



**THE PORT  
OF LOS ANGELES**

Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: SEPTEMBER 12, 2012**

**FROM: CONSTRUCTION**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - REJECTION OF ALL BIDS  
SOUTH WILMINGTON GRADE SEPARATION  
SPECIFICATION NO. 2690**

**SUMMARY:**

This contract is for the construction of the South Wilmington Grade Separation (Project), which will construct an approximately 4,100-foot-long grade separation structure linking Harry Bridges Boulevard, Pier A Street and Fries Avenue with a proposed new entrance to the Trans Pacific Container Service Corp. (TraPac) Terminal. It is recommended that all bids for specification No. 2690 be rejected and that the project be re-advertised as it is in the best interest of the City of Los Angeles Harbor Department (Harbor Department) to do so to avoid delays that may risk grant funding and to ensure the most competitive bids and lowest cost to the Harbor Department.

**RECOMMENDATION:**

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

1. Reject all bids for specification No. 2690 and authorize the Executive Director to readvertise the South Wilmington Grade Separation project; and
2. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Previous Board Action - At the April 5, 2006 Board meeting, a public hearing was held on the Level III Coastal Development Permit (Permit) for a grade separation at Fries Avenue, south of Harry Bridges Boulevard, in Wilmington. The recommendation to adopt the Permit was approved. Since approval, the concept and general location remains as was originally approved by the Board; however, the project design was revised to avoid conflicts with Department of Water and Power infrastructure. Consequently, the title of the project was also changed from Fries Avenue Grade Separation to South Wilmington Grade Separation.

On May 19, 2011, the Board approved Agreement No. 11-2976 with AECOM Technical Services, Inc. for Construction Management Services for the South Wilmington Grade Separation for a three-year term and a maximum compensation of \$3,836,300.

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South Wilmington Grade Separation - The scope of the Project includes construction of a grade separation structure linking Harry Bridges Boulevard, Pier A Street and Fries Avenue with a proposed new entrance to the TraPac Terminal. The Project will be built over the Pier A Street Rail Yard entrance track, which is frequently used for switching purposes, and over the San Pedro mainline railroad track, which is used several times a day. Both rail lines will remain active during construction activities. Separation of truck traffic from rail traffic will be necessary to facilitate the efficient flow of truck traffic from Harry Bridges Boulevard to the proposed TraPac Terminal entrance.

This Project is state funded under the Proposition 1B, State Trade Corridor Improvements Fund through the State of California Department of Transportation up to \$17,000,000 and by the Los Angeles County Metropolitan Transportation Authority (LACMTA) under Proposition C up to \$19,288,000. Since the Project is state funded, it is exempt from the Local Business Preference Program (LBPP).

Construction Award Process – City of Los Angeles Charter Section 371, Subdivision A - Competitive Bidding and Administrative Code Section 10.15 set forth the procedure staff followed to advertise and 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 the 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 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.

In accordance with Specification no. 2690 adopted by Resolution No. 11-7084 approved by the Board of Harbor Commissioners on February 17, 2011, only prequalified prime contractors were allowed to submit bids for this Project and only prequalified specialty work subcontractors are allowed to perform box girder construction, MSE retaining wall construction, pile driving, or infrastructure relocation.

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- a. Prequalified Prime Contractor Applicants are: Shimmick Construction Company; Steve P. Rados, Inc.; Flatiron West, Inc.; C.C. Myers, Inc.; Skanska USA Civil West District, Inc.; Atkinson Contractors, LP; Brutoco Engineering and Construction, Inc.; Security Paving Company, Inc.; Griffith Company; SEMA Construction; MCM Construction, Inc.; Ortiz Enterprises, Inc.; and Balfour Beatty Infrastructure, Inc.
- b. Prequalified Box Girder Specialty Work subcontractors are: Shimmick Construction Company; Steve P. Rados, Inc.; Flatiron West, Inc.; C.C. Myers; Skanska USA Civil West District, Inc.; Atkinson Contractors, LP; Brutoco Engineering and Construction, Inc.; Security Paving Company, Inc.; Griffith Company; MCM Construction, Inc.; and Balfour Beatty Infrastructure, Inc.
- c. Prequalified MSE Retaining Walls Specialty Work subcontractors are: Shimmick Construction Company; Steve P. Rados, Inc.; Flatiron West, Inc.; Skanska USA Civil West District, Inc.; Atkinson Contractors, LP; Brutoco Engineering and Construction, Inc.; Security Paving Company, Inc.; Griffith Company; SEMA Construction; MCM Construction, Inc.; Ortiz Enterprises, Inc.; and Balfour Beatty Infrastructure, Inc.
- d. Prequalified Pile Driving Specialty Work subcontractors are: Flatiron West, Inc.; Dutra Construction Co., Inc.; Foundation Pile, Inc.; and R.E. Staite Engineering, Inc.
- e. Prequalified Infrastructure Relocation Specialty Work subcontractors are: ARB, Inc.; Sully-Miller Contracting Company; Shimmick Construction Company; Steve P. Rados, Inc.; Flatiron West, Inc.; Skanska USA Civil West District, Inc.; Brutoco Engineering and Construction, Inc.; Security Paving Company, Inc.; Griffith Company; SEMA Construction; and Balfour Beatty Infrastructure, Inc.

The Notice of Inviting Bids concerning Specification No. 2690 was advertised on July 17, 2012 on the Port of Los Angeles website, and in the Daily Breeze, Hoy, Chinese Daily News, Dodge Construction "Green Sheet", and Metropolitan News Company.

As authorized by the Executive Director on July 17, 2012, the Chief Harbor Engineer received five bids for the subject contract on September 6, 2012. The Analysis of Bids (Transmittal 1) lists the companies that submitted bids and their respective bid amounts. The bids received were opened, and MCM Construction, Inc. (MCM Construction) was declared the apparent lowest bidder at the time of the bid opening.

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Reason for Rejection of Bids – In accordance with City of Los Angeles Administrative Code Section 10.15, which requires all invitations to bid to reserve the right to reject all bids when to do so would be to the advantage of the City, the Harbor Department Specification No. 2690 reserved such right to reject all bids. Staff recommends that it is to the Harbor Department's advantage to reject all bids and re-advertise this Specification for the following reasons:

- After the bid opening, staff evaluated MCM Construction's bid and determined that MCM Construction did not list a specialty subcontractor for relocation of utilities as required by the contract documents. Staff also received a telephone call and letter of protest from the second lowest bidder, Griffith Company, identifying this bid anomaly in MCM Construction's bid (Transmittal 2). In telephone calls and a letter, MCM Construction claims that it reached out to all the prequalified specialty utility relocation contractors and did not receive any bids (Transmittal 3). Griffith Company (Griffith) claims that although Griffith was contacted by MCM Construction to provide a bid for the landscaping and irrigation work, MCM Construction did not request a bid from Griffith for the specialty utility relocation work. A protracted resolution of this dispute over the responsiveness of MCM Construction's bid or subsequent litigation could potentially delay the Project such that the Harbor Department would risk losing all \$36 million in grant funding due to grant deadlines.
- The Project can be re-advertised for construction and an award can be made at the November 1, 2012 Board meeting which will not negatively impact the planned construction schedule significantly nor risk grant deadlines.
- Only five of the twelve prequalified prime contractors submitted bids. Staff believes that rejection of all bids and re-advertisement of the Specification may result in increased competition and overall lower cost to the Harbor Department.

Therefore, staff recommends rejection of all bids and re-advertisement of the Specification.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is rejection of all bids for construction of the South Wilmington Grade Separation. As an administrative action for which the underlying project was previously assessed, the Director of Environmental Management has determined that the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article 2(h) of the Los Angeles City CEQA Guidelines.

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**FINANCIAL IMPACT:**

There are no financial impacts associated with rejection of all bids.

**ECONOMIC BENEFITS:**

There are no economic benefits associated with rejection of all bids.

**CITY ATTORNEY:**

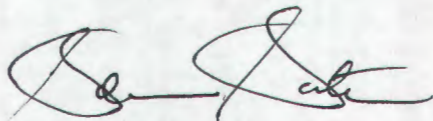
The Office of the City Attorney has identified no legal issues with rejection of all bids and re-advertisement.

**TRANSMITTALS:**

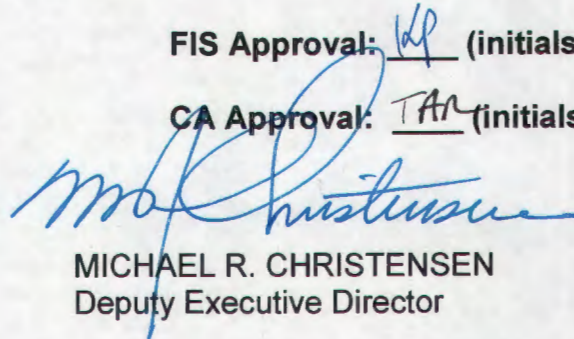
1. Analysis of Bids
2. Letter dated September 11, 2012 from Griffith Company
3. Letter dated September 10, 2012 from MCM Construction

FIS Approval: WJ (initials)

CA Approval: TAR (initials)

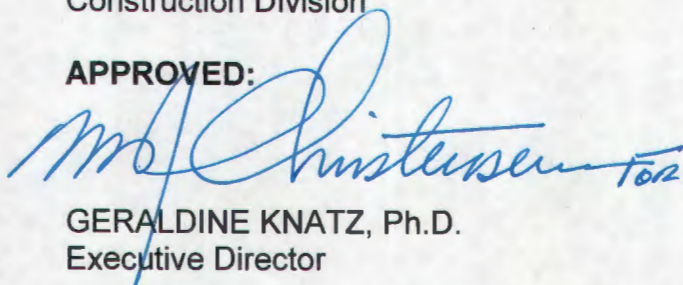


SHAUN SHAHRESTANI  
Chief Harbor Engineer  
Construction Division



MICHAEL R. CHRISTENSEN  
Deputy Executive Director

**APPROVED:**



GERALDINE KNATZ, Ph.D.  
Executive Director

SS:lh  
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