



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

Board of Harbor Commissioner

**DATE: DECEMBER 4, 2018**

**FROM: PORT PILOTS**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - AWARD OF CONTRACT NO. 39866 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND VIGOR KVICHAK LLC FOR THE DESIGN, CONSTRUCTION AND DELIVERY OF TWO NEW PILOT BOATS**

**SUMMARY:**

Staff requests approval of Contract No. 39866 (Contract) with Vigor Kvichak LLC, Seattle, Washington to design, construct and deliver, to the City of Los Angeles Harbor Department, two new pilot boats to be used for safely transporting Port Pilots to and from vessels calling at the Port of Los Angeles.

The total contract amount is \$6,348,040.22 including applicable taxes. The term of the contract will be for eighteen months from the date of award.

Expenditures under the proposed Contract are the financial responsibility of the Harbor Department.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Find that the Director of Environmental Management has determined that the proposed activity is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Class 2(f) of the Los Angeles City CEQA Guidelines;
2. Find that in accordance with the Los Angeles City Charter Section 1022, it is more feasible for outside contractors to perform this work than City employees;
3. Approve the Contract with Vigor Kvichak LLC for a duration of eighteen months in the amount of \$6,348,040.22;

**AWARD OF CONTRACT TO: VIGOR KVICHAK LLC**

4. Authorize the Executive Director to execute and the Board Secretary to attest to the said Contract for and on behalf of the Board; and
5. Adopt Resolution No. \_\_\_\_\_

**DISCUSSION:**

Background/Context – The Port Pilots are responsible for the safe and continuous movement of vessels at the Port of Los Angeles where they perform an average of 3,600 pilot assisted moves yearly. Port Pilots rely upon the pilot boats to safely transport them, in all weather and sea conditions, to and from vessels arriving and departing from the Port of Los Angeles 24 hours a day, 365 days a year.

The existing pilot boats are 23 years old and suffering from long-lived age, deterioration and the inability to obtain necessary replacement parts due to their discontinuation and/or obsolescence by the original equipment manufacturers. Both of the current pilot boats are approaching the end of their estimated 25-year life expectancy at which time they will need major repairs that will cost, a minimum combined total of \$2.2 million. These major repairs will be baseline repairs that are needed to keep the pilot boats operational. The figure does not include the repair and replacement of aging auxiliary equipment and systems found in the boats. Currently annual maintenance and repair costs are averaging close to \$100,000 per boat and increasing rapidly.

Selection Process – In anticipation of the end of life of the current pilot boats, on March 7, 2018 the Port Pilot Division requested funds from the Project Development Committee (PDC) for the design, construction and delivery of two new pilot boats. The PDC approved the expenditure of Capital Funds in the amount of \$7,140,000 for the project; \$7,000,000 for the design, construction and delivery of the two boats and \$140,000 for expenses related to oversight of the project by Pilot Service personnel (Capital Project Number 2549600).

A purchase requisition, for two new pilot boats was submitted to Contracts & Purchasing on June 30, 2018. (Purchase. Req.# Y-19-004, ERP# 48359) On August 10, 2018, the Contracts & Purchasing Division released a Request for Bid (RFB), # F-1026, seeking a qualified marine shipyard/boat builder with proven experience in pilot boat design and construction to design, construct, and deliver two new pilot boats to the Port of Los Angeles.

The bid closed on October 19, 2018. The Port Pilot Division received two bids from interested firms. Members of the Pilot Service staff evaluated the bid proposals with input from the Construction and Maintenance Division.

**AWARD OF CONTRACT TO: VIGOR KVICHAK LLC**

Submittal No. 1, the low bidder, was non-responsive, due to their inability to obtain a Performance Bond as required in the RFB.

Based upon Submittal No. 1 being non-responsive, Submittal No. 2, from Vigor Kvichak LLC, was selected for the contract award.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of a Contract with Vigor Kvichak LLC for the design, construction and delivery of two new pilot boats, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the Contract authorizes the design, construction and delivery of two new pilot boats, in the amount of \$6,348,040.22 including applicable taxes. Capital funds for the project have been budgeted within Project Number 2549600, Center 1104, Program 000, and Account No. 59994. The expected expenditure of the contract funds for each fiscal year is:

Fiscal Year	Amount
2018/2019	\$871,322.00
2019/2020	\$3,491,421.74
2020/2021	\$1,985,296.48
Total	\$6,348,040.22

As part of the FY 2018/19 budget adoption process, \$916,659 was programmed within Work Order #: 2549600. Future year funds will be requested to be budgeted through the Harbor Department's annual budgeting process, upon Board approval.

The routine annual combined maintenance costs for both vessels is expected to be \$28,000 annually.

**CITY ATTORNEY:**

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

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TRANSMITTALS:

1. Recap of Bid # F-1026
2. F-1026, Bid Transmittal
3. Contract No. 39866

FIS Approval:   
CA Approval: 



DAVID C. FLINN  
Chief Port Pilot



THOMAS E. GAZSI  
Chief of Public Safety and  
Emergency Management

APPROVED:



EUGENE D. SEROKA  
Executive Director

DCF/DCF