



THE PORT
OF LOS ANGELES
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: JANUARY 27, 2026

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ -
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT
CONTRACTOR: ENVIRONMENTAL CONSTRUCTION, INC.
PORTWIDE LEAK DETECTION EXPANSION PROGRAM
SPECIFICATION NO. 2830**

SUMMARY:

Staff requests approval of an award of a contract (Contract) to Environmental Construction, Inc. (Environmental) to construct the Portwide Leak Detection Expansion Program (Project). The Project consists of the reconstruction of existing water backflow assemblies to install smart meters and gateway collectors. The lowest responsive and responsible bidder is Environmental located at 21550 Oxnard Street, Suite 1060, Woodland Hills, California 91367. The Contract is for a three-year term in the amount of \$2,121,691 plus a 10% contingency, for a total of \$2,333,860. The work duration is 270 calendar days. The City of Los Angeles Harbor Department (Harbor Department) will be financially responsible for the payment of expenses incurred under the proposed Contract.

RECOMMENDATION:

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

1. Find that the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) and Article III Classes 1(1) and 1(2) of the Los Angeles City CEQA Guidelines;
2. Find that, in accordance with the Los Angeles 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, the three-year Contract and Specification No. 2830 for Item Nos. 1 through 12 of the Bid Proposal Line Items to Environmental for a total amount of \$2,333,860, including a 10% contingency, with Project work duration of 270 calendar days;

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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. Delegate and authorize the Executive Director to adjust the final bid quantities and accept the construction Contract upon its completion in accordance with City Charter Section 655 (g); and
6. Adopt Resolution No. _____.

DISCUSSION:

Project Objectives – The Project will reconstruct existing water backflow assemblies to install smart meters and gateway collectors. The smart meters will communicate with an existing water monitoring program to identify anomalies in the system as a potential leak.

Project Description – The Project consists of constructing the installation of 16 smart leak detection meters, 20 backflow assemblies, 2 gateway collectors, and necessary modifications in the following terminals: China Shipping, World Cruise Center, TraPac, Everglades, Fenix Marine Services, APM, and Pasha (Transmittal 1).

Construction Award Process – City of Los Angeles Charter Section 371 (a) - Competitive Bidding sets forth the procedure staff follow to award contracts. 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 and the Regional Alliance Marketplace for Procurement (RAMP) website. The Harbor Department also conducts a pre-bid conference to answer questions related to the construction contract.

Bidders submit bids through the Port's Construction Division Business Opportunity Network (CDBON) System. The opportunity to submit bids closes once a predetermined time is reached. After bid closing, bid documents, Small Business Enterprise (SBE) and Very Small Business Enterprise (VSBE) participation, and other required documents are reviewed for compliance with Harbor Department requirements. Once all the information is verified, and if the lowest bidder is deemed responsive, a recommendation for the 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. 2830 (Transmittal 2) was advertised on the Port of Los Angeles website, and in the Los Angeles Times, Rafu Shimpō, Eastside Journal, Dodge Construction "Green Sheet", Metropolitan News Company, and in the Los Angeles Business Assistance Virtual Network to reach out to as many potential bidders as possible. A pre-bid meeting was held on October 14, 2025. Bidders' questions were also addressed through CDBON.

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Bid Results – As authorized by the Executive Director on September 11, 2025, the Chief Harbor Engineer received three bids for the Contract on November 25, 2025. Environmental was declared the apparent lowest bidder with a bid of \$2,121,691. The analysis of bid results with the companies and their respective bid amounts are included in Transmittal 3. Environmental submitted the required documents in Section 00012.09 within the time indicated in the Specification. Staff have verified Environmental’s state license, which was found to be in good standing.

The Harbor Department had set a minimum SBE participation level of 10%, of which 3% shall be VSBE participation. Environmental provided required documentation to confirm their SBE status and receive 100% SBE participation. Additionally, Environmental has provided the required documents regarding their VSBE participation, and staff have calculated their SBE/VSBE participation to be 100% and 3.57%, respectively (Transmittal 4).

The Contract is consistent with State of California Prevailing Wage provisions. The Contract is subject to the Project Labor Agreement Resolution No.17-8164 as approved by the Board on September 7, 2017, and the Los Angeles City Council on December 5, 2017.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an award to Environmental to construct the Project, which is an administrative action for interior or exterior alterations involving remodeling or minor construction where there be negligible or no expansion of use and repair, maintenance or minor alteration of existing facilities of both investor and publicly owned utilities, water and mechanical systems serving existing facilities, including alterations to accommodate a specific use. Therefore, the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of CEQA in accordance with Article II Section 2(f) and Article III Classes 1(1) and 1(2) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Contract will authorize a total amount of \$2,333,860 over a 270-calendar day period for the construction of the Project. Fiscal Year (FY) 2025-2026 funding in the amount of \$350,000 is available within Account 161305 (Construction in Progress), Division 00000 (Harbor Global), Project 2572300 (Portwide Leak Detection Expansion Program). Funds are anticipated to be spent as follows:

FY 2025-2026	\$ 350,000
FY 2026-2027	\$1,783,860
FY 2027-2028	\$ 200,000
TOTAL	\$2,333,860

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Future fiscal year funding will be requested and budgeted as part of the annual budget process, upon Board approval.

Although Environmental 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 therefore 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.

CITY ATTORNEY:

The Office of the City Attorney reviewed and approved Specification No. 2830 as to form and legality on June 12, 2025.

TRANSMITTALS:

1. Site Map
2. Specification No. 2830
3. Analysis of Bids
4. Contractor, Subcontractor, and Supplier List

FIS Approval: JS

CA Approval: SO



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SHAUN SHAHRESTANI
Chief Harbor Engineer



DINA ARYAN-ZAHLAN, P.E.
Deputy Executive Director

APPROVED:

Erica M. Calhoun for

EUGENE D. SEROKA
Executive Director