



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

Board of Harbor Commissioners

**DATE: AUGUST 14, 2013**

**FROM: CONSTRUCTION**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ -  
AWARD OF CONSTRUCTION CONTRACT  
CONTRACTOR: C.A. RASMUSSEN, INC.  
JOHN S. GIBSON BOULEVARD/I-110 FREEWAY ACCESS RAMP  
IMPROVEMENTS AND SR-47/I-110 NORTHBOUND CONNECTOR  
WIDENING  
SPECIFICATION NO. 2734**

**SUMMARY:**

This contract is for construction of the John S. Gibson Boulevard/I-110 Freeway Access Ramp Improvements and SR-47/I-110 Northbound Connector Widening project (Project), which will construct an additional lane from the westbound State Route 47 (SR-47) freeway to northbound Interstate 110 (I-110) freeway and improvements to the on-ramp and off ramp at John S. Gibson Boulevard to I-110 freeway, including improvements to John S. Gibson Boulevard. The lowest responsive and responsible bidder is C.A. Rasmussen, Inc., located in Valencia, California. The contract amount plus a 10% contingency, is \$29,644,450. The contract duration is 940 calendar days. The Project is partially funded from the following sources: Federally-funded under the Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) in the amount of \$3,599,600; State-funded under the Trade Corridor Improvement Fund (TCIF) in the amount of \$14,700,000; and regionally funded by the Los Angeles County Metropolitan Transportation Authority (LACMTA) in the amount of \$7,420,000.

**RECOMMENDATION:**

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

1. Find that in accordance with the City Charter Section 1022, work under the subject contract can be performed more feasibly by an independent contractor rather than by City employees;

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2. Award and approve Specification No. 2734 for Item Nos. 1 through 68 of the proposal schedule to C.A. Rasmussen, Inc. in the amount of \$26,949,500; that a 10% contingency, not included in the original contract amount be applied for a total authorization of \$29,644,450; and authorize payment from the City of Los Angeles Harbor Department Construction Account. The contract time for performance of the work will be 940 calendar days from the Notice to Proceed;
3. Authorize the Executive Director to execute, and the Board Secretary to attest to, this contract for and on behalf of the Board;
4. In accordance with City Charter Section 655 (g), delegate and authorize the Executive Director to adjust final bid quantities and accept the construction contract upon its completion; and
5. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background and Context - On December 8, 2011, a Memorandum of Understanding (MOU) and Letter of Agreement (LOA) between the City of Los Angeles Harbor Department (Harbor Department) and the Los Angeles County Metropolitan Transportation Authority (LACMTA) for the John S. Gibson Boulevard/I-110 Freeway Access Ramp Improvements and SR-47/I-110 Northbound Connector Widening was approved by the Board.

On June 9, 2011, State Proposition 1B Trade Corridor Improvement Fund Program – California Transportation Commission “Amended Baseline Agreement” between the City of Los Angeles Harbor Department and the State of California, and “Letter of No Prejudice” Request to the California Transportation Commission was approved by the Board.

On September 13, 2012, a Cooperative Agreement between the City of Los Angeles and the State of California for Construction of John S. Gibson Boulevard/I-110 Freeway Access Ramp Improvements and SR-47/I-110 Northbound Connector Widening project was approved by the Board.

The scope of the Project consists of widening the SR-47/I-110 connector from one to two lanes, extending the additional through lane on the northbound I-110 past the John

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S. Gibson Boulevard off-ramp, modifying the northbound ramps at the I-110 and John S. Gibson Boulevard interchange and improving John S. Gibson Boulevard at the I-110 northbound ramp (Transmittal 3). Work also includes widening of two bridges, railroad realignment, soundwall construction, and other site improvements.

Projects that receive federal funding are subject to federal Disadvantaged Business Enterprise (DBE) requirements. Therefore, the Small Business Enterprise and Very Small Business Enterprise program will be replaced with the Federal DBE program for this project. This contract is also consistent with the State of California Prevailing Wage provisions and minimum wage requirements per the Davis-Bacon Act provisions for Federal-aid construction projects. This Project will be performed under a Project Labor Agreement. The duration of the Project is 940 calendar days. Construction is anticipated to start in November 2013 and be completed in Spring 2016.

This is a very large construction contract requiring specific experience and equipment to perform the work. This contract is also temporary in nature. As such, it is not feasible for the City of Los Angeles (City) to hire employees and purchase equipment to perform the work under this contract.

Construction Award Process - City Section 371, Subdivision A - Competitive Bidding sets forth the procedure staff followed to award this contract. For construction contracts such as this one, the Harbor Department publishes the Notice Inviting Bids in daily newspapers and trade publications circulated in City of Los Angeles, as well as on the Port of Los Angeles website. The Harbor Department conducts a pre-bid conference and job walk to familiarize the prospective bidders with the jobsite and 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, and other documents are reviewed for compliance with Harbor Department and federal funding 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 and so forth.

The Notice of Inviting Bids for Specification No. 2734 was advertised on June 20, 2013 on the Port of Los Angeles website, and in Eastside Journal, Daily Breeze, La Opinion, Metropolitan News, and Dodge Construction "Green Sheet" to reach out to as many potential bidders as possible. A pre-bid meeting was held on July 2, 2013.

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As authorized by the Executive Director on June 20, 2013, the Chief Harbor Engineer received 8 bids for the subject contract on August 1, 2013. The Analysis of Bids (Transmittal 1) lists the companies that submitted bids and their respective bid amounts.

The bids received were opened and C.A. Rasmussen, Inc. was declared the apparent lowest bidder at the time of the bid opening.

Construction staff has verified C.A. Rasmussen, Inc.'s state license. In conformance with Section 10.8.4 of Ordinance No. 143429, certification is hereby made that C.A. Rasmussen, 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 as required in the ordinance. C.A. Rasmussen, Inc.'s bid has been found responsive. A 10% contingency is recommended based on a qualitative review of project specific risks, including schedule constraints and potential unforeseen conditions that may arise during construction, utility conflicts, and design and scope changes to accommodate field conditions, for a total authorization of \$29,644,450.

The Harbor Department had set a DBE participation goal of 19.42%. C.A. Rasmussen, Inc. has provided the required documents regarding their DBE participation (Transmittal 2). C.A. Rasmussen, Inc.'s bid includes a 12.8% DBE participation. Staff has verified that C.A. Rasmussen, Inc. has made a good-faith-effort for DBE participation in accordance with the specification.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is an award of a contract for construction of the Project to C.A. Rasmussen, Inc. An Initial Study/Mitigated Negative Declaration (IS/MND) and Environmental Assessment/Finding of No Significant Impact (EA/FONSI) for the Project was approved by the Board on April 5, 2012. Therefore, as an activity for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA), the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2 (i) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Funds for the current fiscal year have been budgeted in Account No. 54210, Work Order No. 24699, 24661, Center No. 1172, Program No. 000.

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It is anticipated that the funds for this contract will be expended as follows over the next three fiscal years:

Fiscal Year 2013/2014	\$ 5,000,000
Fiscal Year 2014/2015	\$15,000,000
Fiscal Year 2015/2016	\$ 9,644,450
<b>Total</b>	<b>\$29,644,450</b>

Funds for future fiscal years will be requested to be budgeted as part of the annual budget adoption process, upon Board approval. Funding for this project is budgeted at \$42,730,261. This includes costs for design, environmental management, and construction management services as well as the construction cost. All costs are within the budgeted amount and approval of this contract will not require an increase in the total project baseline budget. The Project is partially Federally-funded under the Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) in the amount of \$3,599,600; State-funded under the Trade Corridor Improvement Fund (TCIF) in the amount of \$14,700,000; and regionally funded by the Los Angeles County Metropolitan Transportation Authority (LACMTA) in the amount of \$7,420,000. Since the Project is Federal and State funded, it is exempt from the Local Business Preference Program (LBPP). State funding declares that the Project must be awarded by the Harbor Department by September 4, 2013. The Harbor Department's cost share for the proposed Project will be \$3,924,850. This is based on the award amount with 10% contingency and subtracting the total grant reimbursements of \$25,719,600. All grant funding will be on a reimbursement basis.

Subsequent to Project completion, the State of California Department of Transportation and City of Los Angeles will fully bear the ongoing operating and maintenance costs associated with this Project.

Although the contractor 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 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.

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**ECONOMIC BENEFITS:**

Spending under the proposed contract will support 216 direct and 177 secondary one-year equivalent jobs for the five-county region.

**CITY ATTORNEY:**

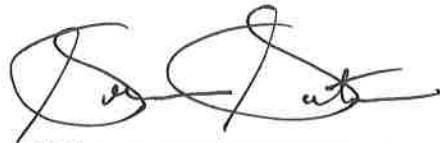
The Office of the City Attorney reviewed and approved Specification No. 2734 as to form and legality on January 7, 2013.

**TRANSMITTALS:**

1. Analysis of Bids
2. Contractor and Subcontractor List
3. Location Key Map & Aerial View

FIS Approval:  (initials)

CA Approval:  (initials)

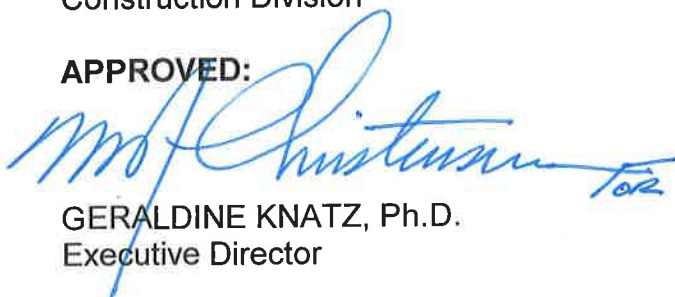


SHAUN SHAHRESTANI  
Chief Harbor Engineer  
Construction Division



MICHAEL R. CHRISTENSEN  
Deputy Executive Director

**APPROVED:**



GERALDINE KNATZ, Ph.D.  
Executive Director

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