



**THE PORT  
OF LOS ANGELES**

Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: NOVEMBER 17, 2011**

**FROM: CONSTRUCTION**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - PROPOSED RESOLUTION FOR  
PREQUALIFICATION OF BIDDERS FOR REAR BERTHS 136-139  
TERMINAL BUILDINGS AND MAIN GATE PROJECT  
SPECIFICATION NO. 2663**

**SUMMARY:**

Staff recommends that construction of the City of Los Angeles Harbor Department (Harbor Department) Rear Berths 136-139 Terminal Buildings and Main Gate project (Project), Specification No. 2663, be performed by a prequalified contractor. Work for this Project includes construction of a Leadership in Energy and Environmental Design (LEED) certified building, a new main gate for the terminal, and installation and relocation of necessary utilities, and demolition of the existing administration building, and inbound and outbound gates. Completion of this work in a timely manner is critical to terminal operations at the Trans Pacific Container Service Corp. (TraPac) Terminal.

Section 375 of the Los Angeles City Charter allows prequalification of bidders for construction contracts if the Board of Harbor Commissioners (Board) finds that utilization of such a process would benefit the City of Los Angeles (City). This report identifies characteristics of the Project that require specialized expertise, equipment, personnel, and experience of the contractor and provides justification for utilizing the prequalification process to attain benefits for the City. The estimated construction cost of the Project is \$40 to \$50 million, with a contract time of 790 calendar days. Prequalification of contractors will promote the safe, timely, and cost-effective delivery of this critical and technically-challenging Project.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Approve the Prequalification of Bidders, finding that utilization of the bidder prequalification process for the construction of a LEED certified building, structures, backland and site redevelopment would benefit the City pursuant to Section 375 of the Los Angeles City Charter and Section 10.18 of the Los Angeles City Administrative Code for the Rear Berths 136-139 Terminal Buildings and Main Gate project; and

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2. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background - As part of the West Basin Improvement Program, major renovations will be completed at the TraPac Terminal (Transmittal 4). The Rear Berths 136-139 Terminal Buildings and Main Gate project will construct a LEED certified building, designed to achieve a LEED Gold rating; new terminal buildings and structures; a new main gate; and demolition of the existing administration building, and inbound and outbound gates. The Berths 136-147 Container Terminal Project Environmental Impact Report (TraPac EIR) was certified in December 2007. The project components of the Rear Berths 136-139 Terminal Buildings and Main Gate project were included in the scope of the TraPac EIR.

This construction contract will be performed under the port-wide Project Labor Agreement approved by the Board earlier this year.

Prequalification Process - City Charter Section 375 allows for the prequalification of bidders if the process is clearly described and the contracting authority, the Board, makes a written finding that utilization of such process would benefit the City. The Rear Berths 136-139 Terminal Buildings and Main Gate project has specific characteristics described below that staff believes justify the utilization of a prequalification process for this contract. To ensure the safe, timely, and cost effective completion of the Project, contractors bidding on this Project should have experience with LEED certification from the U.S. Green Building Council. Prequalification criteria will also verify the financial ability to complete the work, bonding capability, safe work practices, and prior contracting performance. The specific criteria to be applied and the submittal requirements are identified in the prequalification package for the Rear Berths 136-139 Terminal Buildings and Main Gate project (Transmittal 2).

Minor modifications to the prequalification requirements may be made during the advertising phase (before submittal of prequalification packages) to address questions received from contractors during this period. Any modifications will be issued by addendum to all potential bidders. In accordance with Section 10.18 of the Administrative Code, the prequalification criteria will include verification of relevant experience with similar specialized services, including experience with construction of LEED certified buildings and structures, electrical and mechanical work for a sustainable and LEED certified building, and pile driving.

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The prequalification criterion includes a requirement that the contractor has experience driving a minimum size and length of pile. The minimum size and length used in the criteria were determined by considering the actual work required for the Project, and requiring that a contractor has experience driving a reasonable lower size and length. The lower criteria must demonstrate that the contractor or subcontractor is capable of achieving the actual scope at minimal-to-no risk to the Harbor Department, while allowing contractors and subcontractors to be eligible to compete to perform on this Project.

Prequalification Justification – The Harbor Department prequalifies contractors on large complex projects that have shown to have risks due the complex nature of the project. This process has been used in past for building projects, wharf construction, major terminal development projects, where the complexity of construction means and methods require a contractor with experience, qualified staff and equipment, and when delays to completion could impact revenue generation or grant funding. When the prequalification process was used, contractors have willingly complied with the terms of the prequalification requirements. The process has resulted in a high likelihood of success on past projects where contractors were prequalified.

The Project has certain characteristics that staff believes justify utilization of prequalification for this contract. Construction of sustainable buildings and structures on concrete pile foundations and buildings with LEED goals are required and will be best performed by contractors with substantial prior experience in the construction methods, practices, and the procedures mentioned above. The contractors must accurately perform and complete work on time with minimal impact to existing facilities and substructures.

The contractor, project manager, site superintendent, or accredited professional must have experience in constructing sustainable buildings, buildings on concrete pile foundations, and buildings with LEED goals. Experience in managing overlapping trades is required to meet the schedule. Experience in procurement and installation of electrical work and mechanical work for a sustainable and LEED certified building is required along with interfacing between the contractor and other specialty subcontractors to allow work to proceed without delaying other trades and achieve the LEED rating goal for the Project. Experience in the installation of prestressed concrete piles is a specialized field of construction requiring experienced personnel and specialized equipment to accomplish the work in a timely manner.

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The scheduled performance time established for the Project is sufficient for completion of the work by a qualified contractor with the necessary experience, but timely completion may be jeopardized if the work is undertaken by a contractor lacking the required experience in the specialized construction work. To qualify, bidders must have acquired satisfactory prior experience within the past five years in the construction of similar projects, as described in the attached Request for Prequalification of Bidders (Transmittal 1). Only those entities successfully meeting all the prequalification criteria (Transmittal 3) will be invited to submit bids for the work.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is for the adoption of a Resolution for Prequalification of Bidders for the construction of the Rear Berths 136-139 Terminal Buildings and Main Gate project, which was included as part of the TraPac EIR/Environmental Impact Statement. As an activity for which the underlying Project has previously been evaluated for environmental significance and processed according to the California Environmental Quality Act (CEQA) guidelines, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

There are no financial impacts associated with prequalifying bidders. Upon prequalification of contractors, the Rear Berths 136-139 Terminal Buildings and Main Gate project will be advertised for construction and the subsequent lowest responsive bidder will be recommended to the Board for a construction contract award. It is contemplated that the development of this Project will have an estimated construction cost of \$40 to \$50 million. Construction is anticipated to start in August, 2012.

**ECONOMIC BENEFITS:**

This Board action will have no employment impact.

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**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the Resolution for Prequalifications of Bidders, Notice Inviting Contractors to Prequalify, and Prequalification Instructions and Information as to form and legality.

**TRANSMITTALS:**

1. Resolution for Prequalification of Bidders
2. Notice Inviting Contractors to Prequalify
3. Prequalification Instructions and Information
4. Aerial Site Map

FIS Approval: KP (initials)

GA Approval: TR (initials)



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Chief Harbor Engineer  
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Deputy Executive Director

**APPROVED:**



GERALDINE KNATZ, Ph.D.  
Executive Director

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