



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

Board of Harbor Commissioners

DATE: OCTOBER 24, 2012

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ - AWARD OF
CONSTRUCTION CONTRACT
CONTRACTOR: S.J. AMOROSO CONSTRUCTION CO., INC.
REAR BERTHS 136-139 TERMINAL BUILDINGS AND MAIN GATE
SPECIFICATION NO. 2663**

SUMMARY:

This contract is for construction of the Rear Berths 136-139 Terminal Buildings and Main Gate project (Project). The lowest responsive and responsible bidder is S.J. Amoroso Construction Co., Inc. (S.J. Amoroso), located in Costa Mesa, California. The contract amount, plus a 10% contingency, is \$71,479,100. The contract duration is 880 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. Authorize the Executive Director to execute, and the Board Secretary to attest to, this contract for and on behalf of the Board;
3. Award the above mentioned contract for Item Nos. 1 through 78 of the proposal schedule to S.J. Amoroso in the amount of \$64,981,000; that a 10% contingency not included in the original contract amount be applied for a total authorization of \$71,479,100; and authorize payment from the City of Los Angeles Harbor Department Construction Account. The contract time for performance of the work will be 880 calendar days from the Notice to Proceed;
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

DATE: OCTOBER 24, 2012

PAGE 2 OF 7

SUBJECT: REAR BERTHS 136-139 TERMINAL BUILDINGS AND MAIN GATE
SPECIFICATION NO. 2663

5. Adopt Resolution No. _____.

DISCUSSION:

Previous Board Actions – On September 4, 2008, the Board approved the Level III Coastal Development Permit for the TraPac Terminal Expansion, Berths 136-147, in Wilmington.

On December 18, 2008, the Board approved Agreement No. 08-2730 with Parsons Water & Infrastructure, Inc. for Construction Management Services for Berths 136-147 and Berths 100-109 Improvements for a three-year term, and a maximum compensation of \$6,437,000. The First Amendment to Agreement No. 08-2730, approved by the Board on August 4, 2011, extended the term of the Agreement from 1,095 calendar days to 2,191 calendar days.

On December 1, 2011, the Board approved Resolution Nos. 11-7229 and 11-7232, authorizing the prequalification of contractors under Specification No. 2663 for the Project.

Rear Berths 136-139 Terminal Buildings and Main Gate - The scope of the Project includes construction of several buildings and structures; backland and site improvements; utilities, including, but not limited to, storm drain, sewer, gas, electrical, lighting, water, and fire suppression systems; landscaping and irrigation; and demolition and removal of the existing Administration Building and Main Gate, kiosk, guard houses, and other improvements within Rear Berths 136-139, in accordance with Drawing Nos. 1-2654 and 1-2666. The Administration Building has been designed to achieve a Leadership in Energy and Environmental Design (LEED) Gold rating certification from the U.S. Green Building Council. Additional scope includes the construction of approximately 11 acres of backland at Berths 145-147, including, but not limited to, demolition and removal work; grading; paving; a storm drain system; relocation of two high mast poles and fire hydrants; fiber optic and electrical conduit installation; backflow preventer; chain link fencing on concrete barriers; trench drains; construction of approximately 2,400 linear feet of 4" sewer force main in Pier "A" Street, and other site improvements (Transmittal 3).

DATE: OCTOBER 24, 2012

PAGE 3 OF 7

**SUBJECT: REAR BERTHS 136-139 TERMINAL BUILDINGS AND MAIN GATE
 SPECIFICATION NO. 2663**

This Project will be constructed in compliance with the City of Los Angeles Harbor Department's (Harbor Department) Small Business/Very Small Business Enterprise Program (SBE/VSBE). This contract is consistent with State of California Prevailing Wage provisions. This Project will be performed under a Project Labor Agreement. The duration of this Project is 880 calendar days. Construction is anticipated to start in January 2013 and be completed in May 2015.

This is a very large construction contract requiring 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 Section 371, Subdivision 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 website. The Harbor Department conducted 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 were publicly opened and the apparent lowest bidder is declared. Bid documents, and other 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 and so forth.

In accordance with Resolution Nos. 11-7229 and 11-7232, approved by the Board on December 1, 2011, only prequalified prime contractors were allowed to submit bids for this Project and only prequalified specialty work subcontractors are allowed to perform building electrical, building mechanical (HVAC), and pile driving work.

- a. Prequalified Prime Contractors are: AKG Construction, Inc.; Bernard's Bros., Inc.; KPRS Construction Services, Inc.; Mallcraft, Inc.; PCL Construction Services, Inc.; Perera Construction and Design, Inc.; Pinner Construction Co., Inc.; S.J. Amoroso; Sinanian Development, Inc.; Swinerton Builders; Tilden-Coil Constructors, Inc.; Webcor Construction, LP; and W. E. O'Neil Construction Co. of California.

DATE: OCTOBER 24, 2012

PAGE 4 OF 7

**SUBJECT: REAR BERTHS 136-139 TERMINAL BUILDINGS AND MAIN GATE
SPECIFICATION NO. 2663**

- b. Prequalified Building Electrical Specialty Work subcontractors are: Anderson and Howard Electric, Inc.; Comet Electric, Inc.; CSI Electrical Contractors, Inc.; Cupertino Electric, Inc.; KDC Inc., dba Dynalectric; Morrow Meadows, Corp.; Neubauer Electric, Inc.; Rosendin Electric, Inc.; and Steiny and Company, Inc.
- c. Prequalified Building Mechanical (HVAC) Specialty Work subcontractors are: ACCO Engineered Systems; A.O. Reed & Co.; Circulating Air, Inc.; Control Air Conditioning Corp.; Coutts Heating and Cooling, Inc.; Mechanical Technology Systems, Inc.; S3H Mechanical; and University Mechanical.
- d. Prequalified Pile Driving Specialty Work subcontractors are: Foundation Pile, Inc.; and Stroer and Graff, Inc.

The Notice of Inviting Bids for Specification No. 2663 was advertised on August 23, 2012 on the Port of Los Angeles website, and in the LA Watts Times, Eastside Journal, Chinese Daily News, Dodge Construction "Green Sheet", and Metropolitan News Company.

As authorized by the Executive Director on August 22, 2012, the Chief Harbor Engineer received three bids for the subject contract on October 16, 2012. The Analysis of Bids (Transmittal 1) lists the companies that submitted bids and their respective bid amounts. The bids received were opened, and Pinner Construction Co., Inc. (Pinner) was declared the apparent lowest bidder at the time of the bid opening with a bid of \$62,947,010.

Staff has reviewed Pinner's bid and has concluded that Pinner's bid is non-responsive for the following reasons:

1. The Bidding Documents/Proposal Schedule Section 0030 indicates that a "bidder must fill in blank spaces..." and the Bidders Checklist indicates "Has bidder filled in a price for each bid item?" Pinner's failure to list an amount for several bid items makes the bid non-responsive to the Harbor Department's request for a bid amount.
2. Pinner's failure to provide a price for several bid items directly affects the amount of the bid and provides the advantage of potentially deciding, after opening of bids, whether to move forward with the contract without forfeiting its bid bond. Therefore, this deficiency cannot be waived.

DATE: OCTOBER 24, 2012

PAGE 5 OF 7

**SUBJECT: REAR BERTHS 136-139 TERMINAL BUILDINGS AND MAIN GATE
SPECIFICATION NO. 2663**

Based on the above, staff has found that S.J. Amoroso is the lowest responsible bidder at \$64,981,000. Staff recommends addition of a 10% contingency based on a qualitative review of project specific risks, including schedule constraints and potential unforeseen conditions that may arise during construction, and scope and design changes to accommodate field conditions, resulting in a project authorization of \$71,479,100.

Construction staff has verified S.J. Amoroso's state license. In conformance with Section 10.8.4 of Ordinance No. 143429, certification is hereby made that S.J. Amoroso 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. S.J. Amoroso satisfied the prequalification requirement for identifying prequalified subcontractors in its bid.

The Harbor Department had set a minimum SBE participation level of 25% and a minimum VSBE participation level of 5%. S.J. Amoroso has provided the required documents regarding their SBE and VSBE participation, and has included 44.21% SBE subcontractors/suppliers of which 8.19% is VSBE subcontractor/ suppliers (Transmittal 2).

This contract is subject to the local business preference ordinance adopted by the Board on April 5, 2012. However, since all of the bidder's are local and qualify for the preference, the ordinance does not affect the award.

ENVIRONMENTAL ASSESSMENT:

The proposed action is award of a contract to S.J. Amoroso for construction of the Rear Berths 136-139 Terminal Buildings and Main Gate project. As an activity for which the underlying Project has previously been evaluated for environmental significance and processed according to the requirements of California Environmental Quality Act (CEQA) (Berths 136-147 [TraPac] Container Terminal Project Final Environmental Impact Statement/Environmental Impact Report (FEIS/FEIR), certified December 2007), the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the CEQA in accordance with Article II, Section 2(i) of the Los Angeles City CEQA Guidelines.

DATE: OCTOBER 24, 2012

PAGE 6 OF 7

**SUBJECT: REAR BERTHS 136-139 TERMINAL BUILDINGS AND MAIN GATE
SPECIFICATION NO. 2663**

FINANCIAL IMPACT:

Funds in the amount of \$17,460,416 for the Rear Berths 136-139 Terminal Buildings and Main Gate project have been budgeted for the current fiscal year in Account No. 54510, Center No. 1103, Program No. 000.

It is anticipated that the funds for this contract will be expended as follows over the next three fiscal years:

Fiscal Year 2012/2013:	\$17,460,416
Fiscal Year 2013/2014:	\$35,000,000
Fiscal Year 2014/2015:	\$19,018,684
Total	\$71,479,100

Funds for future fiscal years will be requested to be budgeted as part of the annual budget adoption process, upon Board approval. The total baseline budget cost for the TraPac Program was approved by the Board on April 19, 2012 and is \$365,000,000. Approval of this contract will not require an increase in the total baseline budget. TraPac is responsible for all costs associated with the maintenance of the improvements under this contract.

Although the 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 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 540 direct one-year equivalent construction jobs in the five-county region.

DATE: OCTOBER 24, 2012

PAGE 7 OF 7

SUBJECT: REAR BERTHS 136-139 TERMINAL BUILDINGS AND MAIN GATE
SPECIFICATION NO. 2663

CITY ATTORNEY:

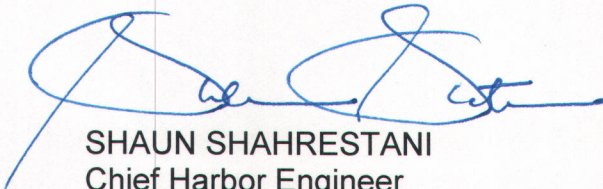
The Office of the City Attorney reviewed and approved Specification No. 2663 as to form and legality on August 10, 2012.

TRANSMITTALS:

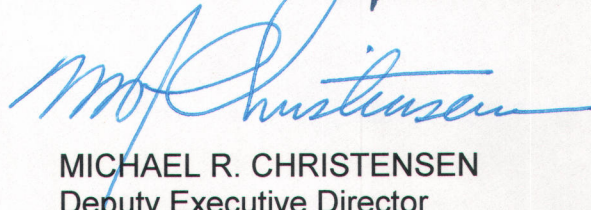
1. Analysis of Bids
2. Contractor and Subcontractor List
3. Location Key Map

FIS Approval: MR (initials)

CA Approval: MR (initials)

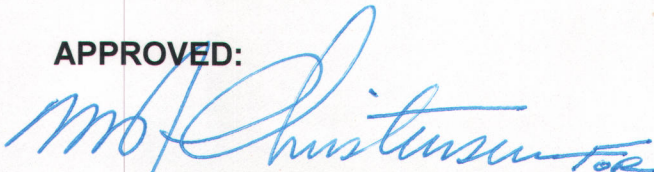


SHAUN SHAHRESTANI
Chief Harbor Engineer
Construction Division



MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

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