



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JANUARY 16, 2024

FROM: CONSTRUCTION AND MAINTENANCE

**SUBJECT: RESOLUTION NO. _____ - INCREASE CONTRACT
AUTHORITY AMOUNT FOR ANNUAL PURCHASE ORDER NO. 32054-
23 WITH ROBERTSON'S READY MIX**

SUMMARY:

Staff requests approval of Purchase Order Change No. 3 for Purchase Order No. 32054-23 with Robertson's Ready Mix, Ltd., A California Limited Partnership (Robertson's Ready Mix) of Corona, California to increase the annual expenditure authority amount by \$149,000 in the current contract period from \$149,000 per year currently to \$298,000 per year as proposed. Purchase Order No. 32054-23 is utilized to provide concrete/slurry ready mix as may be required for both maintenance and construction projects throughout the Port of Los Angeles (Port). The requested increase is necessary to complete current and planned capital and maintenance projects. The Harbor Department will continue to be financially responsible for the payment of expenses incurred under the Purchase Order.

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 exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve Purchase Order Change No. 3 to Purchase Order No. 32054-23 with Robertson's Ready Mix to increase the annual expenditure authority from \$149,000 to \$298,000 for the current contract period;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said purchase order change; and
4. 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

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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 contingent 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), Maintenance Improvement Projects (MIP), or C&M operating budgets to cover for these needs.

On March 24, 2021, the Harbor Department entered into Contract No. 32054-21 with Robertson's Ready Mix for a one-year term in the amount of \$99,000 to provide concrete/slurry ready mix on an as-needed basis. Contract No. 32054-21 included two one-year extension options exercisable by the Harbor Department as well as price increases not-to-exceed 3 percent per year once each option was exercised. Due to additional needs which were unforeseen when Contract No. 32054-21 was initially executed, the annual expenditure authority amount was increased by \$50,000 from \$99,000 to \$149,000 when the first option was exercised by the Harbor Department for the one-year period ending March 23, 2023, under Contract No. 32054-22. In November 2022, the Harbor Department exercised its second one-year renewal option under Contract No. 32054-23 (Transmittal 1) with an annual expenditure authority amount of \$149,000 for the one-year period ending March 23, 2024.

Contract Requiring Increased Funding – During the second renewal option of the contract, effective March 24, 2023, there has been a significant increase in the cost for concrete/slurry ready mix used to carry out maintenance and CIP deferred maintenance projects. As of December 18, 2023, \$144,878 has been expended through Robertson's Ready Mix purchase orders. These projects include Berth 100, Berth 92 Parking Deck, Clock Tower, and Berth 91 Pedestrian Deck. It is anticipated that an additional \$149,000 will be needed during the current contract period to supplement the expenditure authority of \$149,000 for a total expenditure authority of \$298,000 through March 23, 2024, in order to maintain current project schedules and operations.

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Therefore, staff requests approval of Purchase Order Change No. 3 (Transmittal 2) in order to increase the annual expenditure authority by \$149,000 from \$149,000 currently to \$298,000 as proposed through March 23, 2024.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of Purchase Order Change No. 3 to Purchase Order No. 32054-23 with Robertson's Ready Mix to increase expenditure authority by \$149,000, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed project is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed action will increase the annual expenditure authority under Contract No. 32054-23 by \$149,000 from \$149,000 currently to \$298,000 as proposed through March 23, 2024. The increase in expenditure authority will enable C&M to maintain current project schedules and operations.

Fiscal Year (FY) 2023/24 funding in the below amounts have been budgeted within Account 55110 (Operating Materials & Supplies) in the following Cost Centers and Programs:

| Fiscal Year | Operating Center 0510, Program 000 | Capital Various CIP Center Nos. | Total Amount |
|-------------|------------------------------------|---------------------------------|--------------|
| 2024 | \$50,000 | \$248,000 | \$298,000 |

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

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved Purchase Order Change No. 3 to Purchase Order No. 32054-23 as to form and legality.

TRANSMITTALS:

1. Purchase Order No. 32054-23
2. Purchase Order Change No. 3 to Purchase Order No. 32054-23

FIS Approval: MB

CA Approval: JC



TIM CLARK

Director of Construction & Maintenance



DINA ARYAN-ZAHLAN, P.E.
Deputy Executive Director
Development

APPROVED:

Marla Bleavins For

EUGENE D. SEROKA
Executive Director

Author: J. Castro