

**DATE: APRIL 17, 2024**

**FROM: CONSTRUCTION AND MAINTENANCE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - INCREASE CONTRACT  
AUTHORITY AMOUNT FOR ANNUAL PROCUREMENT CONTRACT  
NO. 32089-24 WITH QUALITY FENCE**

**SUMMARY:**

Staff requests approval of Change No. 1 to Purchase Order No. 32089-24 with Quality Fence of Paramount, California. The proposed change will increase the current contract, which is in its second renewal option, from \$149,000 to \$298,000. This annual contract, administered by the Construction and Maintenance Division (C&M), is for chain link fencing and gates, furnished and installed for scheduled projects throughout the Port of Los Angeles (Port). The requested increase is necessary for C&M to complete current and planned capital and maintenance projects throughout the Port. Although the contract authority level would increase, the actual contract expenditures will not exceed the budget levels authorized in the C&M and Capital Improvement Program (CIP) budgets. The City of Los Angeles Harbor Department (Harbor Department) will continue to be financially responsible for payment of expenses incurred under Purchase Order No. 32089-24.

**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(12) of the Los Angeles City CEQA Guidelines;
2. Approve Change No. 1 to Purchase Order No. 32089-24 with Quality Fence in the amount of \$149,000, increasing the annual expenditure authority from \$149,000 to \$298,000 for the current renewal option;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said purchase order change; and
4. Adopt Resolution No. \_\_\_\_\_.

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**DISCUSSION:**

Background/Context - The Harbor Department executes annual procurement contracts to purchase required materials, supplies, and services to support Harbor Department operations and projects. C&M currently utilizes more than one hundred annual procurement contracts in order to provide safe, reliable, efficient, and quality services to its customers. Through these annual procurement contracts, a wide range of vendors provide materials and services that allow C&M to efficiently maintain the Port's infrastructure. Most of these annual procurement contracts are less than \$150,000 per year and are typically sufficient for C&M to perform both planned and responsive maintenance responsibilities.

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 extra work needed on a capital project or simply as a result of changing needs in C&M operations (e.g., a terminal needs more replacement electrical parts than usual after normal preventive maintenance is performed). Although the expenditure level may increase for a specified contract, actual expenditures will not exceed the annual budget levels authorized in the CIP and C&M operating budgets.

Contract Requiring Increased Funding - In order to complete scheduled projects and maintain regular operations, C&M is requesting approval to increase the expenditure authority for the annual procurement contract with Quality Fence by an amount not-to-exceed \$298,000 per year. This annual procurement contract allows C&M the flexibility to obtain key materials and services for scheduled projects and unscheduled repairs in a timely manner. The requested expenditure increase is an estimate based on current project needs and contract year expenditure levels.

Purchase Order No. 32089-24 with Quality Fence went into effect on November 4, 2023 for a maximum expenditure authority of \$149,000 for its second renewal option. The requested increase is necessary to provide chain link fencing and gates, furnished and installed for the following projects: Banning's Landing Building Tubular Barrier Gates, Bloch Field/22<sup>nd</sup> & Miner St. Tubular Barrier Gates, Berth 100 Advance Electrical Infrastructure Demonstration, and 900 Ways Street Lot Improvements.

C&M is requesting an increase in the contract amount of \$149,000 to accommodate purchases for chain link fencing and gates, furnished and installed. This is a one-time increase, and it is not anticipated additional funds will be needed. The proposed increase applicable to the current fiscal year will be funded through savings expected to be realized on other materials contracts. In addition, actual expenditures will not exceed the budget levels authorized in the C&M and CIP budgets.

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Based on a review of current project schedules and anticipated projects, it is estimated that a total contract authority of \$298,000 will be needed for the second renewal option.

Change No. 1 (Transmittal 1) has been prepared to increase the annual expenditure authority for the second renewal option. Purchase Order No. 32089-24 is also attached for review (Transmittal 2).

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of Change No. 1 to Purchase Order No. 32089-24 with Quality Fence of Paramount for chain link fencing and gates furnished and installed throughout the Port, which is an administrative activity involving outside fencing for security and operations. 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(12) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed Purchase Order Change will increase the annual authorized expenditures amount by \$149,000 from \$149,000, as currently authorized, to \$298,000, as proposed, for chain link fencing and gates furnishing and installation.

Spending under the proposed Purchase Order Change is anticipated to occur as follows:

<b>Account, Cost Center</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
54025.0510	\$69,000	\$3,000	\$72,000
54025.1002	\$0	30,000	\$30,000
54025.1042	\$11,000	\$6,000	\$17,000
55010.0510	\$119,000	\$0	\$119,000
55010.1002	\$0	\$39,000	\$39,000
55010.1042	\$14,000	\$7,000	\$21,000
<b>Total</b>	<b>\$213,000</b>	<b>\$85,000</b>	<b>\$298,000</b>

Fiscal Year (FY) 2023/24 funding in the amount of \$213,000 has been budgeted, and, subject to Board approval, FY 2024/25 funding in the amount of \$85,000 has been requested to be budgeted within Account 54025 / 55010 (Maint. Svc – Open Facility and Land / Parts and Materials) within the cost centers noted above. Budget appropriations

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will be sought to cover anticipated expenditures for chain link fencing and gates, furnished and installed in upcoming fiscal years through the normal annual budgeting process.

The current contract with Quality Fence is scheduled to expire on November 3, 2024. Based on consistent increases in annual expenditures for chain link fencing and gates, furnished and installed, funds will be exhausted before the contract expires. C&M needs materials as soon as possible to continue work on projects and desires to place a large order immediately before the expiration of the current contract under existing unit pricing. Expenditures approved for payment to date under this contract are \$109,827.

If the purchase order change is not approved, there will be no fiscal impact as project funding is already authorized for these expenditures. However, the lack of approval will delay the ability of C&M to complete project work anticipated in the current and future fiscal years.

**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved Change No. 1 for Purchase Order 32089-24 as to form and legality.

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**TRANSMITTALS:**

1. Change No. 1 to Purchase Order No. 32089-24
2. Purchase Order No. 32089-24

FIS Approval: JS  
CA Approval: SO



TIM CLARK  
Director of Construction & Maintenance



DINA ARYAN-ZAHLAN, P.E.  
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APPROVED:



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