



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

**DATE: AUGUST 11, 2015**

**FROM: ENVIRONMENTAL MANAGEMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF AWARD OF CONTRACT NO. 39757 WITH PSC INDUSTRIAL OUTSOURCING, LP FOR THE TRANSPORT AND DISPOSAL OF SOIL FOR THE FRONT STREET BEAUTIFICATION PROJECT**

**SUMMARY:**

The Environmental Management Division (EMD) requests approval of Contract No. 39757 with PSC Industrial Outsourcing, LP (PSCIO) for \$155,400 with a contingency of \$23,310 for a total contract amount of \$178,710. The contract is for the transport and off-site disposal (T&D) of up to 1,050 tons of Toxic Substances Control Act (TSCA)-regulated waste (soil and/or concrete) for the Front Street Beautification Project (Project) over a six-month period. The remediation of the Project is required prior to the development of the site into a community walkway, with landscaped park space. The Project site is located in the backlands of Berth 95, at the northeast corner of Front Street and Pacific Avenue. PSCIO was the lowest, most responsive, and responsible bidder. The Harbor Department is financially responsible for the cost of this remediation activity.

**RECOMMENDATION:**

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

1. Find that, in accordance with City Charter Section 1022, work under the subject contract can be performed more feasibly by an independent contractor rather than by City employees;
2. Approve Contract No. 39757 with PSC Industrial Outsourcing, LP for a total not-to-exceed amount of \$178,710 and a six-month contract term;
3. Authorize the Executive Director to execute and Board Secretary to attest to said Contract, for and on behalf of the Board; and
4. Adopt Resolution No. \_\_\_\_\_.

**DATE: AUGUST 11, 2015**

**PAGE 2 OF 4**

**SUBJECT: AWARD OF CONTRACT NO. 39757**

**DISCUSSION:**

Background/Context – On December 8, 2008, the Board approved the construction of the Project as a mitigation measure for the China Shipping Container Terminal Project. On April 18, 2013, the Board approved the Coastal Commission Permit for construction of the Project. The Project includes a landscaped walkway on the northeast side of Front Street, connecting one end of a landscaped community walkway at Pacific Avenue, with another located farther east along Front Street, at Harbor Boulevard. The Project also includes a small amount of park space at the corner of Pacific Avenue and Harbor Boulevard.

Following completion of the initial project design, an environmental investigation was conducted in March 2015 that identified contaminated soil, including material contaminated with polychlorinated biphenyls. Remediation is required prior to the start of construction per cleanup standards issued by the Los Angeles Regional Water Quality Control Board (LARWQCB) under the Spill Cleanup Program (SCP) Directive Nos. 1150 and 1277, including polychlorinated biphenyls (PCB) standards issued by the United States Environmental Protection Agency (U.S. EPA) under the TSCA. The remediation will be implemented in coordination with the Engineering and Construction Divisions, and is expected to be completed by December 2015. The total cost of the remediation is estimated at \$1,348,000 (including contingencies) and will involve two phases: Phase I is the primary contaminated soil removal activity, and this will also include removal of the PCB contaminated soils. Phase II will be a smaller effort, involving only contaminant hot spot removal in the remaining lower depths after completion of the primary remediation activities. Non-PCB contaminated soil excavated in Phase I will be disposed of by the Harbor Department's Construction Division through their Site Improvement Contract (SIC). The SIC does not provide for PCB disposal, however, so this proposed contract is for disposal of the Phase I excavated soil that is contaminated with PCBs. Though not anticipated, if small amounts of PCB contaminated soil are encountered during Phase II hot spot removal, they would be handled by the hot spot removal excavation contractor.

Staff recommends entering into Contract No. 39757 with PSCIO in the amount of \$178,710. This includes a 15% contingency amount of \$23,310 should additional PCB-contaminated soil be identified during remediation confirmation sampling. PSCIO is the lowest, responsive, and responsible bidder that meets the required specifications for the transport and disposal of TSCA-designated wastes as required by U.S. EPA.

Selection Process – The Harbor Department's Contracts and Purchasing Division released and posted the Request for Bid F-914 on May 27, 2015, to solicit bids for the transport and disposal of contaminated soil from the Front Street PCB Site (Transmittal

**DATE: AUGUST 11, 2015**

**PAGE 3 OF 4**

**SUBJECT: AWARD OF CONTRACT NO. 39757**

1). A mandatory pre-bid meeting and job-walk were conducted on June 9, 2015, to discuss the Project and submittal requirements. One subsequent addendum was issued on June 12, 2015, to notice potential bidders of technical clarifications in regard to required licensing and responsibilities, and the bid submittal deadline was extended. Six bids were received and publicly opened on Wednesday, June 24, 2015. The Bid Recap (Transmittal 2) lists the companies that submitted bids and their respective bid amounts. Note that the Bid Recap identifies the final costs for each bidder after adjustments were made by the Contracts and Purchasing Division, to account for cash discounts, local business preferences, contingency amount, etc. Staff recommends entering into a contract with PSCIO, the lowest, responsive and responsible bidder meeting specifications.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is award of a contract to PSCIO for the transport and disposal of soil and/or concrete for the Front Street Beautification Project. As an activity involving a minor cleanup action taken to minimize or eliminate the release of a hazardous waste or substance which costs \$1 million or less, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act in accordance with Article 19 Section 15330 (Class 30) of the State CEQA Guidelines.

**FINANCIAL IMPACT:**

The total not-to-exceed amount of the contract including contingencies is \$178,710 which will be expensed in FY 15/16.

The total remediation cost for the Project is \$975,608 plus an additional \$372,392 contingency amount. In compliance with Government Accounting Standards Board (GASB) Statement No. 49, the total remediation cost of \$1,348,000 was recognized as a liability in the Harbor Department's financial statements on June 30, 2015. All payments against this contract will be paid out of the Harbor Revenue Fund and charged to Account No. 21995 (GASB49 Pollution Remediation Obligation), Center No. 7000 (Liability), Program 000 (Base Budget).

**ECONOMIC IMPACT:**

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

DATE: AUGUST 11, 2015

PAGE 4 OF 4

SUBJECT: AWARD OF CONTRACT NO. 39757

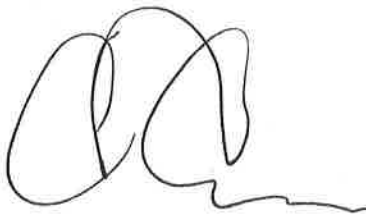
**CITY ATTORNEY:**

The Office of the City Attorney has received and approved the contract as to form and legality.

**TRANSMITTALS:**

1. Contract No. 39757 with PSC Industrial Outsourcing; LP
2. Bid Recap

FIS Approval: MB (initials)  
CA Approval: JM (initials)



CHRISTOPHER CANNON  
Director of Environmental Management



MICHAEL DIBERNARDO  
Deputy Executive Director

APPROVED:



*FDR* EUGENE D. SEROKA  
Executive Director

AUTHOR: HELOISE FROELICH  
BOARD MEETING: 8/20/2015

FILE: G:\ADMIN\BOARD REPORTS\HAZMAT\FRONT ST BID ITEM\CONTRACT 39757\ENV\_FRONT STREET BID - FINAL.docx  
UPDATED: 8/11/2015 3:17 PM - YO