



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: AUGUST 28, 2013

FROM: ENGINEERING

SUBJECT: RESOLUTION NO. _____ - PROPOSED FIRST AMENDMENT TO PERSONAL SERVICES AGREEMENTS BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND AECOM TECHNICAL SERVICES, INC.; CH2M HILL ENGINEERS, INC.; PSOMAS; MOFFATT & NICHOL; DR CONSULTANTS & DESIGNERS, INC.; AND URS CORPORATION AMERICAS FOR ON-CALL ENGINEERING SERVICES

SUMMARY:

The subject Agreements provide the City of Los Angeles Harbor Department (Harbor Department) with on-call engineering services supporting the Harbor Department's Capital Improvement Program (CIP), Maintenance Improvement Program (MIP), and Aesthetic Mitigation Program. On November 11, 2011, the Board of Harbor Commissioners approved the personal services Agreements with AECOM Technical Services, Inc. (AECOM), Agreement No. 11-3025; CH2M Hill Engineers (CH2M Hill), Agreement No. 11-3026; PSOMAS, Agreement No. 11-3027; Moffatt & Nichol (M&N), Agreement No. 11-3028; DR Consultants & Designers, Inc. (DR), Agreement No. 11-3029; and URS Corporation Americas (URS), Agreement No. 11-3030. These Agreements were for \$5 million each for a total of \$30 million and for a term of five-years.

The First Amendment to the listed Agreements is requested to increase compensation from \$5,000,000 to \$7,500,000 for three agreements, from \$5,000,000 to \$8,000,000 for one agreement, and from \$5,000,000 to \$9,000,000 for two agreements, for a not-to-exceed total of \$48,500,000 (increasing from \$30,000,000 to \$48,500,000). All other terms and conditions of the Agreements will remain the same. The proposed First Amendment will allow the Agreements sufficient contract authority to provide design support services during construction for various projects.

RECOMMENDATION:

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

1. Approve the First Amendment to Agreement 11-3025 with AECOM Technical Services, Inc. to increase the contract amount by \$4,000,000 for the total not-to-exceed amount of \$9,000,000;

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2. Approve the First Amendment to Agreement 11-3026 with CH2M Hill Engineers, Inc. to increase the contract amount by \$3,000,000 for the total not-to-exceed amount of \$8,000,000;
3. Approve the First Amendment to Agreement 11-3027 with PSOMAS to increase the contract amount by \$2,500,000 for the total not-to-exceed amount of \$7,500,000;
4. Approve the First Amendment to Agreement 11-3028 with Moffatt & Nichol to increase the contract amount by \$4,000,000 for the total not-to-exceed amount of \$9,000,000;
5. Approve the First Amendment to Agreement 11-3029 with DR Consultants & Designers, Inc. to increase the contract amount by \$2,500,000 for the total not-to-exceed amount of \$7,500,000;
6. Approve the First Amendment to Agreement 11-3030 with URS Corporation Americas to increase the contract amount by \$2,500,000 for the total not-to-exceed amount of \$7,500,000;
7. Authorize the Executive Director to execute and the Board Secretary to attest to said amendment of Agreements, for and on behalf of the Board; forward the approval of said amendment of Agreements to City of Los Angeles City Council for its approval pursuant to Section 373 of the City Charter; and
8. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – On November 11, 2011, the Board of Harbor Commissioners approved the personal services Agreements with AECOM (Transmittal 1), CH2M Hill (Transmittal 2), PSOMAS (Transmittal 3), M&N (Transmittal 4), DR (Transmittal 5), and URS (Transmittal 6). These \$5,000,000 agreements provide professional engineering design support for the Harbor Department's Capital Improvement Program (CIP), Maintenance Improvement Program (MIP), and Aesthetic Mitigation Program for five years.

The original approval represented 62% of the necessary consultant support required for implementation of the CIP, MIP and Aesthetic Mitigation Programs. Staff is requesting additional authority; \$2,500,000 to three agreements, \$3,000,000 to one agreement, and \$4,000,000 to two agreements, or the not-to-exceed amount of \$18,500,000, which represents approximately 80% of the consulting support necessary to implement the CIP, MIP, and Aesthetic Mitigation Programs for a five-year period. The Engineering

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Division anticipates soliciting for additional engineering support services within 12 months to meet the balance of the Division's needs.

The Harbor Department is implementing the enhancement and modernization of its facilities and cargo handling ability through terminal infrastructure improvements, operational changes requested by customers, and facility development. Despite an ongoing effort to transfer the maximum possible engineering work from consultants to Harbor Department and other City of Los Angeles (City) staff, the Harbor Department has a need to work jointly with outside engineering services. This will supplement the efforts of Engineering Division, help meet current projects schedules, perform the required work, and better serve our current and growing customer base.

Projects identified for use of these engineering services include completion of the TraPac and China Shipping terminal projects, staff augmentation for design of the APL terminal expansion and the proposed Yang Ming, Yusen, and Evergreen terminal projects. These services will also be utilized to design improvements to six marine oil terminals to comply with the Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS).

Due to the variety and timing of work considered under these Agreements, all work will be initiated by project directives which will define the scope of work, maximum cost, schedule, terms of payment, deliverables, work site, personnel or sub-consultants to be utilized, Small Business Enterprise (SBE) and Very Small Business Enterprise (VSBE) participation, and other pertinent details. For new projects, a competitive process for assignment of work will be utilized to ensure the most cost-effective and timely delivery of services. The Engineering Division will request proposals from the consulting firms (which will include selection criteria) interested in performing the work. Individual proposals received from AECOM, CH2M Hill, PSOMAS, M&N, DR and URS (Consultants) will be evaluated for their ability to complete the work and provide the highest value services. Selection criteria may include expertise covering the scope of work, estimated cost, contractual labor rates, proposed schedule to complete the work, and project team availability to complete the work within the Harbor Department's schedule. This will result in selection of a single firm to continue forward with preparation of a project directive and subsequent notice to proceed. The Engineering Division may also use direct selection method when a team possesses unique qualifications or experience and it is determined to be in the best interest of the Harbor Department to directly negotiate with one firm.

All project directives require Executive Director approval. The Consultants will only be compensated for work completed; any unused funds at the end of the contract term will remain with the Harbor Department.

These Agreements do not include any additional change order authority; any changes in the Consultants total compensation will require Board approval.

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As of August 15, 2013, \$20,698,727 (69%) out of \$30,000,000 has been committed to specific project tasks:

Consultant	Contract Amount	Commitment	%	Uncommitted	%
AECOM	\$ 5,000,000	\$ 2,133,940	42.7%	\$ 2,866,060	57.3%
CH2M Hill	\$ 5,000,000	\$ 5,000,000	100.0%	\$ 0	0.0%
PSOMAS	\$ 5,000,000	\$ 1,929,375	38.6%	\$ 3,070,625	61.4%
M&N	\$ 5,000,000	\$ 4,754,241	95.1%	\$ 245,759	4.9%
DR	\$ 5,000,000	\$ 3,943,108	78.9%	\$ 1,056,892	21.1%
URS	\$ 5,000,000	\$ 2,938,063	58.8%	\$ 2,061,937	41.2%
Total	\$30,000,000	\$ 20,698,727	69.0%	\$ 9,301,273	31.0%

Small Business Development Program – The Consultant Agreements will include an overall 25% SBE participation requirement. The SBE participation commitment level has been specified for the scope of work on each individual project directive when work is assigned. This has allowed the overall SBE and VSBE goals for each consultant to be tracked. As of August 15, 2013, the combined SBE achieved amount was \$1,755,141 out of \$9,172,178 invoiced, which represents a total SBE participation level of 19.1%.

Consultant	Invoiced	SBE Achieved Amount	SBE Participation Level%
AECOM	\$ 1,074,489	\$ 42,604	4.0%
CH2M Hill	\$ 3,912,508	\$ 393,741	10.1%
PSOMAS	\$ 645,945	\$ 200,024	31.0%
M&N	\$ 2,412,169	\$ 377,342	15.6%
DR	\$ 618,737	\$ 618,737	100.0%
URS	\$ 508,330	\$ 122,693	24.1%
Total	\$ 9,172,178	\$ 1,755,141	19.1%

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Services to be Performed – The Engineering Division is responsible for preparing plans, specifications, and estimates (PS&E) for development on Harbor Department controlled property. This includes all capital and maintenance work on the 3,500 acres of land and 4,000 acres of water, 43 miles of waterfront, facilities serving over 40 shipping and cruise lines, 26 cargo terminals, and the World Cruise Center. In addition, the Engineering Division is responsible for providing engineering services to maintain all of the above assets of the Harbor Department and to review plans prepared by customers for work they perform on Harbor Department property.

The Consultants shall provide on-call engineering services in conjunction with Harbor Department Engineering Division. These services include, but are not limited to, performing civil, structural, geotechnical, mechanical, transportation, control systems, fire protection, land surveying, corrosion, coastal, and harbor engineering. These services will be in support of the planning and design of marine structures, container terminals, buildings, pavement, storm drain, sewer, striping, and rail. Additional work includes architectural and engineering services for conceptual, preliminary, and final design of terminal entrance gates and terminal support buildings; applying for and obtaining necessary plan checks and permits from outside regulatory agencies; as-needed project management support services, including reviews of construction bid packages, class "A" project cost estimates, project scheduling, simulation, studies, etc.; support, including drawings, sketches, color and black and white diagrams, presentation charts, etc.; and as-needed AutoDesk Computer Aided Design and mapping support.

The detailed Scope of Work – Exhibit "B" is attached as Transmittal 7.

The Engineering Division currently has a capacity for designing and providing construction support services for approximately \$120 million to \$180 million (per year) of Capital and Maintenance Improvement projects. The Harbor Department has completed \$624.6 million in construction over the last five-years (2006-2011) while utilizing \$81.5 million in consulting services. Moving forward, the current five-year CIP estimates the Harbor Department will complete approximately one-billion dollars in construction which will require \$48.6 million in consulting support. When outside assistance is needed, the Engineering Division will first engage other City departments to assist in providing these services, to the extent they have qualified resources available, and only then will utilize the on-call program to manage these temporary resource shortfalls. These services are of a limited duration, require specialized knowledge and expertise, and require flexibility to accommodate periods of inactivity by the Consultants. Proposed projects to benefit from these services include, but are not limited to; San Pedro Waterfront, Wilmington Waterfront, grant reimbursable port-wide security enhancements, and upgrades to the American Presidents Line, China Shipping, TraPac, Yang Ming, Pier 400 terminals, and Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS).

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Union Cooperative Efforts – The Engineering Division was the first Development Bureau Division to form a Joint Labor Management Committee (JLMC) with the Service Employees International Union (SEIU). The JLMC has been meeting for the past two years and individual meetings occur every other month to discuss multiple issues for improving the delivery of engineering services at the Harbor Department. One of the issues discussed has been the use of the On-Call Engineering Services Request for Proposal (RFP) and award of these Agreements.

SEIU would prefer that the Harbor Department employ full-time City staff to complete all work within the Engineering Division. SEIU acknowledges the needs of the Harbor Department to staff the Engineering Division with sufficient City resources to complete the steady year-to-year workload of the Harbor Department and employ consultants to manage the “peak” workload during high CIP, MIP, and Aesthetic Mitigation program years.

The Engineering Division and SEIU have agreed that during execution of these Agreements, we will work in a cooperative effort at the JLMC to identify training and skill transfer opportunities for the Engineering Division staff. Training and skill transfer opportunities identified to date include, cost estimating, scheduling, berthing and mooring analysis of marine oil vessels, and geotechnical engineering services. As additional opportunities are identified during the term of these Agreements, the Engineering Division and SEIU will continue to work in a cooperative effort to train and transfer skills to members of the Engineering Division Staff. With these working arrangements in place, SEIU does not oppose these Agreements going forward.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of amendments to Personal Services Agreements with AECOM, CH2M Hill, PSOMAS, M&N, DR AND URS to increase the compensation under the agreements. 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 (I) of the Los Angeles City CEQA Guidelines.

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FINANCIAL IMPACT:

Approval of the proposed first amendments will increase the funding authority for the following:

Contractor	Original Authority Amount	1st Amendment Authority Increase	Total Authority Requested
AECOM	\$ 5,000,000	\$ 4,000,000	\$ 9,000,000
CH2M HILL	\$ 5,000,000	\$ 3,000,000	\$ 8,000,000
PSOMAS	\$ 5,000,000	\$ 2,500,000	\$ 7,500,000
M&N	\$ 5,000,000	\$ 4,000,000	\$ 9,000,000
DR	\$ 5,000,000	\$ 2,500,000	\$ 7,500,000
URS	\$ 5,000,000	\$ 2,500,000	\$ 7,500,000
TOTAL	\$30,000,000	\$18,500,000	\$48,500,000

Historically, Harbor Department spending on similar personal service agreements supporting CIP and MIP projects exceeds \$10,000,000 annually.

Funds for fiscal year (FY) 2013/2014 in the amount \$10,000,000 CIP and \$200,000 MIP are available in Account 54220, Center 1900, Program 000, and for MIP projects in Account 54220, Center 0311, Program 000. Approval of this amendment does not commit the Harbor Department to the entire Agreement amount. The Harbor Department's financial commitments for the proposed amendment beyond the current fiscal year are contingent upon approval of funds by the Board as part of the annual budget adoption process.

ECONOMIC BENEFITS:

Approval of the proposed First Amendment will support 54 direct and 76 secondary jobs for the five-county region.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved these Amendments as to form and legality.

TRANSMITTALS:

1. First Amendment to Agreement No. 11-3025 with AECOM Technical Services, Inc.
2. First Amendment to Agreement No. 11-3026 with CH2M Hill Engineers, Inc.
3. First Amendment to Agreement No. 11-3027 with PSOMAS
4. First Amendment to Agreement No. 11-3028 with Moffatt & Nichol
5. First Amendment to Agreement No. 11-3029 with DR Consultants & Designers, Inc.
6. First Amendment to Agreement No. 11-3030 with URS Corporation Americas
7. Original Scope of Work - Exhibit "B"

FIS Approval: WR (initials)

CA Approval: WR (initials)



ANTONIO V. GIOIELLO
Chief Harbor Engineer



FOR MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



for GERALDINE KNATZ, Ph.D.
Executive Director

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