



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: NOVEMBER 11, 2011

FROM: ENGINEERING

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF PERSONAL SERVICES AGREEMENTS WITH AECOM TECHNICAL SERVICES, INC.; CH2M HILL ENGINEERS, INC.; PSOMAS; MOFFAT & NICHOL; DEAN RYAN CONSULTANTS & DESIGNERS, INC.; AND URS CORPORATION FOR ON-CALL ENGINEERING SERVICES

SUMMARY:

The Engineering Division recommends approval of Agreements with AECOM Technical Services, Inc. (AECOM); CH2M Hill Engineers (CH2M Hill); Psomas; Moffat & Nichol (M&N); Dean Ryan Consultants & Designers, Inc. (Dean Ryan); and URS Corporation (URS) to provide on-call engineering services supporting the City of Los Angeles Harbor Department's Capital Improvement Program (CIP), Maintenance Improvement Program (MIP), and Aesthetic Mitigation Program. The six Agreements are for five-year terms in the amount of \$5,000,000 each for a total of \$30,000,000.

RECOMMENDATION:

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

1. Find that in accordance with the City Charter Section 1022, work under the subject Agreements can be performed more feasibly by independent consultants rather than by City employees;
2. Approve the six personal services Agreements for a term of five-years each, with a combined contract total of \$30,000,000 as follows:
 - a. AECOM (Orange, CA) for \$5,000,000;
 - b. CH2M Hill (Los Angeles, CA) for \$5,000,000;
 - c. Psomas (Los Angeles, CA) for \$5,000,000;
 - d. Moffat & Nichol (Long Beach, CA) for \$5,000,000;
 - e. Dean Ryan (Los Angeles, CA) for \$5,000,000;
 - f. URS (Huntington Beach, CA) for \$5,000,000;

SUBJECT: ON-CALL ENGINEERING SERVICES

3. Authorize and direct the Board Secretary to forward the approval of six Personal Services Agreements to City of Los Angeles City Council for its approval pursuant to Section 373 of the City Charter;
4. Authorize the Executive Director to execute and the Board Secretary to attest to said Agreements, for and on behalf of the Board; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background – The City of Los Angeles Harbor Department (Harbor Department) is implementing the enhancement and modernization of its facilities and cargo handling ability through terminal infrastructure improvements, operational changes requested by customers, and facility development. Despite an ongoing effort to transfer the maximum possible engineering work from consultants to Harbor Department and other City staff, the Harbor Department has a need for outside engineering services to work jointly with, and supplement the efforts of engineering staff, meet current projects schedules, perform the required work, and better serve our current and growing customer base.

Due to the variety and timing of work considered under these Agreements, all work will be initiated by project directives which will define the scope of work, maximum cost, schedule, terms of payment, deliverables, work site, personnel or sub-consultants to be utilized, Small Business Enterprise (SBE) and Very Small Business Enterprise (VSBE) participation, and other pertinent details (Transmittal 1). For new projects, a competitive process for assignment of work will be utilized to ensure the most cost-effective and timely delivery of services. The Engineering Division will request proposals from the Consulting firms (which will include selection criteria) interested in performing the work. Individual Consultant's proposals will be evaluated for their ability to complete the work and provide the highest value services. Selection criteria may include expertise covering the scope of work, estimated cost, contractual labor rates, proposed schedule to complete the work, and project team availability to complete the work within the Harbor Department's schedule. This will result in selection of a single firm to continue forward with preparation of a project directive and subsequent notice to proceed. The Engineering Division may also use direct selection method when a team possesses unique qualifications or experience and it is determined to be in the best interest of the Harbor Department to directly negotiate with one firm.

All project directives require Executive Director approval. The Consultants will only be compensated for work completed; any unused funds at the end of the contract term will remain with the Harbor Department.

These Agreements do not include any additional change order authority, any changes in the Consultants total compensation will require Board approval.

SUBJECT: ON-CALL ENGINEERING SERVICES

Services to be Performed – The Engineering Division is responsible for preparing plans, specifications, and estimates (PS&E) for development on Harbor Department controlled property. This includes all capital and maintenance work on the 3,500 acres of land and 4,000 acres of water, 43 miles of waterfront, facilities serving over 40 shipping and cruise lines, 26 cargo terminals, and World Cruise Center. In addition, the Engineering Division is responsible for providing engineering services to maintain all the above assets of the Harbor Department and to review plans prepared by customers for work they perform on Harbor Department property.

The Consultants shall provide on-call engineering services in conjunction with Harbor Department engineering staff. These services include, but are not limited to, performing civil, structural, geotechnical, mechanical, transportation, control systems, fire protection, land surveying, corrosion, coastal, and harbor engineering. These services will be in support of the planning and design of marine structures, container terminals, buildings, pavement, storm drain, sewer, striping, and rail. Additional work includes architectural and engineering services for conceptual, preliminary, and final design of terminal entrance gates and terminal support buildings; applying for and obtaining necessary plan checks and permits from outside regulatory agencies; as-needed project management support services, including reviews of construction bid packages, class "A" project cost estimates, project scheduling, simulation, studies, etc.; support, including drawings, sketches, color and black and white diagrams, presentation charts, etc.; and as-needed AutoDesk CAD and mapping support.

The detailed Scope of Work – Exhibit "B" is attached as Transmittal 2.

The Engineering Division currently has a capacity for designing and providing construction support services for approximately \$120,000,000 to \$180,000,000 (per year) of Capital and Maintenance Improvement projects (Transmittal 3 – CIP Resource Allocation). The Harbor Department has completed \$624.6 million in construction over the last five-years (2006-2011) while utilizing \$81.5 million in consulting services. Moving forward, the current five-year CIP estimates the Harbor Department will complete \$1,009 million in construction which will require \$48.6 million in consulting support. These Agreements represent 62% of that necessary consultant support. The Engineering Division will track the actual services needed over the five-year period and plans on requesting additional authority from the Board, if necessary, to complete the required projects. When outside assistance is needed, the Engineering Division will first engage other City departments to assist in providing these services, to the extent they have qualified resources available, and only then will utilize the on-call program to manage these temporary resource shortfalls. These services are of a limited duration, require specialized knowledge and expertise, and require flexibility to accommodate periods of inactivity by the Consultants. Proposed projects to benefit from these services include, but are not limited to; San Pedro Waterfront, Wilmington Waterfront; grant reimbursable port-wide security enhancements, and upgrades to the American

SUBJECT: ON-CALL ENGINEERING SERVICES

Presidents Line, China Shipping, TraPac, Yang Ming, Pier 500 terminals, and Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS).

Union Cooperative Efforts – The Engineering Division was the first Development Bureau Division to form a Joint Labor Management Committee (JLMC) with the Service Employees International Union (SEIU). The JLMC has been meeting for the past two years and individual meetings occur every other month to discuss multiple issues for improving the delivery of engineering services at the Harbor Department. One of the issues discussed has been the use of the On-Call Engineering Services Request for Proposal (RFP) and award of these Agreements.

SEIU would prefer that the Harbor Department employ full-time City staff to complete all work within the Engineering Division. SEIU acknowledges the needs of the Harbor Department to staff the Engineering Division with sufficient City resources to complete the steady year-to-year workload of the Harbor Department and employ consultants to manage the “peak” workload during high CIP, MIP, and aesthetic mitigation program years.

The Engineering Division and SEIU have agreed that during execution of these Agreements we will work in a cooperative effort at the JLMC to identify training and skill transfer opportunities for the Engineering Division staff. Training and skill transfer opportunities identified to date include, cost estimating, scheduling, berthing and mooring analysis of marine oil vessels, and geotechnical engineering services. As additional opportunities are identified during the term of the agreement, the Engineering Division and SEIU will continue to work in a cooperative effort to train and transfer skills to members of the Engineering Division. With these working arrangements in place, SEIU does not oppose these Agreements going forward.

Pre-Request for Proposals Outreach - As part of a pre-Request for Proposals outreach, the Harbor Department Human Resources Division notified SEIU, in a letter dated December 7, 2010, of a RFP for On-Call Engineering Services. SEIU represents Engineers, Associate Engineers, Architects, and Associate Architects currently employed by the City.

Also, prior to issuance of the RFP, in conformance with the City’s Charter Section 1022 procedure, the Engineering Division notified nine (9) major City departments and asked if those departments had personnel that could perform the above-referenced scope of services. Departments that were contacted either did not respond or responded that they lacked sufficient personnel to assist. Based on these findings, a Charter Section 1022 Determination was prepared on November 2, 2011, which found that the work proposed to be contracted can be performed more feasibly by a contractor than by City employees because there is insufficient existing City staff to perform the proposed work and additional staff cannot be trained in a timely manner to meet the Harbor Department’s needs.

SUBJECT: ON-CALL ENGINEERING SERVICES

Selection Process – The selection process for On-Call Engineering Services complies in full with the memo issued by the Harbor Department's Contracts and Purchasing Division. The memo, entitled "Contracting Procedures: New Program and Policy Directives" is dated December 21, 2010, and sets forth procedures for solicitation, interviewing, and contracting of outside services.

On March 30, 2011, the Contracts and Purchasing Division issued a RFP for On-Call Engineering Services. The RFP was posted on the Port of Los Angeles (Port) website, 8012 email notifications were sent out to recipients on the Los Angeles Business Virtual Network (LABVN) and 419 users downloaded the RFP.

The Harbor Department received proposals from twenty (20) firms. The criteria for evaluation of the proposals were derived from previous on-call contracting forms used to evaluate similar services and were included in the RFP. Criteria used to evaluate the Consultant proposals are summarized in three broad categories: project approach, project team, and engineering services and are more fully defined on the attached "Proposal Evaluation Scoresheet" (Transmittal 4).

The proposals were evaluated and rated by three members of the Engineering Division and an outside rater from the Army Corps of Engineers. Based on proposal evaluation scores, eleven of the twenty were selected to be interviewed. A summary of the scores of the consultant proposals are included on the attached "Written Evaluation of On-Call Engineering Services RFP" (Transmittal 5).

The consultant interviews were conducted on July 13, 14, and 15 of this year, and each Consultant was rated on their ability to respond to nine questions asked of all Consultants. Questions asked of all consultants are included on the attached "Questions and Answers" (Transmittal 6). A summary of scores of the Consultant interviews are included on the attachment "Interview Evaluation of On-Call Engineering Services RFP" (Transmittal 7). The results of the written proposal and interviews were combined on the attached "Combined Evaluation of On-Call Engineering Services RFP" (Transmittal 8).

The Engineering Division is recommending that the Harbor Department enter into six five-year term Agreements for On-Call Engineering Services with an amount not-to-exceed \$5,000,000 among the following Consultants:

SUBJECT: ON-CALL ENGINEERING SERVICES

- AECOM Technical Services, Inc.
- CH2M Hill Engineers
- Psomas
- Moffatt & Nichol
- Dean Ryan Consultants & Designers, Inc. - SBE
- URS Corporation

Small Business Development Program – The consultant agreements will include an overall 25% SBE participation requirement. The SBE participation commitment level will be specified for the scope of work on each individual project directive when work is assigned. This will allow the overall SBE and VSBE goals for each consultant to be tracked. Dean Ryan is a certified SBE; therefore, 100% of their services will apply towards the SBE goal. If all the funds are expended in these contracts, the Consultants will cumulatively achieve an SBE participation level of 37.5% (\$11,250,000), and a VSBE participation level of 5% (\$1,500,000). The composition of each consultant team is attached as Transmittal 9. All firms will be required to submit a monthly subconsultant report indicating their level of compliance with these goals. This compliance will be monitored monthly by staff.

In addition, as part of their performance under this contract, staff has asked AECOM, CH2M Hill, Psomas, M&N, and URS to conduct a mentoring program for SBE and VSBE firms with consulting capabilities. The firms have voluntarily agreed to assist SBE and VSBE companies in developing their ability to perform technical projects for the Engineering Division.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of six personal services Agreements to provide on-call engineering services supporting the Harbor Department's CIP, MIP, and Aesthetic Mitigation Program. The proposed action does not include approval of any environmental analysis for specific projects that result from services provided under these Agreements. Such projects will be subject to individual environmental review in accordance with the California Environmental Quality Act (CEQA). As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from CEQA in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed five-year Agreements authorize a total not-to-exceed authority amount of \$30,000,000 and will commit \$1,200,000 in funding for the current fiscal year under these Agreements. It is anticipated that funds for these Agreements will be expended as follows:

SUBJECT: ON-CALL ENGINEERING SERVICES

Fiscal Year (FY)	Total	CIP	MIP
FY 2011/12	\$ 1,200,000	\$ 1,140,000	\$ 60,000
FY 2012/13	\$ 6,000,000	5,700,000	300,000
FY 2013/14	\$ 6,000,000	5,700,000	300,000
FY 2014/15	\$ 6,000,000	5,700,000	300,000
FY 2015/16	\$ 6,000,000	5,700,000	300,000
FY 2016/17	\$ 4,800,000	4,560,000	240,000
TOTAL	\$30,000,000	\$28,500,000	\$1,500,000

Historically, Harbor Department spending on similar personal service agreements supporting CIP and MIP projects exceeds \$10,000,000 annually.

Funds for FY 2011/2012 in the amount \$1,200,000 are available in Account 54220, Center 1900, Program 000, and for MIP projects in Account 54220, Center 0311, Program 000. The Harbor Department's financial commitments for the proposed Agreements beyond the current fiscal year are contingent upon approval of funds by the Board as part of the annual budget adoption process. If any subsequent fiscal year funds are not appropriated by the Board for the work required by the Agreements, the Agreements shall be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred. A funding out clause is included in each Agreement.

ECONOMIC BENEFITS:

Approval of the proposed Agreements will support approximately 87 direct, plus 122 secondary, one-year equivalent jobs in the five-county region.

SUBJECT: ON-CALL ENGINEERING SERVICES

CITY ATTORNEY:


The Office of the City Attorney has prepared and approved the subject Agreements as to form and legality.

TRANSMITTALS:

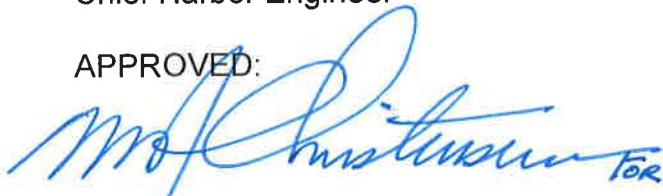
1. Agreements
 - a. Agreement with AECOM Technical Services, Inc.
 - b. Agreement with CH2M Hill Engineers
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 - f. Agreement with URS Corporation
2. Scope of Work – Exhibit "B"
3. CIP Resource Allocation
4. Proposal Evaluation Scoresheet
5. Written Evaluation of On-Call Engineering Services
6. Questions and Answers
7. Interview Evaluation of On-Call Engineering Services
8. Combined Evaluation of On-Call Engineering Services
9. Team Composition

FIS Approval: ef (initials)

CA Approval: DR (initials)


 ANTONIO V. GIOIELLO ^{f.}
 Chief Harbor Engineer


 MICHAEL R. CHRISTENSEN
 Deputy Executive Director

APPROVED:

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