



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

Board of Harbor Commissioners

**DATE: APRIL 28, 2025**

**FROM: CONSTRUCTION AND MAINTENANCE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND AMERICAN MARINE CORPORATION FOR UNDERWATER DIVING SERVICES**

**SUMMARY:**

Staff requests approval of a three-year Agreement with American Marine Corporation (AMC) of San Pedro, California for on-call underwater diving services. The amount of the proposed Agreement shall not exceed \$2,100,000 annually, or \$6,300,000 for the duration of the three-year Agreement. The City of Los Angeles Harbor Department (Harbor Department) will be financially responsible for payment of costs incurred under the proposed Agreement.

**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. Find that in accordance with Los Angeles City Charter Section 1022, work under the subject agreement can be performed more feasibly by an independent contractor than by City employees;
3. Approve the Agreement with American Marine Corporation for a term of three years and total compensation amount not to exceed \$6,300,000;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the Agreement; and
5. Adopt Resolution No. \_\_\_\_\_.

DATE: APRIL 28, 2025

PAGE 2 OF 7

SUBJECT: APPROVAL OF UNDERWATER DIVING SERVICES AGREEMENT

**DISCUSSION:**

Background/Context – The Construction and Maintenance Division of the Harbor Department (C&M) is responsible for the inspection and maintenance of timber wharves and the assessment of underwater slopes for wharf structures throughout the Port of Los Angeles (Port). In a typical year, two dive teams are deployed with a total of approximately 500 dives throughout the Port on over 100 inspection sites and job requests. Underwater diving services are an essential part of the inspection and maintenance function. C&M started the RFP process in early 2024 with the intent to have the new contract in place prior to the expiration of the old one in August 2024. Finalizing the RFP process has taken longer than expected, as discussed below. The Harbor Department is now eight months behind in inspections that should be performed annually, making procurement of these services in a timely manner critical to the inspection and maintenance function of covered facilities. These services include but are not limited to:

- Annual inspection and evaluation of the condition of fenders, piles, and other underwater structures;
- Timber wharf maintenance repairs, including maintenance repairs performed in conjunction with a C&M surface crew;
- Participation in formal wharf damage inspections/surveys in order to document conditions;
- Inspection of new construction for conformance with Harbor Department specifications;
- Inspection of plastic pile wrapping and seals to ensure proper installation; and
- As-needed recovery of sunken wharf components or vessels.

Insofar as there are no employee classifications in the City of Los Angeles that perform hard hat underwater diving, it is necessary to use a contract service to accomplish this specialized function.

Selection Process – The original Request for Proposals (RFP) was released on March 2024 and posted on the Harbor Department's website and the Regional Alliance Marketplace for Procurement (RAMP). Per statistics on RAMP, the original RFP was viewed by 18 unique companies and downloaded by 11 unique companies. Two (2) vendors, AMC and SGS US West Coast LLC (SGS), submitted a bid for this contract opportunity by April 2, 2024 due date. Due to changes made to the original RFP in

**DATE: APRIL 28, 2025**

**PAGE 3 OF 7**

**SUBJECT: APPROVAL OF UNDERWATER DIVING SERVICES AGREEMENT**

response to a protest from the non-selected company (SGS) and discussed in more detail below, a revised RFP was advertised in July 2024 (Transmittal 1). According to the RAMP statistics, the revised RFP was viewed by 18 unique companies and downloaded by 13 unique companies. Bids were received from AMC and SGS by the August 5, 2024 deadline. SGS submitted an initial protest letter dated November 15, 2024 (Transmittal 2) and a supplemental protest letter dated February 14, 2025 (Transmittal 3) contesting its non-selection for award under the revised RFP.

Historically, previous bidding opportunities for the Harbor Department's Underwater Diving Services Agreement have resulted in responses only from the same two companies (AMC and SGS). This is likely due to the highly specialized nature of the services and work required to be performed onsite and the limited number of firms locally that can provide these services.

Original RFP – The two proposals were evaluated by a selection committee comprised of three individuals: a Mechanical Repair General Supervisor from the Port of Los Angeles, a Civil Engineering Associate IV from the Port of Los Angeles, and a Harbor Marine Manager from the Port of Long Beach.

Proposals were scored based on the following criteria and weight factors as stated in the RFP:

- Firm Qualifications, Experience, and References (25%),
- Organization, Personnel, and Staffing (25%),
- Approach, Work Plan, Management, Safety Program, Equipment (20%),
- Rates, Fees, and Budget Control (20%), and
- Clarity and Comprehensiveness of the Proposal (10%)

All three members of the selection committee independently reviewed and rated each proposal. Of the two companies that submitted proposals, AMC was selected by the committee as the strongest proposer under the original RFP.

Original RFP Protest – SGS filed a protest to its non-selection following the original RFP for the reasons summarized below:

1. The selection committee may have improperly emphasized work performed at POLA rather than performance of diving services over more varied contracts at other locations.
2. The selection committee may have improperly considered the work and qualifications of a retired diver as part of the AMC's dive team.

DATE: APRIL 28, 2025

PAGE 4 OF 7

**SUBJECT: APPROVAL OF UNDERWATER DIVING SERVICES AGREEMENT**

3. The selection committee may have improperly scored aspects of the evaluation criteria related to the Safety Program and Equipment, primarily given that AMC's equipment is older than SGS's.
4. SGS, under information and belief, proposed a lower price than AMC.

Staff thoroughly reviewed all aspects of the original RFP and original award to AMC upon receipt of the protest. Staff determined that the RFP request related to the positions and members of the proposed dive teams that would be working as part of the proposed contract should have been more specifically developed in the RFP to clarify and avoid any potential misunderstandings by the selection committee as to the overall qualifications of the respective bidder's personnel.

Revised RFP - A revised RFP addressing the need for clarification of dive team personnel information was therefore posted in July 2024. The Harbor Department received proposals from the same two companies and were evaluated by the same three-person selection committee with the same criteria and weight factors mentioned above (Transmittal 4). While the scores between the bidders were very close, AMC was selected by the committee as the strongest proposer under the revised RFP.

Revised RFP Initial Protest – On November 15, 2024, SGS submitted a post-award protest based on the non-selection of SGS under the revised RFP for the reasons summarized below and as fully described in Transmittal 2:

1. The selection committee may have emphasized work performed at POLA rather than performance of diving services over more varied contracts at other locations.
2. SGS proposed a deeper bench of experienced divers and therefore should have received a superior rating.
3. SGS's safety program and newer equipment should have earned a higher rating compared to AMC and that, while AMC did provide accident reports for the prior four years (2019-2023), it did not provide accident reports for the partial year 2024. If they had provided partial year 2024 reports, it would have included an "unfortunate accident" that resulted in the death of one of American Marine's employees. [Note: the RFP called for the provision of "accident reports for the prior four years"].
4. SGS, under information and belief, proposed a lower price than AMC.

Revised RFP Supplemental Protest – On February 14, 2025, following a CPRA request for RFP related documents, SGS submitted a supplemental letter to its protest to its non-selection under the revised RFP, to include additional arguments summarized below and as fully described in Transmittal 3:

**DATE: APRIL 28, 2025**

**PAGE 5 OF 7**

**SUBJECT: APPROVAL OF UNDERWATER DIVING SERVICES AGREEMENT**

1. AMC's proposal should have been deemed non-responsive and excluded from consideration because it failed to include "mandatory" RFP requirements – namely a copy of its safety program, a description of its safety program and accident reports for the last four years.
2. Harbor Department should have conducted a "tradeoff analysis" to assess whether AMC's "substantially higher price" was justified in light of the less than .5% scoring differential and estimated that AMC's price was 10% higher in the first year and "eventually higher price premium in years 2 and 3 of contract performance".

After careful consideration of the reasons for the second protest (including the supplemental protest information) and in consultation with the City Attorney, the Harbor Department staff stands by the selection of AMC as the strongest bidder and recommends proceeding with the award. The key considerations for this recommendation are as follows:

1. Although the scores among the bidders were close, AMC was the winning bidder under the selection criteria.
2. Both bids were deemed responsive as providing the necessary documents required by the RFP. Sufficient information was provided by both bidders for the selection committee to reasonably evaluate both bidders in comparison to each other in terms of the selection criteria (including the safety program information); and the selection committee's evaluations were reasonable.
3. AMC did provide accident reports for the prior four years as requested by the RFP; therefore, its failure to provide additional accident reports for the partial year 2024 was found to be nonmaterial and could not have affected the amount of the bid or given a bidder an advantage or benefit not allowed other bidders. It was determined by staff that a prior four-year history of accident reports was sufficient for the selection committee to make a reasonable evaluation of the safety programs of both bidders.
4. Rates, fees, and budget control information provided by both parties was sufficient for the selection committee to appropriately assess scores under this evaluation criteria. A "tradeoff analysis" is not something that is required or contemplated under the terms of the RFP.

Additionally, AMC demonstrated a thorough understanding of the services required by the Port and provided many details of the layout, geography, pile conditions, and marine environment of the Port. AMC has extensive experience in wharf repair with wrapping, bracing and structural supports. They also provided detailed operating procedures for addressing the work elements detailed in the RFP. Therefore, staff is recommending approval of the award of the proposed Agreement to AMC.

DATE: APRIL 28, 2025

PAGE 6 OF 7

SUBJECT: APPROVAL OF UNDERWATER DIVING SERVICES AGREEMENT

**ENVIRONMENTAL IMPACT:**

The proposed action is the approval of a three-year contract with AMC for on-call underwater diving services, which is an administrative activity. The Director of Environmental Management has determined that the proposed action 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 would award AMC a three-year Agreement (Transmittal 5) for on-call diving services at an annual cost of \$2,100,000 for a total not-to-exceed amount of \$6,300,000. Fiscal Year (FY) 2024/25 funding in the amount of \$200,000 is available within Account 541025 (Wharves Maintenance Services), Division 32302 (C&M - Wharf Maintenance).

Future spending under the proposed Agreement is anticipated to occur as follows:

<b>Fiscal Year</b>	<b>Amount</b>
2024/25	\$ 200,000
2025/26	\$2,100,000
2026/27	\$2,100,000
2027/28	\$1,900,000
<b>Total</b>	<b>\$ 6,300,000</b>

Funding for future fiscal years will be requested as part of the annual budget process upon Board approval. A funding out clause is included in the proposed Agreement. If any subsequent fiscal year funds are not appropriated by the Board for the work required by the Agreement, the Agreement shall be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred.

DATE: APRIL 28, 2025

PAGE 7 OF 7

SUBJECT: APPROVAL OF UNDERWATER DIVING SERVICES AGREEMENT

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed Agreement as to form and legality.

TRANSMITTALS:

1. Revised RFP
2. Initial Protest to Revised RFP, dated November 15, 2024
3. Supplemental Protest to Revised RFP, dated February 14, 2025
4. Selection Committee Scoring Summary
5. Agreement with American Marine Corporation

FIS Approval: JS

CA Approval: SO



TIM CLARK  
Director of Port Construction & Maintenance



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

APPROVED:

*Erica M. Calhoun* for

EUGENE D. SEROKA  
Executive Director

Author: T. Lizada