



THE PORT
OF LOS ANGELES

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: FEBRUARY 27, 2024

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ -
REJECTION OF ALL BIDS
HARBOR ADMINISTRATION BUILDING BOARD HEARING ROOM
AND EXECUTIVE SESSION ROOM REMODEL
SPECIFICATION NO. 2834**

SUMMARY:

Staff recommends that all bids for the Harbor Administration Building Board Hearing Room and Executive Session Room Remodel (Project), Specification No. 2834 (Specification) be rejected due to their non-compliance with Small Business/Very Small Business Enterprises (SBE/VSBE) participation requirements, and that the Project be re-advertised as it is in the best interest of the City of Los Angeles Harbor Department (Harbor Department) to do so to ensure the most competitive bids and lowest cost to the Harbor Department. The Project will replace all audio and visual equipment in the Board Hearing Room; modify the stage area, improve lighting and seating, and modify access to the stage. Improvements will also be made to the Executive Session Room, and adjoining kitchenette and restroom.

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 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;
2. Reject all bids for Specification No. 2834 and authorize the Executive Director to re-advertise the Project; and
3. Adopt Resolution No. _____.

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DISCUSSION:

Project Background and Description – The HAB includes a Board Hearing Room and connected Executive Session Room, with a restroom and kitchenette. The Board Hearing Room is used by the Board to conduct bi-monthly Board meetings, interact with the community and with other government agencies, and host visitors, give presentations, and conduct meetings with staff. The Board Hearing Room features lighting, audio and video equipment that is either out of date or is malfunctioning. Access paths to the stage in the Board Hearing Room, and the configuration of the kitchenette and restroom currently do not meet the requirements of the ADA.

The scope of the Project includes replacing all audio and visual equipment in the Board Hearing Room; creating a secure space for new audio and visual control boards; modifying the stage area with new furniture and space needs; providing conference room and council type furniture; replacing and adding lighting; remodeling the existing seating; and reconfiguring access to the stage. The Project also includes improvements to the Executive Session Room, restroom, and kitchenette. Accessible seating, an accessible path of travel to the stage, and improvements to the restroom and kitchenette are necessary to bring all spaces into ADA compliance.

Construction Award Process – City of Los Angeles Charter Section 371(a) - Competitive Bidding and City of Los Angeles Administrative Code Section 10.15 – Competitive Bids set forth the procedure staff follow to award a contract. For construction specifications, the Harbor Department publishes the Notice Inviting Bids in daily newspapers and trade publications circulated in the City of Los Angeles, as well as on the Port of Los Angeles website and in Regional Alliance Marketplace for Procurement (RAMP). The Harbor Department also conducts a pre-bid conference to answer questions related to the specification.

Bidders submit bids through the Port's Construction Division Business Opportunity Network (CDBON) System. The opportunity to submit bids closes once a predetermined time is reached. After bid closing, bid documents, SBE/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, a recommendation for award of the construction contract is made. If the apparent lowest bidder is found non-responsive, the next lowest bidder is reviewed.

In conformance with the City Charter Section 371(a) and Administrative Code Section 10.15, as stated above, on November 1, 2023, the Notice of Inviting Bids for Specification No. 2834 was advertised on the Harbor Department website, on RAMP, in the Chinese Daily News, Dodge Construction "Green Sheet", Daily Breeze, L.A. Watts Times, Rafu Shimpo and in the Metropolitan News Company to reach out to as many potential bidders as possible. A pre-bid meeting was held on November 14, 2023.

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Bid Results - As authorized by the Executive Director on October 31, 2023, the Chief Harbor Engineer received two bids for the Specification on January 16, 2024, as shown on the attached Analysis of Bids (Transmittal 1). The bids received were opened, and R.J. Daum Construction Company was declared the apparent lowest bidder.

In the Specification, the Harbor Department set a minimum SBE participation level of 19%, of which 5% shall be VSBE participation. R.J. Daum Construction Company is an SBE and, therefore, qualifies for an SBE participation level of 100%. R.J. Daum Construction Company proposed a VSBE participation level of 1.91%. Royal Construction Corp., the second lowest bidder, is an SBE and, therefore, qualifies for an SBE participation level of 100%. Royal Construction Corp. proposed a VSBE participation level of 0.38% (Transmittal 2).

The Specification is consistent with State of California Prevailing Wage provisions. The Specification is subject to the local business preference ordinance adopted by the Board on April 5, 2012, and Project Labor Agreement Resolution Nos. 17-3526 and 17-8164 as approved by the Board on September 7, 2017, and the Los Angeles City Council on December 5, 2017, respectively.

Reason for Rejection of Bids – Pursuant to the Specification and City of Los Angeles Administrative Code Section 10.15, the City reserves the right to reject all bids when to do so would be to the advantage of the City. Staff recommends that it is to the Harbor Department's best interest to reject all bids and re-advertise this Project for the following reasons:

- After the bid opening, staff evaluated the lowest bidder, R.J. Daum Construction Company, and determined that they did not meet the VSBE participation percentages required in the Specification.
- Staff also analyzed the bid for the second lowest bidder, Royal Construction Corp., and determined that they did not meet the VSBE participation percentages required in the Specification.

Therefore, staff has determined both bids are unresponsive and recommends that it is in the best interest of the city to reject all bids to ensure the most competitive bid and lowest cost to the Harbor Department.

In anticipation of rejection of all bids, the specification documents will be reviewed and modified as appropriate before re-advertising in April 2024.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is rejection of all bids for construction of the Project, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the CEQA in accordance with Article II, Section 2(f), of the City of Los Angeles CEQA Guidelines.

FINANCIAL IMPACT:

While the Board's rejection of bids will not immediately result in additional financial outlays related to the Project, the proposed rejection of bids will further delay completion of the Project. Staff will monitor whether any changes to the \$4,405,000 budget for the Project within Work Order No. 2551900 are required once the specification is re-advertised and new bids are received.

CITY ATTORNEY:

The Office of the City Attorney reviewed and approved Specification No. 2834 as to form and legality on October 26, 2023.

TRANSMITTALS:

- 1. Analysis of Bids
- 2. Contractor and Subcontractor List



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Chief Harbor Engineer

FIS Approval: MB (initials)

CA Approval: SO (initials)

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