



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JULY 28, 2011

FROM: CONSTRUCTION DIVISION

**SUBJECT: RESOLUTION NO. _____ - FIRST AMENDMENT TO
AGREEMENT NO. 08-2730 BETWEEN THE CITY OF LOS ANGELES
AND PARSONS WATER & INFRASTRUCTURE, INC. FOR
CONSTRUCTION MANAGEMENT SERVICES – TIME EXTENSION**

SUMMARY:

The existing Agreement No. 08-2730 with Parsons Water & Infrastructure Inc. (Parsons), a Delaware corporation with offices located in Pasadena, California, will expire on January 15, 2012. The First Amendment to Agreement No. 08-2730 will extend the Agreement from three to six years. This time extension is necessary to provide construction management support services for Berths 136-147 (TraPac) and Berths 100-109 (China Shipping) Improvement Projects. No additional compensation is being requested.

RECOMMENDATION:

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

1. Find that in accordance with the City Charter Section 1022, work under subject Agreement can be performed more feasibly by an independent contractor than by City employees;
2. Approve First Amendment to Agreement No. 08-2730, extending the term of the Agreement from three to six years (Transmittal No. 1);
3. Authorize the Executive Director to execute, and the Board Secretary to attest to said Amendment for and on behalf of the Board upon City Council approval;
4. Adopt Resolution No. _____; and
5. Direct the Board Secretary to forward the Amendment to the City Council for its approval pursuant to Section 373 of the City Charter.

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DISCUSSION:

Background – Since January 16, 2009, Parsons has been authorized to provide construction management services for the Berths 136-147 and Berths 100-109 Terminal Development Improvement Projects. The improvements at Berths 136-147 will be accomplished through multiple construction contracts and will include upgrade of existing wharves, dredging, backland development, construction of new wharves, AMP infrastructure, LEED-certified buildings and a new main gate. The improvements at Berths 100-109 will also be accomplished through multiple construction contracts and will include dredging, backland development, and construction of new wharves, AMP infrastructure, LEED-certified buildings, and an access bridge.

The estimated construction cost for these projects is approximately \$265,000,000. The first phase of both the Berths 136-147 and Berths 100-109 Terminal Development Improvement Projects have been completed as described below.

On December 18, 2008, the Board approved Agreement No. 08-2730 with Parsons for construction management services for the aforementioned projects for three years and a maximum compensation of \$6,437,000. The Board also approved a 5% contingency not included in the original Agreement for a total authorized amount of \$6,758,850. As of May 31, 2011, \$3,359,072 has been spent.

On September 3, 2009, the Board awarded Contract Specification No. 2696 to Griffith/Dutra Joint Venture for \$47,629,680 to construct the Berth 102 Wharf and Backland Improvements, with a contract duration of 450 calendar days. Notice to Proceed was issued on November 9, 2011, and construction was substantially complete as of May 27, 2011.

On October 2, 2008, the Board awarded Contract Specification No. 2605 to Manson Construction Company for \$97,902,892 to construct the Berths 145-147 Wharf Improvements, with a contract duration of 737 calendar days. Notice to Proceed was issued on January 26, 2009, and construction was substantially complete as of April 10, 2011.

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The Berths 136-147 and Berths 100-109 improvements consist of multiple projects, all of which are included in the scope of work for Agreement 08-2730. Remaining projects to be managed under the Scope of Work of this Agreement include the Berths 142-147 Backland Improvements, Rear Berth 142 Maintenance and Repair Facility, Berths 136-147 Administration Building and Main Gate, Berths 100-109 Buildings, and Berth 100 Wharf - South Extension and AMP.

Reasons for the Amendment – The existing Agreement No. 08-2730 will expire on January 15, 2012. First Amendment to Agreement No. 08-2730 will extend the term of the Agreement from three to six years. The time extension is necessary to provide construction management support services for remaining projects included in the Scope of Work for Agreement 08-2730, as discussed above, due to changes in project phasing and scope and the subsequent schedule impacts.

The original Small Business Enterprise (SBE) percentage for this Agreement was 25.02%. To date, the consultant has achieved an SBE percentage of 33.16%.

Harbor Department staff is not available to fully support these projects. Staff has also reached out to other City Departments performing these types of services and has been informed of the unavailability of City staff to support these projects.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the First Amendment to Agreement No. 08-2730 between the City of Los Angeles and Parsons, which would extend the Agreement from three to six years. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Approval of the proposed First Amendment extending the term with no additional compensation will have no direct job impact for the five-county region.

FINANCIAL IMPACT:

On December 18, 2008, the Board approved Agreement No. 08-2730 with Parsons for construction management services for the Berths 136-147 (TraPac) and Berths 100-109

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(China Shipping) Improvements for a three-year term for a total authorized amount of \$6,758,850. As of May 31, 2011, \$3,359,072 has been spent.

Approval of the proposed Board item will not have a financial impact upon the Harbor Department. No additional compensation is required at this time. The remaining authority for this Agreement is \$3,399,777.

Planned expenditure for the remaining term of the Agreement, if approved, is as follows:

FY 11/12: \$ 645,000
FY 12/13: \$1,675,000
FY 13/14: \$1,079,777

Future funding will be requested to be budgeted as part of the annual budget adoption process, upon Board approval.

CITY ATTORNEY:

The City Attorney has approved Agreement No. 08-2730 and the First Amendment as to form and legality.

TRANSMITTAL:

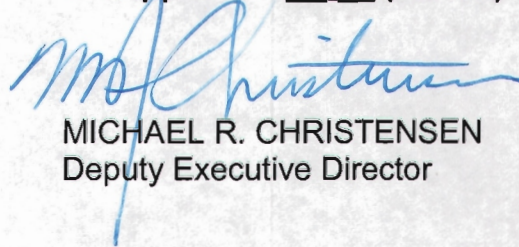
1. First Amendment between the City of Los Angeles Harbor Department and Parsons Water & Infrastructure, Inc.



SHAUN SHAHRESTANI
Chief Harbor Engineer
Construction Division

FIS Approval: WR (initials)

CA Approval: CRB (initials)



MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

Author: C. Adams:lh
A2730TimeExtension