



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JANUARY 10, 2013

**FROM: CONTRACTS AND PURCHASING
ENGINEERING**

**SUBJECT: RESOLUTION NO. _____ AWARD OF CONTRACT NO.
39655– FENDERS AND FENDER ACCESSORIES FOR BERTHS 226-236
WHARF FENDER REPLACEMENTS PROJECT, BID F-812, TO ZALDA
TECHNOLOGY CORPORATION, HAYWARD, CALIFORNIA**

SUMMARY:

The Contracts and Purchasing and Engineering Divisions recommend award of Contract No. 39655 in the amount of \$193,983 to Zalda Technology Corporation, City of Hayward, California for furnishing, transportation, labor, materials, and equipment to manufacture, test, and deliver 19 fenders and fender accessories for use at the Evergreen Container Terminal for Berths 226-236 Wharf Fender Replacement Project.

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 is temporary in nature and can be performed more feasibly by an independent contractor rather than by City employees;
2. Waive the informality of failure to sign Form CEC 55 at time of bid, and Award Contract No. 39655 for furnishing, transportation, labor, materials, and equipment to manufacture, test, and deliver 19 fenders and fender accessories to Zalda Technology Corporation, 2488 Technology Dr. Hayward, CA, 94545, in a total amount (including sales tax) of \$193,983;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the Contract for and on behalf of the Board; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The principal function of the wharf fender system is to prevent vessels or the wharf from being damaged during the mooring process or during berthing periods. Forces during vessel berthing may be in the form of impact, abrasive action

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from vessels, or direct pressure; wharf fenders counteract these forces to prevent damage to the ship and wharf structure. All wharf structures in the Port of Los Angeles employ fendering systems. Different types of fenders are used depending on the design of the wharf structure and the design of ships anticipated to berth at the wharf. Fenders are regularly inspected and maintained by the Construction and Maintenance Division. Fenders are replaced when they are no longer practical or cost effective to repair. Fender replacements are identified and budgeted through the deferred maintenance program. The Evergreen wharf fender replacement and fender repairs at Pier 400 are the only active fender projects within the Port of Los Angeles.

The existing fender system at the Evergreen Container Terminal was installed in 1986 and has outlived its service life. The fenders are failing at an increasing rate, resulting in more frequent interruptions to terminal operations. Fenders of this type have a 20-25 year useful life. The Construction and Maintenance Division is repairing the fenders as they get damaged or rotating locations to keep the system operational. The Construction and Maintenance Division has historically maintained and replaced fender systems throughout the harbor and is best suited to take advantage of the limited windows of opportunity between ship calls to perform the work. Staff recommends procurement of these fenders and fender accessories to restore the wharf fender system to its original design capacity.

The Engineering Division submitted Requisition No. G-5347 (Contract No. 39655) to the Contracts and Purchasing Division for the required labor and materials to furnish the transportation, equipment delivery, testing and commissioning of these fenders and fender accessories (Transmittal 2).

The Contracts and Purchasing Division will issue a purchase order upon approval of the bid. It will take 80 days to manufacture, test, and deliver the 19 fenders (Transmittal 1) and fender accessories. Upon delivery of the new fenders and fender accessories, the Construction and Maintenance Division will commence installation at the Evergreen Container Terminal. The Construction and Maintenance Division estimates the installation cost to replace the fenders at \$133,000.

Selection Process - Bid advertisements were placed in publications as required by the City Charter. Four bids were received: one bidder (Urethan Products) qualified for the Local Business Preference, one was disqualified because their bid was submitted late (Transmittal 3), and one bid (Zalda Technology) was deemed non-responsive for failure to sign CEC Form 55 at time of bid. Their bids are listed, including sales tax, in the table below:

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Company Name	Bid Amount	Effective Bid Amount with Local Preference
Zalda Technology Corporation, CA (Unsigned CEC Form 55)	\$193,982	\$193,982
Urethane Products, CA	\$233,110	\$212,814
Fender Stream Americas, VA	\$229,218	\$229,218
Kirty International, TX (Late Bid)	\$206,845	\$206,845

Despite being deemed non-responsive for failure to sign CEC Form 55 at time of bid, staff recommends waiving this informality and awarding to Zalda Technology. The omission of the signature on CEC Form 55 was quickly remedied by Zalda Technology when staff brought it to their attention, and the omission did not affect the price of the bid, nor give the bidder an advantage. Despite the missing signature, Zalda Technology and its principals were still subject to the campaign contribution restrictions at the time of bid.

ENVIRONMENTAL ASSESSMENT:

The proposed action is award of a contract for the manufacture, testing and delivery of fenders and fender accessories for the Berths 226-236 Wharf Fender Replacement Project. As an activity involving the repair, maintenance and minor alteration of existing wharves where the activity does not involve removal of a scenic resource, 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 III Class 1 (3) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Approval of the proposed contract will have no direct employment impact in the five-county region since the company is outside the region.

FINANCIAL IMPACT:

The financial impact of the proposed purchase bid is that the City of Los Angeles Harbor Department will expend \$193,983 (including sales tax) for the purchase and delivery of 19 fenders and fender accessories.

Funds in the amount of \$478,641 have been budgeted in fiscal year 2012/13 Capital Improvement Program budget Center No. 1155, Program No. 000 (Base Budget), in Account No. 55010 (Parts & Materials).

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Bids came in significantly less than anticipated resulting in a savings of \$284,658 in the work order.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the contract and waiver of informality related CEC Form 55 as to form and legality.

TRANSMITTALS:

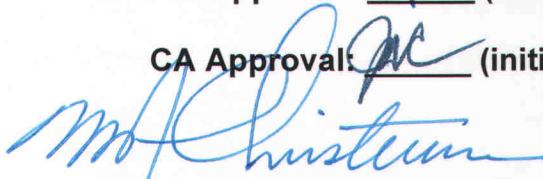
1. Fender – General Deck Plan
2. Requisition No. G-5347
3. Bid Recap F-812

FIS Approval: KP (initials)

CA Approval: MC (initials)



ANTONIO V. GIOIELLO
Chief Harbor Engineer



MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

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