



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

Board of Harbor Commissioners

DATE: NOVEMBER 19, 2025

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ -
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT
CONTRACTOR: RESOURCE ENVIRONMENTAL, INC.
TERMINAL ISLAND FACILITIES DEMOLITION AND IMPROVEMENTS
SPECIFICATION NO. 2838**

SUMMARY:

Staff requests approval of an award of a contract (Contract) to Resource Environmental, Inc., to construct the Terminal Island Facilities Demolition and Improvements (Project). The Project consists of demolition and improvements in five project sites. The lowest responsive and responsible bidder is Resource Environmental, Inc., located at 13100 Alondra Blvd, Suite 108, Cerritos, CA 90703. The Contract amount of \$12,527,000, plus a 10% contingency, is \$13,779,700, and the work duration is 450 calendar days. The City of Los Angeles Harbor Department (Harbor Department) is financially responsible for payment of expenses incurred under the proposed Contract.

RECOMMENDATION:

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

1. Find that the Director of Environmental Management has determined that i) the proposed action as to four of the projects has been previously evaluated pursuant to the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(i) of the Los Angeles City CEQA Guidelines and ii) the remainder of the action as to one of the projects is categorically exempt from the requirements of CEQA under Article III Classes 1(1) and 1(11) 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. 2838 for Item Nos. 1 through 31 of the Bid Proposal Line Items to Resource Environmental, Inc. for a total amount of \$13,779,700, including a 10% contingency, with Project work expected for 450 calendar days;

**SUBJECT: TERMINAL ISLAND FACILITIES DEMOLITION AND IMPROVEMENTS
SPECIFICATION NO. 2838**

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

DISCUSSION:

Project Objectives – The Project alleviates the Harbor Department from the burden of continued vandalism, liability, flooding, and makes the land available for leasing. The overall condition of the buildings has severely deteriorated, they have exceeded their design life and now pose a hazard due to inappropriate and inoperable fire alarm and sprinkler systems. The existing storm drain system that drains South Seaside Avenue, the SoCal Ships Services parking lot, the Al Larson Boat Shop, and the west side of the former Southwest Marine Site are past its design life and causes flooding of the area during rainy season.

Project Description – The Project consists of the following work orders: 1) 1050 South Ways Street Starkist Demolition and Storage Lot Conversion (2554200), 2) Berths 208-209 Container Freight Station Building Demolition (2572400), 3) Southwest Marine Administration Building Demolition and Pavement Improvements (2566100), 4) 1025 South Seaside Avenue – Building Demolition and Lot Conversion (2570400), and 5) South Seaside Avenue Storm Drain Restoration (2560800). (Transmittal1)

Work consists of building demolition including asbestos abatement, lead remediation and Polychlorinated Biphenyl (PCB) abatement, removal and disposal of miscellaneous structures including but not limited to foundations, mechanical and electrical equipment, and timber dock; grading and paving of sites with asphalt concrete; concrete pavement repairs, installation of crushed miscellaneous base with stabilizing agent; removal and disposal of chemically impacted soil; installation of permanent perimeter fencing and lighting; and construction of storm drain system.

Work for the South Seaside Avenue Storm Drain Restoration work order includes construction of new storm drain lines from existing catch basin locations, construction of two new storm drains maintenance holes, connection of new storm drain lines to existing storm drain outfall, restoration of the site to pre-excavation conditions, and performance of post-construction CCTV camera inspection.

DATE: NOVEMBER 19, 2025

PAGE 3 OF 5

**SUBJECT: TERMINAL ISLAND FACILITIES DEMOLITION AND IMPROVEMENTS
SPECIFICATION NO. 2838**

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.

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, 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 the information is verified, and if the lowest bidder is deemed responsive, a recommendation for the 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 for competitive bidding, as stated above, the Notice of Inviting Bids for Specification No. 2838 (Transmittal 2) was advertised on the Port of Los Angeles website, Daily Breeze, Eastside Journal, Dodge Construction "Green Sheet", Metropolitan News Company, and in the La Opinion Network to reach out to as many potential bidders as possible. A pre-bid meeting was held on August 6, 2025.

As authorized by the Executive Director on July 18, 2025, the Chief Harbor Engineer received five bids for the Contract on October 15, 2025. Resource Environmental, Inc. was declared the apparent lowest bidder with a bid of \$12,527,000. The analysis of bid results with the companies and their respective bid amounts are included in Transmittal 3. Resource Environmental, Inc. submitted the required documents in Section 00012.09 within the time specified in the specifications. Staff has verified Resource Environmental, Inc.'s state license, which was found to be in good standing.

The Harbor Department had set a minimum SBE participation level of 17%, of which 4% shall be VSBE participation. Resource Environmental, Inc. has provided the required documents regarding their SBE and VSBE participation, and staff has calculated their SBE/VSBE participation to be 24.13% and 11.83%, respectively (Transmittal 4).

The Contract is consistent with State of California Prevailing Wage provisions. The Contract is 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.

**SUBJECT: TERMINAL ISLAND FACILITIES DEMOLITION AND IMPROVEMENTS
SPECIFICATION NO. 2838**

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of an award of a contract to Resource Environmental, Inc. to construct the Terminal Island Facilities Demolition and Improvements over five project sites, consisting of the following projects: 1) 1050 South Ways Street Starkist Demolition and Storage Lot Conversion, 2) Berths 208-209 Container Freight Station Building Demolition, 3) Southwest Marine Administration Building Demolition and Pavement Improvements, 4) 1025 South Seaside Avenue - Demolition and Lot Conversion, and 5) South Seaside Avenue Storm Drain Restoration. Projects 1, 2, 3, and 5 were previously evaluated as part of the following environmental documents: 1) Star-Kist Cannery Facility Project (SCH No. 2019129042) certified by the Board on February 9, 2023; 2) Addendum to the Chassis Depot and Repair Facilities at Berths 206-209 Final Initial Study and Negative Declaration (SCH No. 2019049132) considered by the Board on November 15, 2018; 3) Berth 240 Transportation Vessels Manufacturing Facility Project Final Initial Study/Mitigated Negative Declaration (SCH No. 2017121023) certified by the Board on March 15, 2018; and 5) So Cal Ship Services First Addendum to the Final Initial Study and Mitigated Negative Declaration (SCH No. 2018061043) considered by the Board on May 15, 2020. Project 4 was determined to be categorically exempt as an activity involving exterior alterations involving remodeling or minor construction where there is negligible expansion of use and the demolition and removal of individual small structures except where the structures are of historical, archaeological, or architectural significance. Therefore, the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to the requirements of CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines or is categorically exempt from the requirements of CEQA in accordance with Article III Classes 1(1) and 1(11) of the Los Angeles City CEQA Guidelines, as detailed above.

FINANCIAL IMPACT:

Approval of the proposed Contract will authorize a total amount of \$13,779,700 over a 450-calendar day period for the construction of the Project. Fiscal Year (FY) 2025-2026 funding in the amount of \$1,500,000 has been budgeted within Account 161305 (Construction in Progress), Division 00000 (Harbor Global). Funds are anticipated to be expended as follows:

FY	2554200	2572400	2566100	2570400	2560800	Total
25-26	\$ 500,000	\$ 382,000	\$100,000	\$ 300,000	\$218,000	\$ 1,500,000
26-27	\$ 5,000,000	\$3,500,000	\$300,000	\$ 700,000	\$500,000	\$10,000,000
27-28	\$ 900,000	\$ 700,000	\$200,000	\$ 200,000	\$279,700	\$ 2,279,700
Total	\$ 6,400,000	\$4,582,000	\$600,000	\$1,200,000	\$997,700	\$13,779,700

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

DATE: NOVEMBER 19, 2025

PAGE 5 OF 5

SUBJECT: TERMINAL ISLAND FACILITIES DEMOLITION AND IMPROVEMENTS
SPECIFICATION NO. 2838

Although Resource Environmental, 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. 2838 as to form and legality on June 16, 2025.

TRANSMITTALS:

1. Aerial Site Plan
2. Specification No. 2838
3. Analysis of Bids
4. Contractor, Subcontractor, and Supplier List

FIS Approval: JS

CA Approval: SO



Shaun Shahrestani
2025.11.19 16:04:35 -08'00'

SHAUN SHAHRESTANI
Chief Harbor Engineer



DINA ARYAN-ZAHLAN, PE
Deputy Executive Director

APPROVED:

Erica M. Calhoun for

EUGENE D. SEROKA
Executive Director

Author: D. Yang
S2838B01
File No. 4.7