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**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: OCTOBER 1, 2015

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT
CONTRACTOR: MANSON CONSTRUCTION COMPANY
MARINE IMPROVEMENTS 2016-2018
SPECIFICATION NO. 2771**

SUMMARY:

This contract consists of marine work and improvements to be performed on an on-call basis, including demolition and removal work, furnishing and driving concrete and timber piles, concrete wharf repair, dredging, asphalt concrete paving, shotcrete application, epoxy injection, spall repair, driving sheet piles, timber pile driving, timber wharf repair, soil removal, and other marine improvements. The lowest responsive and responsible bidder is Manson Construction Company, located in Long Beach, California. The contract amount, plus a 10% contingency, is \$32,140,823. The contract duration is 730 calendar days.

RECOMMENDATION:

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

1. Find that as an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines;
2. 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;
3. Award and approve Specification No. 2771 for Item Nos. 1 through 116 of the proposal schedule to Manson Construction Company, in the amount of \$29,218,930; that a 10% contingency not included in the original contract amount be applied for a total authorization of \$32,140,823; and authorize payment from the City of Los Angeles Harbor Department (Harbor Department) Construction Account. The contract time for performance of the work will be 730 calendar days from the Notice to Proceed;

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4. Authorize the Executive Director to execute and the Board Secretary to attest to this contract for and on behalf of the Board;
5. 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
6. Adopt Resolution No. _____.

DISCUSSION:

Description - This contract consists of various marine work and improvements to be performed on an on-call basis throughout the San Pedro, Wilmington, and Terminal Island districts of the Port of Los Angeles (Port). Work includes, but is not limited to, concrete and timber wharf demolition and repair, furnishing and driving concrete and timber piles, shotcrete application, epoxy injection, spall repair, driving sheet piles, camel repair and replacement, timber pile wraps and jackets, rock slope repair, asphalt concrete paving, mudjacking, dredging, earthwork, construction of floating docks and gangways, soil removal, and other marine improvements.

This contract will augment the Harbor Department's staff in performing necessary repairs and new construction to accommodate the needs of the Harbor Department, its customers and the community. As repair work or new construction is identified, the Construction & Maintenance Division will determine whether adequate resources, along with necessary expertise and equipment, are available to perform the necessary work. Depending on the availability of Harbor Department staff and equipment, and the nature and urgency of the work, this contract may be utilized to complete the work. The intent of this contract is to provide the Harbor Department with a tool that will allow Harbor Department staff to focus on normal recurring tasks that can be safely and cost-effectively performed, using this contract for specialized non-recurring urgent work, in accordance with the recommendations of the Management Audit for Construction & Maintenance presented to this Board on March 27, 2008. This contract will also provide a means to manage and eventually eliminate deferred maintenance on marine structures throughout the Port in order to safely and efficiently support ongoing operations.

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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 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's website. The Harbor Department conducts a pre-bid conference to familiarize the prospective bidders with the Project and to answer questions related to the construction contract.

Following submittal to the Harbor Department, the bids are publicly opened, and the apparent lowest bidder is declared. Bid documents, SBE and 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, recommendation for 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. 2771 was advertised on August 5, 2015 on the Port's website, in Dodge Construction "Green Sheet", LA Watt's Times, Daily Breeze, Eastside Journal, and Metropolitan News Company to reach out to as many potential bidders as possible. A pre-bid meeting was held on August 19, 2015.

As authorized by the Executive Director on July 31, 2015, the Chief Harbor Engineer received two bids for the subject contract on September 9, 2015. The Analysis of Bids (Transmittal 1) lists the companies that submitted bids and their respective bid amounts. The bids received were opened, and Manson Construction Company was declared the apparent lowest bidder at the time of the bid opening with a bid of \$29,218,930.

The Port's Construction Division staff has verified Manson Construction Company's state license. In conformance with Section 10.8.4 of Ordinance No. 143429, verification is hereby made that Manson Construction Company 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. Manson Construction Company's bid has been found responsive. An approximate 10% contingency is recommended based on a qualitative review of project specific tasks, 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 project cost of \$32,140,823.

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The Harbor Department had set a minimum SBE participation level of 25%, of which 5% shall be VSBE participation. Manson Construction Company has provided the required documents regarding their SBE and VSBE participation and has included 44.30% SBE Subcontractors/Suppliers of which 13.43% is VSBE Subcontractors/Suppliers (Transmittal 2). This contract is consistent with State of California Prevailing Wage provisions. This Project is subject to the terms of Project Labor Agreement No. 11-2955, as approved by the Board on March 17, 2011, and the Los Angeles City Council on May 11, 2011.

Individual Coastal Development Permits will be obtained for each project constructed by this contract.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a construction contract to Manson Construction Company for on-call marine work and improvements. This action is limited to award of a contract and any construction projects resulting from the contract will be subject to separate environmental review. Therefore, as an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

It is anticipated that the funds for this contract will be expended as follows:

<u>Maintenance Improvement Budget</u>	
Account No. 54040 Center No. 0311 Program No. 308	
Fiscal Year 2016/2017:	\$ 700,000
Fiscal Year 2017/2018:	\$ 700,000
Fiscal Year 2018/2019:	\$ 700,000
Total	\$2,100,000

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Capital Improvement Budget

Account No. 54510 Center No. 1900 Program No. 000

Fiscal Year 2016/2017: \$ 4,000,000

Fiscal Year 2017/2018: \$ 8,000,000

Fiscal Year 2018/2019: \$18,040,823

Total \$30,040,823

This contract will allow the Harbor Department to better respond to our customers' needs in a timely manner, thereby maintaining productivity of active facilities. Not having this contract as an option to accomplish urgently needed repairs and improvements in a timely manner could impact the usability of Port facilities and the ability to maintain a safe environment for those working at Port facilities. In the event the financial impact of the proposed contract is not approved, productivity at Port facilities may decrease due to inability to expeditiously make needed repairs and improvements.

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.

ECONOMIC BENEFITS:

Approval of the proposed Contract will support approximately 230 direct and 190 secondary one-year equivalent jobs for the five-county region.

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CITY ATTORNEY:

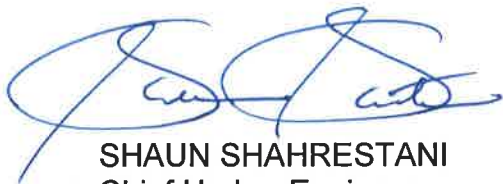
The Office of the City Attorney reviewed and approved Specification No. 2771 as to form and legality on July 15, 2015.

TRANSMITTALS:

1. Analysis of Bids
2. Contractor and Subcontractor List

FIS Approval: MB (initials)

CA Approval: CB (initials)



SHAUN SHAHRESTANI
Chief Harbor Engineer
Construction Division



ANTONIO V. GIOIELLO, P.E.
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
Executive Director

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