



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

Board of Harbor Commissioners

DATE: DECEMBER 5, 2017

FROM: CONSTRUCTION AND MAINTENANCE

**SUBJECT: RESOLUTION NO. _____ - INCREASE CONTRACT
AUTHORITY AMOUNT FOR ANNUAL PURCHASE ORDER NO. 31864-
18 WITH GANDY GLASS CO., INC.**

SUMMARY:

Staff requests that the Board of Harbor Commissioners approve an increase in the expenditure authority for Purchase Order No. 31864-18 with Gandy Glass Co., Inc., of Wilmington, California, currently set at the amount of \$149,000 per year, to \$260,000 per year. This annual contract, which will expire on October 23, 2018, is administered by the Construction and Maintenance Division (C&M) and is for the purchase of glass windows and doors, including their installation and repair, for projects throughout the Port of Los Angeles (Port). The requested increase is necessary for C&M to complete current and planned capital and maintenance projects. Although the contract authority level would increase, the actual contract expenditures will not exceed the budget levels authorized in the C&M operating, Capital Improvement Program (CIP), and Maintenance Improvement Program (MIP) budgets. The Harbor Department is responsible for the payment of expenses under this contract.

RECOMMENDATION:

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

1. Find that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Approve Purchase Order Change No. 2 to Purchase Order No. 31864-18 with Gandy Glass Co., Inc. in the amount of \$111,000, increasing the annual expenditure authority from \$149,000 to \$260,000 for the current contract period;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said purchase order change; and
4. Adopt Resolution No. _____ .

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DISCUSSION:

Background/Context - The Harbor Department executes annual procurement contracts to purchase required materials, supplies, and services to support Harbor Department operations and projects. C&M currently utilizes more than one hundred varied annual procurement contracts in order to provide safe, reliable, efficient, and quality services to its customers as well as to maintain the Port's infrastructure. Most of these annual procurement contracts are less than \$150,000 per year and they are typically sufficient for C&M to perform both planned and responsive maintenance responsibilities.

In the course of normal operations, C&M requests increases, as needed, in the spending authority level on annual procurement contracts to complete maintenance and capital improvement projects. These requests may be necessary due to extra work needed on a capital project or simply as a result of changing needs in C&M operations (e.g., a terminal needs more replacement electrical parts than usual after deferred preventive maintenance is performed). Although the expenditure level may increase for a specified contract, actual overall expenditures are not expected to exceed the annual budget levels authorized in the CIP, MIP, and C&M operating budgets.

Contract Requiring Increased Funding - In order to complete scheduled projects and maintain regular operations, C&M is requesting approval to increase the expenditure authority for the annual procurement contract with Gandy Glass Co., (Gandy) to an amount not-to-exceed \$260,000 per year (Transmittals 1 & 2). The contract contains two one-year renewal options. The funding increase being requested will not apply to the two annual renewal options, if exercised. The increase applies only to the first year of the contract and is in response to unanticipated demands that have come up requiring glass procurement and installation. Most of the projects in question are expected to be completed before the expiration of the contract on October 23, 2018. The annual procurement contract with Gandy allows C&M the flexibility to obtain key materials for scheduled projects and unscheduled repairs in a timely manner. The contract also allows for the installation of glass products, a specialized service. The requested expenditure increase is an estimate based on current project needs and anticipated annual expenditure levels.

Purchase Order No. 31864-18 with Gandy went into effect on October 24, 2017 for a maximum expenditure authority of \$95,000 per year for a one-year term, with two one-year renewal options. This contract is needed to provide readily available glass plates, windows, doors and a variety of glass products for maintenance and capital projects, including associated installation services. In addition, the contract provides for window caulking, necessary for protective and restorative work. The contract needed to be increased from its original authority level of \$95,000 to \$149,000 to address major repair

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work required at the Yang Ming/Ports America Administration Building at 2001 John S. Gibson Boulevard in response to a complaint about the state of the building windows from the Port customer. The initial increase did not provide enough funds to cover other jobs that have come up nor allow for a contingency to cover needs that may arise before the end of the contract period. This second purchase order change being presented to the Board for approval is necessary to provide materials and services for outstanding jobs and to allow for unforeseen needs.

The jobs to be addressed, which necessitate this additional funding request, include repairs at the Everport Administration Building, the APM Administration Building, Banning's Landing, the Berths 91-92 Passenger Terminal, and C&M Capital Projects Building. The funding increase will also include a contingency amount of \$40,000 for unanticipated work that may be required before the first year of the contract ends on October 23, 2018. This request represents a one-time increase and it is not anticipated that additional funds will be needed to meet service needs before the purchase order's first expiration date. In addition, actual expenditures will not exceed the budget levels authorized in the C&M operating budget, and the Harbor Department's CIP and MIP budgets.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of an increase in the expenditure authority for Purchase Order No. 31864-18 with Gandy Glass Co., Inc. Approval of the increase in expenditure is an administrative activity, therefore the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the City of Los Angeles CEQA Guidelines.

FINANCIAL IMPACT:

The requested expenditure authority increase for the contract with Gandy is for \$111,000. Should this request be approved, the purchase order expenditure authority will increase from \$149,000 to \$260,000. To date, \$90,500 has been spent through the contract. Assuming approval of the increased spending authority, the new remaining balance of \$169,500 available in the current fiscal year would be spent as follows:

Center No.	Program No.	Account No.	Project No.	Task No.	Description	Amount
1207	000	55010	2545900	2449400	Caulking replacement/wind	\$15,000

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					ow resealing/window glass-2001 John S. Gibson Blvd. (Ports America/Yang Ming)	
1207	000	54010- Maintenance Services-Buildings	2545900	2449400	Labor associated with the above-2001 John S. Gibson Blvd. (Ports America/Yang Ming)	\$31,500
0510	000	55010 – Parts and Materials	3421000	2424000	Window resealings and replacement-Everport Administration Building	\$ 8,000
0510	000	54010 – Maintenance Services-Buildings	3421000	2424000	Caulking/installation of above-Everport Administration Building	\$ 3,000
0510	000	55010 – Parts and Materials	3425400	2670300	Window-door glass-caulking/glass replacement-Banning's Landing	\$ 5,000
0510	000	54010 – Maintenance Services-Buildings	3425400	2670300	Caulking/installation of above-Banning's Landing	\$10,000
0510	000	55010 – Parts and Materials	3420500	2320700	Window resealing material-APM Administration Building	\$ 3,000
0510	000	54010 – Maintenance	3420500	2320700	Resealing of above-APM	\$ 7,000

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		Services-Buildings			Administration Building	
0510	000	55010 – Parts and Materials	3426200	0627900	Window resealing material-B. 91-92 passenger terminal	\$ 600
0510	000	54010 – Maintenance Services-Buildings	3426200	0627900	Resealing of above-B. 91-92 passenger terminal	\$ 1,400
1207	000	55010 – Parts and Materials	2545800	2440300	Window glass-272 S. Fries Ave.	\$17,000
1207	000	54010 – Maintenance Services-Buildings	2545800	2440300	Installation of above-272 S. Fries Ave.	\$28,000
0510	000	55010 – Parts and Materials	To be determined	To be determined	Window/door glass contingency	\$15,000
0510	000	54010 – Maintenance Services-Buildings	To be determined	To be determined	Contingency installation of above	\$25,000

No additional costs are anticipated to be incurred beyond the amount budgeted in the current fiscal year for normal maintenance in the C&M operating budget or deferred maintenance projects in the CIP and MIP budgets. Current funding levels in these budgets are sufficient to cover the increase to this purchase order. On-going operating and maintenance costs resulting from the completion of project work are the responsibility of the Harbor Department.

If the purchase order change is not approved, there will be no fiscal impact as project funding is already authorized for these expenditures. However, the lack of approval will cause delays in addressing customer repair needs, the primary reason for the requested increase.

CITY ATTORNEY:

The City Attorney's office has reviewed the change order and approved it as to form and legality.

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TRANSMITTALS:

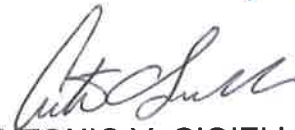
1. Purchase Order Change No. 2 to Purchase Order No. 31864-18
2. Purchase Order No. 31864-18

FIS Approval:  (Initials)

CA Approval:  (Initials)



TIM CLARK
Director of Construction & Maintenance



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

APPROVED:


FOK

EUGENE D. SEROKA
Executive Director

Author: F. Albers