

DATE: AUGUST 2, 2023

FROM: CONSTRUCTION AND MAINTENANCE

**SUBJECT: RESOLUTION NO. _____ - AWARD OF CONTRACT NO. 40002
WITH LA ROOFING MATERIALS FOR THE PURCHASE OF ROOFING
MATERIALS, SEALANTS, AND RELATED PRODUCTS**

SUMMARY:

Staff requests approval of Contract No. 40002 with LA Roofing Materials of Los Angeles, California for the purchase of roofing materials, sealants and related products and services. The proposed Contract term is one year with two one-year renewal options. Compensation under the proposed Contract will be \$500,000 for the initial year, and \$1,500,000 in aggregate if both one-year options are exercised. The City of Los Angeles Harbor Department (Harbor Department) will be financially responsible for the payment of expenditures 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 Class 1(1) of the Los Angeles City CEQA Guidelines and Section 15331 of the State CEQA Guidelines;
2. Find that in accordance with City of Los Angeles Administrative Code Division 10, Chapter 1, Article 2, Section 10.15 (a)(8), the Harbor Department may enter into the agreement with LA Roofing Materials based on a cooperative arrangement with City of Los Angeles (Department of General Services) to utilize Contract No. ARC 200000000093;
3. Find that in accordance with Los Angeles City Charter Section 1022, work under the subject contract can be performed more feasibly by independent contractors than by City employees;
4. Approve Contract No. 40002 with LA Roofing Materials for a term of one year with two one-year renewal options with an annual compensation amount not to exceed \$500,000 in the first year; not to exceed \$500,000 in the first renewal option year; not to exceed \$500,000 in the second renewal option year; for a total compensation

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amount not to exceed \$1,500,000 if the renewal options are exercised; and authorize said expenditures;

5. Authorize the Executive Director to execute Contract No. 40002; and

6. Adopt Resolution No. _____ .

DISCUSSION:

Background/Context - The Harbor Department executes annual procurement contracts to purchase required materials, supplies, and services to support its operations and projects. The Construction and Maintenance Division (C&M) currently utilizes more than one hundred varied annual procurement contracts in order to provide safe, reliable, efficient, and quality services to its customers as well as to maintain the Port's infrastructure. Most of these annual procurement contracts are less than \$150,000 per year and they are typically sufficient for C&M to perform both planned and responsive maintenance responsibilities. In addition, many of these contracts are contingency in nature, i.e. they are entered into without a specific project in mind but are exercised when needed to meet more immediate needs, allowing for a quick response to any given situation.

In the course of normal operations, C&M requests increases, as needed, in the spending authority level on annual procurement contracts to complete maintenance and capital improvement projects. These requests may be necessary due to an expanded scope of work, unforeseen needs, or extra time required to complete a project. Usually, there are sufficient funds available in the Capital Improvement Projects (CIP) or C&M operating budgets to cover for these needs.

One project included in the Fiscal Year (FY) 2023-2024 Capital Improvement Program, the roof replacement at Berth 91-92 World Cruise Center, involves the purchase of roofing-related products.

Contract Process - The City of Los Angeles Charter Article III, Section 371(e)(8) and Los Angeles Administrative Code Division 10, Chapter 1, Article 2, Section 10.15 (a)(8) allow for "contracts for cooperative arrangement with other governmental agencies for the utilization of the purchasing contracts and professional, scientific, expert or technical services contracts for those agencies and any implementing agreements, even though the contracts and implementing agreements were not entered into through a competitive bid process."

It is recommended that the Harbor Department enter into contract with LA Roofing Materials and, through it, join ("piggyback") City of Los Angeles - Department of General Services Contract No. ARC 200000000093.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a one-year contract with two one-year renewal options to LA Roofing Materials for the purchase of roofing materials, sealants, and related products, which is an administrative activity for exterior alterations involving minor construction. 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 Class 1(1) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Contract authorizes the purchase of roofing materials, sealants, and related services and products up to \$500,000 per year, or a maximum of \$1,500,000 over three years if all options are exercised.

Funding for FY 2023/24 in the amount of \$416,000 is available within Center 0510, Program 000 in the accounts noted within the table below. Funding required in future fiscal years will be requested to be budgeted as part of the annual budget process, subject to Board approval. Spending under the proposed Contract is anticipated to occur as follows:

| Fiscal Year | A54010 (Maint. Svc. – Buildings) | A55010 (Parts & Materials) | Total |
|--------------|----------------------------------|----------------------------|-------------|
| FY 2023-2024 | \$375,000 | \$41,000 | \$416,000 |
| FY 2024-2025 | \$450,000 | \$50,000 | \$500,000 |
| FY 2025-2026 | \$450,000 | \$50,000 | \$500,000 |
| FY 2026-2027 | \$75,000 | \$9,000 | \$84,000 |
| Total | \$1,350,000 | \$150,000 | \$1,500,000 |

The Harbor Department's obligation to pay any amount hereunder, for any City fiscal year after the current fiscal year is contingent upon the Harbor Department's appropriation of funds for that purpose. The Harbor Department's FY ends on June 30 of each calendar year, accordingly, anything to the contrary notwithstanding, the Harbor Department may

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terminate this contract and future monetary obligations hereunder as of the end of any FY.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved Contract No. 40002 as to form and legality.

TRANSMITTALS:

1. Purchase Order No. 40002

FIS Approval: MB

CA Approval: kfm



TIM CLARK
Director of Construction & Maintenance

Michael DiBernardo

MICHAEL DIBERNARDO
Deputy Executive Director

APPROVED:

Marla Bleavins For

EUGENE D. SEROKA
Executive Director

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