



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: APRIL 12, 2011

FROM: CONSTRUCTION AND MAINTENANCE DIVISION

SUBJECT: RESOLUTION NO. _____ - AWARD OF CONTRACT NO. 39539 TO STELLA-JONES CORPORATION FOR THE PURCHASE OF TREATED CREOSOTE PILES

SUMMARY:

The Construction and Maintenance Division (C&M) requests the approval of a one-year contract with two, one-year renewal options to Stella-Jones Corporation of St. Laurent, Quebec, Canada for the purchase and delivery of treated creosote piles for an amount not to exceed \$760,276 for the first year, \$783,084 for the second year, and \$806,577 for the third year (if the renewal options are exercised). These piles are used by the C&M Pile Driving Section to replace old timber piles when necessary throughout the Port.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve Contract No. 39539 with Stella-Jones Corporation for the purchase and delivery of treated creosote piles for a period of one year, with two, one-year renewal options in an amount not to exceed \$760,276 for the first year, \$783,084 for the second year and \$806,577 for the third year (a total of \$2,349,937) and authorize said expenditures;
2. Authorize the Executive Director to execute and Board Secretary to attest to Contract No. 39539; and
3. Adopt Resolution No. _____ .

DISCUSSION:

Background – Wharves at the Port of Los Angeles are composed of both concrete and timber piling. The majority of these pilings are concrete and the Engineering Division is responsible for their maintenance. Approximately 18,000 pilings are timber and maintained by C&M. Timber piling may be either bearing, which primarily support the wharf structure, or fender, which are located at the face of the wharf and protect it from the ships that dock at the wharf. The fender piles, of which there are approximately 5,800, are most prone to damage. Due to damage and natural deterioration, approximately 685 timber fender piles will need to be replaced annually.

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In 2010, C&M installed 491 new and replacement piles at a cost of \$634,000. This was an increase from earlier years as pile replacement activity was accelerated and new projects at Berths 72, 73E, 92, 93, 161, and 186-188 were completed. C&M's goal is to continue the increase in pile driving productivity and plans to drive 685 piles in Fiscal Year 2011-12.

Untreated pilings are susceptible to damage from marine borers, organisms that can compromise the integrity of the timber piling within just a few years. Creosote and other wood treatments (e.g., ACZA) protect the piling and significantly extend its life, but can release potentially harmful constituents into harbor waters. This potential hazard is mitigated by wrapping pile with plastic.

The Port of Los Angeles is currently utilizing several measures to reduce or eliminate the potential impact of creosote treated pilings. These include:

- The purchased piling will be stored on land, as opposed to the historic practice of storage in the water.
- Piling will be pre-wrapped in plastic.
- Piling will be barged to the repair site.
- After piling is driven, divers will inspect and repair any damage to the wrap.
- Divers will install a "tidal" wrap to further protect the piling and plastic wrap.

Selection Process – The Contracts and Purchasing Division submitted a purchase requisition for treated creosote piles. The Request for Bid (RFB) was released on October 7, 2010 to solicit bids for piles based on the estimated annual usage. The bid requested amounts per pile for piles ranging from 50 – 100 feet in length. Bids received by the October 26, 2010 deadline have been tabulated as detailed in Transmittal No. 1. Bids were returned from Bridgewell Resources of Tigard, Oregon; Gemini Forest of Los Alamitos, California; Pacific Wood of Bakersfield, California; and Stella-Jones of Quebec, Canada. The bid calls for an award to the lowest, responsive bidder.

Based on the bid tabulation, staff is recommending approval by the Board of Harbor Commissioners (Board) of Stella-Jones Corporation, the lowest, responsive bidder. The bid prices they provided for the most commonly used piles of 65, 70, and 100 feet are 2.5 percent, 1.2 percent, and 33 percent lower, respectively, than the final price per pile on the previous contract.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a contract with Stella-Jones Corporation for the purchase and delivery of treated creosote piles for routine timber wharf pile replacement. The storage of the creosote piles would follow best management

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practices. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines. Future use of the creosote piles for routine maintenance and repair would also be considered exempt from CEQA under Article III Class 1(3) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no economic impact in the five-county region.

FINANCIAL IMPACT:

The purchase of treated creosote piles will cost the Harbor Department a maximum total of \$760,276 in the first contract year. Should the renewal options be exercised in the second and third years, the not-to-exceed cost is expected to be \$783,084 and \$806,577, respectively, resulting in a total three-year not-to-exceed amount of \$2,349,937.

Piles vary in size and cost. The average cost per pile is approximately \$1,145. Generally, there is no maintenance associated with a pile once it is installed. Piles are visually inspected by underwater divers every three years and if damage is found, repairs are scheduled. Damage costs are billed to the responsible terminal.

Piles are replaced when damaged or decayed. If they are not replaced they compromise the structural integrity of the pier and may result in damage to the vessel and unsafe conditions at the pier.

Funding for the current fiscal year in the amount of \$300,000 has been budgeted in Account 11420 (Inventory-Purchases), Center No. 7001, and Program No. 000 to cover the anticipated expenditure for FY 2010-11. Upon Board approval, future fiscal year funding will be requested as part of the annual budget process.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved this contract as to form and legality.

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TRANSMITTALS:

1. Recap of Bid Nos. F-707
2. Contract No. 39539

FIS Approval: EW (Initials)

CA Approval: TR (Initials)



JIM MORGAN

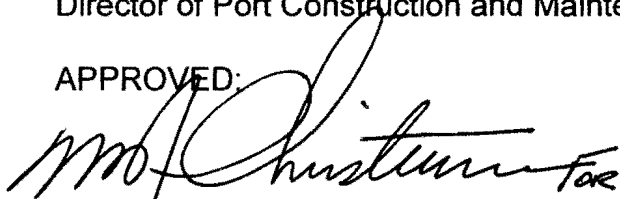
Director of Port Construction and Maintenance



JOHN M. HOLMES

Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.

Executive Director

S:/Share/Clerical Documents/Board Items/2011-02-01 Creosote Piles 041211

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