans throughout the Port of Los Angeles (Port) to provide a robust data transfer system, which will provide essential interconnectivity for security information between the Los Angeles Port Police Building and other locations within the Port. The lowest responsive and responsible bidder is Tetra Tech Construction, Inc., located in Pasadena, California. The contract amount of \$5,915,832, plus an approximate 10% contingency, is \$6,507,416. The contract duration is 180 calendar days. This project is federally funded under the Round 9 Port Security Grant Program, up to \$4,000,000.

RECOMMENDATION:

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

1. Find that, in accordance with City Charter Section 1022, work under the subject contract can be performed more feasibly by an independent contractor rather than by City employees;
2. Award and approve Specification No. 2748 for Item Nos. 1 through 22 of the proposal schedule to Tetra Tech Construction, Inc., in the amount of \$5,915,832; that a 10% contingency, not included in the original contract amount, be applied for a total authorization of \$6,507,416; and authorize payment from the City of Los Angeles Harbor Department Construction Account. The contract time for performance of the work will be 180 calendar days from the Notice to Proceed;
3. Authorize the Executive Director to execute, and the Board Secretary to attest to this contract for, and on behalf of, the Board;

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4. In accordance with City Charter Section 655 (g), delegate and authorize the Executive Director to adjust final bid quantities and accept the construction contract upon its completion; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background and Context – The overall Fiber Optic Network consists of communication installations and fiber optic network improvements throughout the Port of Los Angeles (Port) at several sites, including San Pedro, Wilmington and the Terminal Island areas. The Los Angeles Port Police requested this system to provide a robust data transfer system for surveillance information from waterside security cameras, other security sensors, and access control monitors. As a secondary function, it will provide essential interconnectivity for security information between the Los Angeles Port Police Building and other Port facilities, tenants and outside agencies.

The implementation for the Fiber Optic Network is comprised of four major projects. The first project, Phase 1, which was completed on April 13, 2012, provided connectivity between the Port Police Headquarters, the Harbor Administration Building, and the Port of Long Beach via the Vincent Thomas Bridge. The second project, Horizontal Directional Drill, which was completed on December 23, 2011, installed fiber optic conduit network by directional drill method across the Main Channel, Consolidated Channel, and Cerritos Channel. This project will connect other Port facilities and tenants with security agreements with the City of Los Angeles Harbor Department (Harbor Department). The future Phase 3 project will provide connectivity to other tenants who currently do not have security agreements with the Harbor Department, and complete the system-wide integration.

Work includes, but is not limited to, trenching and backfilling; installation of underground and interior conduits, cables, pull boxes, racks, panels, termination boxes and junction boxes; termination and splicing of fiber optic cables; and other work. The system design is based on the air blown fiber network in a redundant loop configuration. Please see Transmittal 3 for an aerial site plan showing the limits of the project.

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This project is federally funded under the Round 9 Port Security Grant Program up to \$4,000,000. The funds must be spent by May 30, 2014.

This project will be constructed in compliance with the Harbor Department's Small Business/Very Small Business Enterprise Program (SBE/VSBE). This contract is consistent with the State of California Prevailing Wage provisions. The contract duration is 180 calendar days. Construction is anticipated to start in September 2013 and be completed in February 2014.

This construction requires specific experience and equipment to perform the work. The work to be performed on this contract is temporary in nature. As such, it is not feasible for the City of Los Angeles (City) to hire employees and purchase equipment to perform work under this contract.

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

Following the submittal to the Harbor Department, the bids are publicly opened and the apparent lowest bidder is declared. Bid documents, SBE and 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 referenced above, on May 15, 2013, the Notice of Inviting Bids for Specification No. 2748 was published on the Port of Los Angeles website, and in the LA Times, Chinese Daily News, LA Watts Times, Metropolitan News, and Dodge Construction "Green Sheet", to reach out to as many potential bidders as possible.

As authorized by the Executive Director on May 2, 2013, the Chief Harbor Engineer received 3 bids for the subject contract on July 3, 2013. The Analysis of Bids (Transmittal 1) lists the companies that submitted bids and their respective bid amounts. The bids received were opened, and Tetra Tech Construction, Inc. (Tetra Tech) was declared the apparent lowest bidder at the time of the bid opening with a bid of \$5,915,832.

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Tetra Tech's bid has been found responsive. A 10% contingency is recommended based on a qualitative review of project specific risks, including schedule constraints and potential unforeseen conditions that may arise during construction, utility conflicts, and design and scope changes to accommodate field conditions, for a total project cost of \$6,507,416.

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

The Harbor Department had set a minimum SBE participation level of 12%. Because of the specialized nature of the project, a minimum VSBE participation requirement was not set. Tetra Tech has provided the required documents regarding their SBE participation. Tetra Tech's SBE subcontracting participation level is 37.39% (Transmittal 2).

This contract is consistent with State of California Prevailing Wage provisions. This contract is not subject to the local business preference ordinance adopted by the Board on April 15, 2012.

ENVIRONMENTAL ASSESSMENT:

The proposed action is award of a construction contract to Tetra Tech for additions to the Port fiber optic network to provide security information transfer between the Port Police Building and locations within the Port. As an activity involving the addition of safety and security devices for use in conjunction with existing facilities, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of California Environmental Quality Act (CEQA) in accordance with Article III Class 1 (6) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Funds for the current fiscal year have been budgeted in Account No. 54510, Work Order No. 25136, Center No. 1179, Program No. 640.

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Funds are expected to be expended as follows:

Fiscal Year 2013/2014	\$4,319,000
<u>Fiscal Year 2014/2015</u>	<u>\$2,188,416</u>
Total	\$6,507,416

The baseline budget for this project is \$6,960,000, \$4,000,000 of which is reimbursable through the Round 9 Port Security Grant Program. This project will require a regular maintenance cost of approximately \$20,000 per year.

Funds for future fiscal years will be requested to be budgeted as part of the annual budget process. Approval of this contract will not require an increase in the total baseline budget.

Although the contractor 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 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.

ECONOMIC BENEFITS:

Spending under the proposed contract will support 43 direct and 35 secondary one-year equivalent jobs for the five-county region.

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CITY ATTORNEY:

The Office of the City Attorney reviewed and approved Specification No. 2748 as to form and legality on April 23, 2013.

TRANSMITTALS:

1. Analysis of Bids
2. Contractor and Subcontractor List
3. Location Key Map

FIS Approval:  (initials)

CA Approval:  (initials)



SHAUN SHAHRESTANI
Chief Harbor Engineer
Construction Division



MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

PTN:lh - 2748B01