



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

Board of Harbor Commissioners

DATE: AUGUST 28, 2023

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ -
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT
CONTRACTOR: REYES/LARISON JV
BERTHS 177-182 MARINE IMPROVEMENTS
SPECIFICATION NO. 2799**

SUMMARY:

Staff requests approval of an award of a contract (Contract) to Reyes/Larison JV to construct the Berths 177-182 Marine Improvements (Project). The Project consists of demolishing a timber wharf structure, driving concrete piles, constructing a new concrete wharf, repairing timber pile, as well as repairing and improving the slope. In addition, the proposed Contract will facilitate repairs to address slope erosion at Berths 167-169. The lowest responsive and responsible bidder is Reyes/Larison JV, located at 1383 South Signal Drive, Pomona, California 91766. The Contract amount of \$20,986,950, plus a 10% contingency, is \$23,085,645, and the Contract duration is 425 calendar days. The City of Los Angeles Harbor Department (Harbor Department) will be financially responsible for 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 Class 2(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 Specification No. 2799 for Item Nos. 1 through 39 of the Bid Proposal Line Items to Reyes/Larison JV for a total amount of \$23,085,645 including a 10% contingency, and a total term of 425 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 Background and Description – The Project consists of improvements at three locations (Transmittal 1):

1. Pasha Terminal at Berths 174-181 – The operations at the Pasha Terminal include shipping and receiving of steel products, such as coils of sheet metal, wire rod coils, tubing, piping, rebar and other bulk material.

On September 22, 2014, a fire broke out at Berths 177-178 and parts of Berth 179. The fire and fire extinguishing efforts resulted in damage to the timber wharf deck and framing, rendering the berths unusable for cargo operations or berthing. In March 2017, the Port received a final settlement of \$14,523,722.89 from its property insurer to cover damages to the transit shed and wharf at Berth 177, along with the cost of certain emergency services associated with the fire. The settlement was based on the then-estimated cost to rebuild a timber wharf. The transit shed was demolished at the tenant's request. The Project will demolish and remove approximately 575 linear feet of the fire-damaged wharf and remove debris from the sea floor. Approximately 465 linear feet of the wharf will be upgraded to a higher capacity rectangular wharf that will provide more utility to the tenant. Construction of the new wharf includes installation of timber fender piles, mooring bollards and quarry run.

At Berths 179-181, inspections conducted in 2014 found deficiencies in the wharf, including pile damage, deterioration, and corrosion of metal connectors and mooring elements. The Project will restore the wharf by refurbishing mooring bollards and associated metal straps, replacing a timber pile cap, replacing approximately 3,700 square feet of timber deck and asphalt, and replacing bearing and fender piles.

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2. Berth 182 – In an area adjacent to the Pasha Terminal, propeller wash from tugboat operations at Berths 180-181 has eroded a wooden cut-off wall and the slope. The erosion is affecting sections of the pavement section near Fries Avenue. On a temporary basis, the damaged areas have been barricaded and no vehicles are allowed to park near the undermined pavement. To stop erosion to the slope and further pavement damage, quarry run, and rip rap rock will be placed to build back the slope protection and prevent further deterioration. The work will result in filling approximately 0.046 acres of inner harbor water.
3. Shell Oil Terminal at Berths 167-169 – The Port recently completed the Berths 167-169 Marine Oil Terminal Improvements project (Specification No. 2787) to bring the terminal into compliance with Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) mandated by the State of California. During the project, unanticipated erosion was discovered that must be addressed to bring the terminal into compliance. The work could not be completed under Specification No. 2787 because the cost and time exceeded the authorized contingency and contract duration. Similar to the work at Berth 182 above, the scope of the repairs was included in subject Specification No. 2799. Repairs include placing a combination of quarry run and rip rap rock, and concrete-filled bags.

In summary, work includes, but is not limited to, demolition of old and damaged timber wharf structure, pile driving, replacement of pile straps and hardware, new fender pile installation, installation of new quarry run and riprap rock, and placement of concrete filled bags for slope improvements.

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

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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 information is verified, and if the lowest bidder is deemed responsive, a recommendation for award of the construction contract is made. If the apparent low bidder is found non-responsive, the next lowest bidder is reviewed.

In conformance with the City Charter section for competitive bidding, as stated above, on March 29, 2023, the Notice of Inviting Bids for Specification No. 2799 was advertised on the Harbor Department website, in RAMP, and in the Metropolitan News Company, La Opinion, Daily Breeze, Eastside Journal and the Dodge Construction "Green Sheet" to reach out to as many potential bidders as possible. A pre-bid meeting was held on April 12, 2023.

Bid Results – As authorized by the Executive Director on March 7, 2023, the Chief Harbor Engineer received six bids for the Contract on June 29, 2023. Reyes/Larison JV was declared the apparent lowest bidder with a bid of \$20,986,950. Staff completed the evaluation of the bids and determined Reyes/Larison JV to be the lowest responsive and responsible bidder.

The analysis of bid results with the companies and their respective bid amounts are included in Transmittal 2. Reyes/Larison JV submitted the documents required in Section 00012.09 within the time specified in the Specification. Construction staff has verified Reyes/Larison JV's state license. Reyes/Larison JV has certified compliance with Section 10.8.4 - Affirmative Action Program Provisions of Ordinance No. 143429. The Harbor Department set a minimum SBE participation level of 16%, of which 4% shall be VSBE participation. Reyes/Larison JV has provided the required documents regarding their SBE and VSBE participation. The proposed SBE participation level is 17.92%, and the proposed VSBE participation level is 4.86% (Transmittal 3).

The Contract is consistent with State of California Prevailing Wage provisions. The Contract is subject to the local business preference ordinance adopted by the Board on April 5, 2012, and Project Labor Agreement Resolution Nos. 17-3526 and 17-8164 as approved by the Board on September 7, 2017, and the Los Angeles City Council on December 5, 2017, respectively.

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The contingency amount of 10% is necessary to address unforeseen requirements and conditions that may be encountered that are beyond the work included in the contract bid items. Unforeseen conditions include, but are not limited to, differing site conditions and unforeseen scope changes.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the construction contract with Reyes/Larison JV to construct the Berths 177-182 Marine Improvements Project, which is an administrative activity for the replacement of a commercial or industrial structure with a new structure of substantially the same size, purpose, and capacity. 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 2(2) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Contract will authorize expenditures of up to \$23,085,645 for the construction of the Project. Funds in the amount of \$10,885,645 are budgeted for the Fiscal Year (FY) 2023-2024 in Account No. 54510 (Capital Construction Services), Center No. 1187, and Program No. 000. Funds are anticipated to be expended as follows:

| | |
|--------------|----------------------|
| FY 2023-2024 | \$ 10,885,645 |
| FY 2024-2025 | \$ 12,200,000 |
| TOTAL | \$ 23,085,645 |

Funds for the future fiscal year will be requested and budgeted as part of the annual budget process, upon Board Approval.

Although Reyes/Larison JV is not obligated to perform any work under the Contract in any fiscal year in which no appropriation for the Contract has been made, Reyes/Larison JV 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. Reyes/Larison JV 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 an extension of time is not compensable.

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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. 2799 as to form and legality on January 27, 2023.

TRANSMITTALS:

1. Site Map
2. Analysis of Bids
3. Contractor and Subcontractor List

FIS Approval: MB
CA Approval: SO



Shaun Shahrestani
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SHAUN SHAHRESTANI
Chief Harbor Engineer

Michael DiBernardo
MICHAEL DIBERNARDO
Deputy Executive Director
Marketing and Customer Relations

APPROVED:

Marla Bleavins

EUGENE D. SEROKA
Executive Director

Author: C. Balderrama
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