



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

DATE: JULY 29, 2014

FROM: CONSTRUCTION AND MAINTENANCE

**SUBJECT: RESOLUTION NO. _____ - APPROVAL OF AGREEMENT
BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT
AND AMERICAN MARINE CORPORATION FOR UNDERWATER
DIVING SERVICES**

SUMMARY:

The Construction and Maintenance Division (C&M) is responsible for the inspection and maintenance of timber wharves and the assessment of underwater slopes for wharf structures throughout the Port of Los Angeles (Port). C&M requests the approval of a nine month agreement, with two one-year renewal options with American Marine Corporation (AMC) of San Pedro, California for on-call underwater diving services. The amount of this agreement shall not exceed \$950,000 for the nine-month period, and \$1,100,000 for each one-year renewal option, or a total of \$3,150,000 over two years and nine months. There is no Civil Service classification in the City of Los Angeles for hard hat underwater diving services (Port Police divers are not certified for commercial underwater inspection/construction).

RECOMMENDATION:

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

1. Find that in accordance with Los Angeles City Charter Section 1022, work under the subject agreement (underwater diving services) can be performed more feasibly by an independent contractor than by City employees;
2. Approve an agreement with American Marine Corporation, in the amount of \$950,000 for a period of nine months with two one-year renewal options;
3. Authorize the Executive Director to execute an agreement with American Marine Corporation and two one-year renewal options for the agreement at the discretion of the Executive Director; and
4. Adopt Resolution No. _____ .

DISCUSSION:

Background/Context - C&M is responsible for the inspection and maintenance of timber wharves and the assessment of underwater slopes for wharf structures throughout the

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Port. Underwater diving services are an essential part of the inspection and maintenance function. These services include:

- Annual inspection and evaluation of the condition of fenders, piles, and other underwater structures;
- Timber wharf maintenance repairs, including maintenance repairs performed in conjunction with a C&M surface crew;
- Participation in formal wharf damage inspections/surveys in order to document conditions;
- Inspection of new construction for conformance with Harbor Department specifications; and
- Inspection of plastic pile wrapping and seals to ensure proper installation.

For the three-year period ending July 10, 2014, two contractors performed these services: AMC and Parker Diving Service. Each contractor used one dive team, and the workload and funding (\$1,100,000 per year) was equally divided. On a typical day, two dive teams perform underwater timber pile and slope inspections, including support for C&M wharf maintenance projects. They support the pile driving operation through wrapping of new creosote piles. Each dive team is comprised of one diver and two tenders (assisting the diver while underwater) on a dive vessel with all necessary diving and communications equipment (air compressors, hand tools).

While two companies provided one dive team each under the previous agreement, it is recommended that a single contractor be selected because AMC received the highest rating of all proposals submitted in the RFP process, and the selection committee believes their approach and work plan excels above all others presented. While C&M has worked with two dive companies during the past agreement, it is operationally beneficial to plan and assign work with a single point of contact.

There are no employee classifications in the City of Los Angeles who can perform hard hat underwater diving. It is a specialized function that has required a contract to perform for many years. Other ports performing similar services use contracts, including Long Beach. However, the Port of Long Beach is in the process of developing an in-house diving operation. C&M recommends working with its colleagues in Long Beach over the next three years to determine the effectiveness of this new approach while the requested agreement is in place. If proven effective in both cost and operations, the Harbor Department should seriously consider that future course.

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Request for Proposal (RFP) – An RFP was released on April 23, 2014 and posted on the Harbor Department's website and the Los Angeles Business Assistance Virtual Network (LABAVN). A pre-proposal meeting was held on May 6, 2014 to review the RFP and answer any questions pertaining to the document. The Harbor Department received proposals from four companies by the May 14, 2014 deadline.

The proposals were evaluated by a selection committee of four individuals: a Director of Port Construction and Maintenance II (C&M), a Mechanical Repair General Supervisor (C&M), a Civil Engineering Associate IV (C&M), and a Civil Engineering Associate - Design (Port of Long Beach).

The proposals were scored based on the following criteria and weighing factors (these factors were included in the RFP):

- Firm Qualifications, Experience, and References (25%),
- Project Organization, Personnel, and Staffing (25%),
- Project Approach, Work Plan, Management, Safety Program, Equipment (20%),
- Rates, Fees, and Budget Control (20%), and
- Clarity and Comprehensiveness of the Proposal (10%)

All four members of the selection committee, including an evaluator from outside the Harbor Department, independently reviewed and rated each proposal (Transmittal 1).

Of the four companies that submitted proposals, two were standouts in all RFP categories. One company, AMC, was selected by the committee as the strongest proposal.

AMC has a thorough understanding and provided many details of the layout, geography, pile conditions and harbor environment of the Port. AMC has extensive experience in wharf repair with wrapping, bracing and structural supports. The proposal submitted by AMC included a well-organized, clear and comprehensive approach to the work elements specified in the RFP. It was very substantive with specific references to action plans for every berth at the Port, including a dashboard of current conditions with ongoing and proposed work at particular terminals. They provided value-added proposals for alternative materials, work methods, and additional services such as wrap banding, wrap tacks, and other equipment. They also provided detailed operating procedures for addressing the work elements detailed in the RFP. AMC has an excellent safety program and meets the equipment requirements of the RFP.

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After a complete review, it is recommended that the Board award an agreement to AMC (Transmittal 2).

In order to avoid a lack of hard hat diving services for an extended period of time, an Executive Director agreement is being created with AMC for a term of no more than three months and a maximum budget of \$150,000. It is based on the RFP that was released April 23 and the proposals received for that RFP. This short-term 'bridge' agreement involves the same services and prices as the AMC proposal and is needed for C&M diving operations in light of the time it takes to get an agreement to the Board and the subsequent execution of that agreement. With a term of three months for the Executive Director agreement, added to the requested 33 month maximum term of the Board agreement, the maximum total term of three years still falls under the jurisdiction of the Board.

ENVIRONMENTAL IMPACT:

The proposed action is approval of a contract with American Marine Corporation for on-call underwater diving services. 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) in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Spending under the proposed contract will support 30 direct and 21 secondary one-year equivalent jobs for the five county region.

FINANCIAL IMPACT:

C&M spent \$1,082,537 in Fiscal Year 2011-12, \$1,093,961 in Fiscal Year 2012-13, and \$1,046,904 in Fiscal Year 2013-14 on underwater hard hat diving services.

Funding in the amount of \$950,000 has been budgeted in Account 54040 (Maintenance Services - Wharves), Center No. 0510 (Construction and Maintenance Division), Program No. 000 for Fiscal Year 2014-15. Funding for future fiscal years will be requested as part of the annual budget process upon Board approval.

The Harbor Department's financial obligations after the current fiscal year are contingent upon the Board's appropriation of funds. 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

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of liability for any obligations previously incurred. A funding out clause is included in the agreement.

CITY ATTORNEY:

The Office of the City Attorney has prepared and approved the proposed agreement as to form and legality.

TRANSMITTALS:

1. Selection Committee Scoring Summary
2. Agreement with American Marine Corporation

FIS Approval:  (Initials)

CA Approval:  (Initials)

for 
JOE MALDONADO
Acting Director of Port Construction & Maintenance


MOLLY CAMPBELL
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
Executive Director

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