



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

Board of Harbor Commissioners

DATE: OCTOBER 29, 2013

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ -
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT
CONTRACTOR: SIALIC CONTRACTORS CORPORATION DBA SHAWNAN
2014-2016 SITE IMPROVEMENTS
SPECIFICATION NO. 2757**

SUMMARY:

The project consists of nonexclusive on-call general construction and site improvements throughout the San Pedro, Wilmington, and Terminal Island districts. The lowest responsive and responsible bidder is Sialic Contractors Corporation dba Shawnan (Shawnan), located in Downey, California. The contract amount is \$28,255,250, plus a 5% contingency totaling \$29,668,013. The contract duration is 730 calendar days.

RECOMMENDATION:

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

1. Find that in accordance with the City Charter Section 1022, work under the subject contract can be performed more feasibly by an independent contractor rather than by City employees;
2. Award and approve Specification No. 2757 for Item Nos. 1 through 121 of the proposal schedule to Shawnan in the amount of \$28,255,250; that a 5% contingency, not included in the original contract amount, be applied for a total authorization of \$29,668,013; and authorize payment from the City of Los Angeles Harbor Department Construction Account. The contract time for performance of the work will be 730 calendar days from the Notice to Proceed;
3. Authorize the Executive Director to execute and the Board Secretary to attest to this contract for and on behalf of the Board;

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4. In accordance with City Charter Section 655 (g), delegate and authorize the Executive Director to adjust final bid quantities and accept the construction contract upon its completion; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background/Context - The project consists of nonexclusive on-call general construction and site improvements throughout the San Pedro, Wilmington, and Terminal Island districts. Budget for these improvements will be authorized separately. Work includes, but is not limited to, demolition and removals of structures, pavements and other improvements, pipelines, and substructures; earthwork; supplying paving materials; construction of fencing, parking barriers, and traffic controls; relocation and construction of high mast poles; construction of electrical, water distribution, sanitary sewer, storm drainage, and mechanical systems; construction of pavements, retaining walls, pavement markings, and other improvements; relocation of substructures and utilities, site clearing, disposal of contaminated soil, crushing of rubble and stockpiling the resulting crushed miscellaneous base materials. Work also includes installing fiber optic cable, microduct, PVC conduits, precast pull boxes, security cameras, and steel poles with foundations, trenching and backfilling, preparing soil, landscaping, planting, hardscaping, fence, irrigation systems, decorative lights, site furnishings and other site improvements, plant establishment and site care, and performing repairs to the landside panzerbelt cable trench lining at Berths 226-232.

This contract will provide the City of Los Angeles (Harbor Department) with the capability to respond quickly to the needs of our customers & community by authorizing work in individual Notices to Proceed. Examples of improvements under this contract may be as follows:

- Emergency work such as pavement repairs to address worker safety
- Homeland security related improvements such as installation and/or repair of fiber optic conduits for Port of Los Angeles security systems
- Customer related improvements typically requested by the customer and reviewed and approved by the Business Development Bureau in line with the customer's lease
- Community/Public related improvements that are urgent in nature
- Remedial work to address hazardous/chemically impacted soil and/or groundwater

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This project will be constructed in compliance with the Harbor Department's Small Business/Very Small Business Enterprise Program (SBE/VSBE). This contract is consistent with State of California Prevailing Wage provisions. The contract duration is 730 calendar days. Construction is anticipated to start in January 2014 and be completed in January 2016. Work under this contract will be performed under the terms of the PLA.

This construction contract requires specific experience and equipment to perform the work. This contract is also temporary in nature. As such, it is not feasible for the City of Los Angeles (City) to hire employees and purchase equipment to perform the work under this contract.

Construction Award Process - City of Los Angeles Charter Section 371 (a) - Competitive Bidding sets forth the procedure staff followed to award this contract. For construction contracts such as this one, the Harbor Department publishes the Notice Inviting Bids in daily newspapers and trade publications circulated in City of Los Angeles, as well as on the Port of Los Angeles (Port) website. The Harbor Department conducts a pre-bid conference and job walk to familiarize the prospective bidders with the jobsite and to answer questions related to the construction contract.

Following the submittal to the Harbor Department, the bids are publicly opened and the apparent lowest bidder is declared. Bid documents, SBE and 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, 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 August 23, 2013, the Notice of Inviting Bids for Specification No. 2757 was advertised on the Port of Los Angeles website, and in the LA Times, L.A. WattsTimes, Rafu Shimpo, Metropolitan News, and Dodge Construction "Green Sheet" to reach out to as many potential bidders as possible.

As authorized by the Executive Director on August 22, 2013, the Chief Harbor Engineer received five bids for the subject contract on October 2, 2013. The Analysis of Bids (Transmittal 1) lists the companies that submitted bids and their respective bid amounts. The bids received were opened, and Shawnan was declared the apparent lowest bidder at the time of the bid opening with a bid of \$28,255,250.

Shawnan's bid has been found responsive. A 5% contingency is recommended based on a qualitative review of project specific risks, including schedule constraints and potential unforeseen conditions that may arise during construction, utility conflicts, and

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design and scope changes to accommodate field conditions, for a total project cost of \$29,668,013.

Construction staff has verified Shawnan's state license. In conformance with Section 10.8.4 of Ordinance No. 143429, certification is hereby made that Shawnan has executed and filed an Affirmative Action Plan with their bid. A notification letter has been sent to the City Office of Contract Compliance as required in the ordinance.

The Harbor Department had set a minimum SBE participation level of 15%, of which 3% shall be VSBE participation. Shawnan has provided the required documents regarding their SBE and VSBE participation. Shawnan is an SBE, and, therefore, achieved an SBE participation of 100% and a VSBE participation of 9.3% (Transmittal 2).

This contract is consistent with State of California Prevailing Wage provisions. This contract is also subject to the local business preference ordinance adopted by the Board on April 5, 2012. However, since every bidder is local and qualifies for the preference, the ordinance does not affect the award.

ENVIRONMENTAL ASSESSMENT:

The proposed action is award of a construction contract to Shawnan for on-call general construction and site improvements throughout the Harbor District. This action is limited to award of the contract and does not constitute approval of any projects that may be conducted under the contract. Individual projects under this contract will be independently assessed pursuant to the California Environmental Quality Act (CEQA). Therefore, as an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Funds in the amount of \$3,000,000, for fiscal year 2013/2014 are budgeted for this contract in Account No. 54510 (Capital Construction Services), Center No. 1900, Program No. 000, with various Work Orders. It is anticipated that the funds for this contract will be expended as follows:

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Funds are expected to be expended as follows:

Fiscal Year 2013/2014	\$ 3,000,000
Fiscal Year 2014/2015	\$12,000,000
<u>Fiscal Year 2015/2016</u>	<u>\$14,668,013</u>
Total	\$29,668,013

The contract will allow the Harbor Department to better respond to our tenants' needs in a timely manner, thereby maintaining productivity of active facilities. Not having this contract as an option to accomplish urgently needed repairs and improvements could impact the usability of Port facilities and the ability to maintain a safe environment for those working at Port facilities.

In the event the proposed contract is not approved, productivity at Port facilities may decrease due to inability to make needed repairs and improvements.

Although Shawnan (Contractor) is not obligated to perform any work under the contract in any fiscal year in which no appropriation for the contract has been made, the Contractor 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. The Contractor 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 extension of time is not compensable.

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.

ECONOMIC BENEFITS:

Spending under the proposed contract will support 227 direct and 185 secondary one-year equivalent jobs in the five-county region.

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CITY ATTORNEY:

The Office of the City Attorney reviewed and approved Specification No. 2757 as to form and legality on September 13, 2012.

TRANSMITTALS:

1. Analysis of Bids
2. Contractor and Subcontractor List

FIS Approval: MR (initials)

CA Approval: MR (initials)



SHAUN SHAHRESTANI
Chief Harbor Engineer
Construction Division



MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

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