



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

DATE: DECEMBER 17, 2018

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ -
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT
CONTRACTOR: LONEROCK, INC.
BERTH 200 RAIL YARD & TRACK CONNECTIONS ENHANCEMENT
SPECIFICATION NO. 2779**

SUMMARY:

Staff requests that the Board of Harbor Commissioners approve the award of a contract (Contract) to Lonerock, Inc., to construct the Berth 200 Rail Yard & Track Connections Enhancement (Project). The Project consists of installing track pan drains including a drainage detention tank, and waterline relocations. The lowest responsive and responsible bidder is Lonerock, Inc., located at 70 Domani, Irvine, CA 92618. The Contract amount of \$4,130,570, plus a 10% contingency, is \$4,543,627, and the Contract duration is 365 calendar days. Payment of expenses incurred under the Contract is the financial responsibility of the Harbor Department.

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(i) of the Los Angeles City CEQA Guidelines;
2. Find that, in accordance with the Los Angeles City Charter Section 1022, work under the subject Contract can be performed more feasibly by an independent contractor rather than by City employees;
3. Award and approve, Specification No. 2779 for Item Nos. 1 through 22 of the proposal schedule to Lonerock, Inc. for the amount of \$4,130,570; that a 10% contingency not included in the original Contract amount be applied for a total authorization of \$4,543,627; and authorize payment from the Harbor Department Construction Account. The Contract time for performance of the work shall be 365 calendar days from the Notice to Proceed;

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4. Authorize the Executive Director to execute and the Board Secretary to attest to this Contract for and on behalf of the Board;
5. In accordance with City Charter Section 655 (g), delegate and authorize the Executive Director to adjust the final bid quantities and accept the construction Contract upon its completion; and
6. Adopt Resolution No. _____.

DISCUSSION:

Project Description - This Project consists of performing street and utility improvements at various locations; relocating DWP waterlines; installing track pan drains, catch basin, pumps, sand grease interceptors, sewer connections, track work, and a drainage detention tank; performing selective site demolition and removal; excavating, filling, compacting and grading; re-sloping the existing floor surface with topping compound at the PHL Maintenance Building, coordinating the Work with parties involved; as well as securing the necessary permits, and other site improvements in accordance with Drawing Number 1-3207.

Construction Award Process - City of Los Angeles Charter Section 371 (a) - Competitive Bidding sets forth the procedure staff followed to award the Contract. For construction contracts such as this one, 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. The Harbor Department also conducts a pre-bid conference to answer questions related to the construction contract.

Following the submittal to the Harbor Department, the bids are publicly opened and the apparent lowest bidder is declared. Bid documents, Small Business Enterprise (SBE) and Very Small Business Enterprise (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, recommendation for award of the construction contract is made. If the apparent low bidder is found non-responsive, the next lowest bidder is reviewed.

In conformance with the City Charter section for competitive bidding, as stated above, the Notice of Inviting Bids for Specification No. 2779 was advertised on the Port of Los Angeles website, Dodge Construction "Green Sheet", Daily Breeze, Metropolitan News Company, Chinese Daily News, LA Opinion, and in the Los Angeles Business Assistance Virtual Network to reach out to as many potential bidders as possible. A pre-bid meeting was held on October 17, 2018.

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As authorized by the Executive Director on September 5, 2018, the Chief Harbor Engineer received two bids for the subject Contract on November 7, 2018. The Analysis of Bids lists the companies that submitted bids and their respective bid amounts (Transmittal 1). The bids were received and opened; Lonerock, Inc. was declared the apparent lowest bidder at the time of the bid opening with a bid of \$4,130,570, subject to evaluation and verification of bid documents.

Construction staff has verified Lonerock, Inc.'s state license. In conformance with Section 10.8.4 of Ordinance No. 143429, certification is hereby made that Lonerock, Inc. has executed and filed an Affirmative Action Plan with their bid. A notification letter has been sent to the City Office of Contract Compliance (OCC) as required in the ordinance.

The Harbor Department had set a minimum SBE participation level of 14%, of which 5% shall be VSBE participation. Lonerock, Inc. has provided the required documents regarding their SBE and VSBE participation and since Lonerock, Inc. is a SBE/VSBE firm, they qualify for 100% SBE/VSBE participation (Transmittal 2).

The Contract is consistent with State of California Prevailing Wage provisions. The Contract is also subject to the local business preference ordinance adopted by the Board on April 5, 2012, and Project Labor Agreement Resolution No.17-8164 as approved by the Board on September 7, 2017, and the Los Angeles City Council on December 5, 2017.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the award of this construction Contract to Lonerock, Inc., which is an activity for which the underlying project has been previously assessed in the Berths 136-147 (TraPac) Container Terminal Project Environmental Impact Report (SCH# 2003104005), which was certified by the Board on December 6, 2007. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA under Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Funds in the amount of \$1,397,079 are budgeted for the current FY 2018-2019 in Account No. 54510 (Capital Construction Services), Center No. 1172, Program No. 000. Funds are anticipated to be expended as follows:

FY 2018-2019	\$1,397,079
FY 2019-2020	\$3,146,548
TOTAL	\$4,543,627

Funds for the future fiscal year will be requested and budgeted as part of the annual budget process, upon Board Approval.

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Although Lonerock, Inc. is not obligated to perform any work under the Contract in any fiscal year in which no appropriation for the Contract has been made, the Contractor agrees to resume performance of the work required by the Contract on the same terms and conditions for a period of 60 days after the end of the fiscal year if an appropriation therefore is approved within that 60-day period. The Contractor is responsible for maintaining all insurance and bonds during this 60-day period. The time for performance shall be extended during this period until the appropriation is made; however, such extension of time is not compensable.

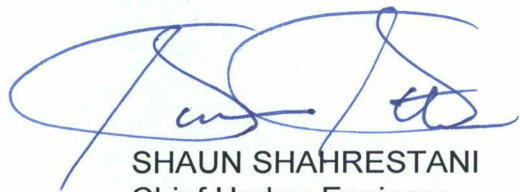
If in any subsequent fiscal year funds are not appropriated for work required by the Contract, the Contract shall be terminated. However, such termination shall not relieve the parties of liability for any obligation previously incurred.

CITY ATTORNEY:

The Office of the City Attorney reviewed and approved Specification No. 2779 as to form and legality on August 27, 2018.

TRANSMITTALS:

1. Analysis of Bids
2. Contractor and Subcontractor List



SHAUN SHAHRESTANI
Chief Harbor Engineer
Director of Construction

FIS Approval: _____



CA Approval: _____



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

APPROVED:



EUGENE D. SEROKA
Executive Director

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