

DATE: JANUARY 18, 2018

FROM: CONSTRUCTION AND MAINTENANCE

SUBJECT: RESOLUTION NO. _____ - AWARD OF CONTRACT NO. 39847
TO JOHNSON CONTROLS, INC. FOR HEATING, VENTILATION, AND
AIR CONDITIONING (HVAC) UNIT REPLACEMENTS THROUGHOUT
THE PORT OF LOS ANGELES

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve a one-year agreement with a single one-year renewal option, Contract No. 39847, with Johnson Controls, Inc. of Cypress, California for the purchase and installation of heating, ventilation, and air conditioning (HVAC) units throughout the Harbor Department for a total not-to-exceed amount of \$1,200,000 for the duration of the two-year agreement. This contract is the financial responsibility of the Harbor Department.

RECOMMENDATION:

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

1. Find that the proposed action is administratively and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f), and Article III, Class 1(1), of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Find that in accordance with the City of Los Angeles Administrative Code Division 10, Chapter 1, Article 2, Section 10.15 (a)(8), the Harbor Department may enter into an agreement with Johnson Controls utilizing a current agreement for such services with the federal General Services Administration (GSA) through their Contract No. GSA-07F-190CA, a cooperative purchase agreement;
3. Approve Contract No. 39847 with Johnson Controls, Inc. in the amount of \$600,000 for a period of one year, with a single one-year renewal option in the same amount annually to be exercised by the Executive Director or his/her designee;
4. Authorize the Executive Director to execute and Board Secretary to attest to Contract No. 39847 for and on behalf of the Board; and
5. Adopt Resolution No. _____.

DATE: JANUARY 18, 2018

PAGE 2 OF 4

SUBJECT: AWARD OF CONTRACT NO. 39847 TO JOHNSON CONTROLS, INC.

DISCUSSION:

Background/Context – In the last seven years, the Harbor Department's Construction and Maintenance Division (C&M) has completed a wide range of capital infrastructure projects representing work that had been deferred due to either staffing or funding constraints. Funding in the capital budget has been set aside to address several projects, including but not limited to, the retrofit of three automatic public toilets on the Harbor Boulevard Parkway; the installation of a water leak detection system at Cabrillo Way Marina; the building upgrade and elevator modernization of the Test Lab building; and replacement of elevator gearboxes at the Port of Los Angeles Administration Building.

The re-roof and installation of a cooling tower at 300 E. Water Street, the Port's Maritime Law Enforcement and Training Center (MLETC), and the replacement of an existing air conditioning unit at 272 S. Fries Avenue, the Port C&M Division's Capital Projects Building, are two HVAC related deferred maintenance projects included in the Capital Improvement Program (CIP) budget for Fiscal Year (FY) 2017-18. The new HVAC units will be more energy efficient and the refrigerant will be environmentally friendly. They will be coated with material that will improve their durability in a marine environment. Also, the new units will be equipped with automation that will allow temperature settings to be accomplished remotely instead of having to send a service worker to the HVAC site.

The use of the proposed contract with Johnson Controls will allow C&M to maintain standardized equipment throughout many Port facilities. Already, the Port Police Headquarters, Berth 93 passenger terminal, and Banning's Landing operate with, or will soon be operating with, Johnson Controls systems.

Selection Process – The City of Los Angeles Charter Article III, Section 371(e)(8) and Los Angeles Administrative Code Division 10, Chapter 1, Article 2, Section 10.5 (a)(8) allow for "contracts for cooperative arrangement with other governmental agencies for the utilization of the purchasing contracts and professional, scientific, expert or technical services contracts for those agencies and any implementing agreements, even though the contracts and implementing agreements were not entered into through a competitive bid process."

The federal GSA contract is a mechanism for the Harbor Department to utilize Johnson Controls, Inc. at prices that match or are more competitively priced than high volume government discounts. If the Harbor Department had released a bid for the services and products, it is possible that Johnson Controls, Inc. would have been the sole responsive bidder and charged the Harbor Department higher prices than on the GSA price list. The GSA contract arrangement allows for the best prices for an extended period of time. Therefore, in accordance with the City of Los Angeles Charter and Administrative Code, the proposed action by the Board is consistent with City contracting policies and staff is recommending approval of the contract with Johnson Controls, Inc. (Transmittal No. 1).

DATE: JANUARY 18, 2018

PAGE 3 OF 4

SUBJECT: AWARD OF CONTRACT NO. 39847 TO JOHNSON CONTROLS, INC.

Note that the entire GSA contract has not been included as it is more 1,000 pages in length.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a contract with Johnson Controls, Inc. for the purchase and installation of a HVAC unit. Approval of the contract is an administrative activity and the installation of the HVAC unit involves minor construction with negligible or no expansion of use, therefore the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f), and Article III, Class 1(1), of the City of Los Angeles CEQA Guidelines.

FINANCIAL IMPACT:

Funding for deferred maintenance projects is included in the FY 2017-18 Capital Improvement Program budget in the amount of \$1,740,500 and will cover the proposed contract in the amount of \$600,000.

Project No.	2528900	2545800	
Location	300 E. Water St.	272 S. Fries	Total Costs
Account No. 51010 – Salaries	\$57,000	\$10,000	\$67,000
Account No. 54270 – Hiring Hall	\$320,000	\$234,700	\$554,700
Account No. 55010 – Parts/ Materials	\$133,000	\$144,284	\$277,284
Account No. 54010 – Contractual Services	\$383,500	\$365,620	\$749,120
Account No. 59010 – Equipment Rental	\$47,000	\$45,396	\$92,396
Total Cost	\$940,500	\$800,000	\$1,740,500

In addition, annual maintenance costs for the HVAC systems at the two facilities which are planned for upgrade, which have averaged approximately \$15,000 per year for past seven years, should be reduced by at least 50% due to the newness of the equipment and the introduction of automation into the system. Similar savings can be expected at other facilities as this contract is used for additional upgrade projects once identified and scheduled.

The Harbor Department's financial obligations after the current fiscal year are contingent upon the Board's appropriation of funds. If any subsequent fiscal year funds are not appropriated by the Board for the work required under the contract, the contract shall be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred.

DATE: JANUARY 18, 2018

PAGE 4 OF 4

SUBJECT: AWARD OF CONTRACT NO. 39847 TO JOHNSON CONTROLS, INC.

CITY ATTORNEY:

Office of the City Attorney has reviewed and approved the Agreement as to form and legality.

TRANSMITTAL:

1. Contract No. 39847

FIS Approval: MB (Initials)

CA Approval: JM (Initials)



TIM CLARK
Director of Port Construction & Maintenance



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

APPROVED:



EUGENE D. SEROKA
Executive Director