



THE PORT  
OF LOS ANGELES

Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: JULY 9, 2024**

**FROM: CONSTRUCTION**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ -  
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT  
CONTRACTOR: RJ DAUM CONSTRUCTION COMPANY  
HARBOR ADMINISTRATION BUILDING BOARD HEARING ROOM AND  
EXECUTIVE SESSION ROOM REMODEL  
SPECIFICATION NO. 2835**

**SUMMARY:**

Staff requests approval of an award of a contract (Contract) to RJ Daum Construction Company (RJ Daum), to construct the Harbor Administration Building Board Hearing Room and Executive Session Room Remodel (Project). The Project consists of improvements to the existing Harbor Administration Building Board Hearing Room and Executive Session Room including the following: replacement of existing audio/visual (A/V) equipment, construction of a secure A/V room, modifications to the stage area, new lighting, construction of a larger conference table and kitchenette, and accessibility modifications. The lowest responsive and responsible bidder is RJ Daum, located at 11581 Monarch Street, Garden Grove, CA 92841. The Contract amount of \$3,328,284 plus 10% contingency totals \$3,661,112.40, and the Contract duration is 420 calendar days. The City of Los Angeles Harbor Department (Harbor Department) will be financially responsible for the 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 the proposed action is administratively and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) and Article III Class 1(1) 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;

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3. Award and approve, Specification No. 2835 for Item Nos. 1 through 11 of the Bid Proposal Line Items to RJ Daum for \$3,328,284; that a 10% contingency not included in the original Contract amount to be applied for a total authorization of \$3,661,112.40 and authorize payment from the Harbor Department Construction Account. The Contract time for performance of the work shall be 420 calendar days from the Notice to Proceed;
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 - This Project will remodel the Board Hearing and Executive Session Rooms located in the Harbor Administration Building. The Board Hearing Room is used by the Board to hold bi-weekly Board meetings, interact with the community and other government agencies, and host visitors, give presentations, and conduct meetings with staff. Currently, the Board Hearing Room's lighting and audio-visual system (A/V) equipment are either malfunctioning or out-of-date. Both the Board Hearing Room and Executive Session Room are not Americans with Disability Act (ADA) complaint. In the Board Hearing Room, the stage area lacks ramps, the seating area lacks any space for ADA individuals to sit, and the hallway leading to the Executive session is too narrow for ADA individuals to get through. In the Executive Session Room, the kitchenette and restroom need to be reconfigured to meet ADA requirements.

Project Description - This project will be replacing A/V equipment in the Board Hearing Room; creating a secure area for new A/V visual control boards; modifying the stage area with new furniture and space needs; providing the conference room council type furniture for required space needs; replacing/adding new lighting; providing ADA-compliant seating; providing ADA-compliant ramp access to the stage area from the Executive Session Room and from the Board Hearing Room entrance; and remodeling the existing Executive Session restroom and kitchenette to meet ADA requirements and code compliance.

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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 information is verified, and if the lowest bidder is deemed responsive, a 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. 2835 was advertised on the Port of Los Angeles website, Daily Breeze, Chinese Daily News, La Opinion, Dodge Construction "Green Sheet", and Metropolitan News Company to reach out to as many potential bidders as possible. A pre-bid meeting was held on April 18, 2024. A Bidder's Workshop was held on May 1, 2024, to explain the requirements of a responsive bid and the documents that must be submitted within 4-business days after bids are due.

As authorized by the Executive Director on March 28, 2024, the Chief Harbor Engineer received four bids for the Contract on May 22, 2024. RJ Daum was declared the apparent lowest bidder with a bid of \$3,328,284. The analysis of bid results with the companies and their respective bid amounts are included in Transmittal 2. RJ Daum submitted the required documents in Section 00012.09 within the time specified in the specifications. Staff has verified RJ Daum's state license, which was found to be in good standing.

The Harbor Department had set a minimum SBE participation level of 7%, of which 1% shall be VSBE participation. RJ Daum has provided the required documents regarding their SBE and VSBE participation, and staff has calculated their SBE/VSBE participation to be 100% and 1.19%, respectively (Transmittal 3). RJ Daum is an SBE and, therefore, qualifies for SBE participation level of 100% and the company proposed a VSBE participation level of 1.19%.

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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.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of a Contract with RJ Daum to construct the Harbor Administration Building Board Hearing Room and Executive Session Room Remodel, which is an administrative activity and an activity involving the interior alterations involving remodeling or minor construction where there be negligible or no expansion of use. Therefore, the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of the CEQA in accordance with Article II Section 2(f) and Article III Class 1(1) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed Contract will authorize a total amount of \$3,661,112.40 over a 420-day period for the construction of the Project. Funds are anticipated to be spent as follows:

FY 2024-2025	\$2,507,000.00
<u>FY 2025-2026</u>	<u>\$1,154,112.40</u>
<b>TOTAL</b>	<b>\$3,661,112.40</b>

FY 2024-2025 funding in the amount of \$2,507,000.00 is available within Account 54510 (Capital Construction Services), Center 1003, Program 000. Future fiscal year funding will be requested and budgeted as part of the annual budget process, upon Board approval.

Although RJ Daum 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 an extension of time is not compensable.

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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. 2835 as to form and legality on March 6, 2024.

**TRANSMITTALS:**

1. Aerial Site Plans
2. Analysis of Bids
3. Contractor, Subcontractor, and Supplier List

FIS Approval: JS

CA Approval: JC



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SHAUN SHAHRESTANI  
Chief Harbor Engineer

*Dina Aryan-Zahlan*

DINA ARYAN-ZAHLAN, P.E.  
Deputy Executive Director

**APPROVED:**

*Erica M. Calhoun* for

EUGENE D. SEROKA  
Executive Director

Author: A. Morimoto  
S2835B01  
File No. 4.7