



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

Board of Harbor Commissioners

DATE: SEPTEMBER 6, 2016

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ -
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT
CONTRACTOR: KIEWIT INFRASTRUCTURE WEST COMPANY
SAMPSON WAY ROADWAY IMPROVEMENTS – 7TH STREET AND
HARBOR BOULEVARD INTERSECTION
SPECIFICATION NO. 2776**

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve the award of this construction contract to Kiewit Infrastructure West Company (Kiewit). The Sampson Way Roadway Improvements – 7th Street and Harbor Boulevard Intersection (Project) will construct a reconfigured intersection at the junction of Harbor Boulevard, Sampson Way and 7th Street, to improve vehicular access to accommodate existing traffic and future growth for the San Pedro Waterfront. The lowest responsive and responsible bidder is Kiewit located in Santa Fe Springs, California. The contract amount, plus a 10% contingency, is \$10,093,600. The contract duration is 650 calendar days. This Project is reimbursable up to \$4,951,400, under the Los Angeles County Metropolitan Transportation Authority (LACMTA) Proposition C funding, and an additional \$3,675,000 is anticipated to be approved for reimbursement. The City of Los Angeles Harbor Department's (Harbor Department) cost share to the Project is estimated at \$1,467,200, upon approval of the additional anticipated funding.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Sections 2(f) and 2(i), of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Find that, in accordance with City Charter Section 1022, work under the subject contract can be performed more feasibly by an independent contractor rather than by City employees;

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3. Award and approve, Specification No. 2776 for Item Nos. 1 through 42 of the proposal schedule to Kiewit Infrastructure West Company, in the amount of \$9,176,000; that a 10% contingency not included in the original contract amount be applied for a total authorization of \$10,093,600; and authorize payment from the Harbor Department Construction Account. The contract time for performance of the work will be 650 calendar days from the Notice to Proceed;
4. Authorize the Executive Director to execute and the Board Secretary to attest to this contract for and on behalf of the Board;
5. 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
6. Adopt Resolution No. _____.

DISCUSSION:

Background / Context – The Project is part of the overall San Pedro Waterfront development. The Project will construct a reconfigured intersection at the junction of Harbor Boulevard, Sampson Way and 7th Street to improve vehicular access to accommodate existing traffic and future growth for the San Pedro Waterfront. The Project improves motorized and non-motorized mobility and access to and from the following major regional destinations: community of San Pedro, downtown San Pedro, the Catalina Ferry/Freight facility, World Cruise Center, Battleship USS Iowa Museum, New San Pedro Public Market, Alta-Sea facility, and Cabrillo Beach/Marina. The scope of this project consists of building a retaining wall, street improvements, grading, paving, landscaping, lighting, restriping, and a new signalized intersection. An aerial site plan showing the location of the Project can be found in Transmittal 3.

This construction contract is temporary in nature and requires specific experience and equipment to perform the work. 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.

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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 the City, as well as on the Port of Los Angeles website. The Harbor Department conducts a pre-bid conference to familiarize the prospective bidders with the Project and to answer questions related to the construction contract.

Following submittal to the Harbor Department, the bids are publicly opened, and the apparent lowest bidder is declared. Bid documents, Small Business Enterprise (SBE) and Very Small Business Enterprise (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 lowest bidder is found non-responsive, the next lowest bidder is reviewed.

In conformance with the City Charter section for competitive bidding, as stated above, the Notice of Inviting Bids for Specification No. 2776 was advertised on February 23, 2016 on the Port of Los Angeles website, in Dodge Construction “Green Sheet”, L.A. Eastside Journal, Daily Breeze, Metropolitan News Company, and Rafu Shimpo to reach out to as many potential bidders as possible. A pre-bid meeting was held on March 16, 2016.

As authorized by the Executive Director on February 23, 2016, the Chief Harbor Engineer received seven bids for the subject contract on August 4, 2016. The Analysis of Bids (Transmittal 1) lists the companies that submitted bids and their respective bid amounts. The bids received were opened, and Kiewit was declared the apparent lowest bidder at the time of the bid opening with a bid of \$9,176,000.

Construction staff has verified Kiewit’s state license. In conformance with Section 10.8.4 of Ordinance No. 143429, verification is hereby made that Kiewit 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. Kiewit’s bid has been found responsive. An approximate 10% contingency is recommended based on a qualitative review of project specific tasks, including schedule constraints and potential unforeseen conditions that may arise during construction, utility conflicts and design and scope changes to accommodate field conditions for a total project cost of \$10,093,600.

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This Project will be constructed in compliance with the Harbor Department's SBE/VSBE Program. The Harbor Department had set a minimum SBE participation level of 22%, of which 5% shall be VSBE participation. Kiewit has provided the required documents regarding their SBE and VSBE participation and has included 30.88% SBE Subcontractors/Suppliers, of which 5.08% is VSBE Subcontractors/Suppliers (Transmittal 2). This contract is consistent with State of California Prevailing Wage provisions. This Project is subject to the terms of Project Labor Agreement No. 11-2955, as approved by the Board on March 17, 2011, and the Los Angeles City Council on May 11, 2011.

ENVIRONMENTAL ASSESSMENT:

The proposed action is awarding a construction contract to Kiewit to build out the Sampson Way Roadway Improvements (7th Street and Harbor Boulevard Intersection) Project. The awarding of a construction contract is an administrative activity, and build out was assessed through the June 2015 Addendum to the San Pedro Waterfront Project Environmental Impact Report (EIR). As an administrative activity, and an activity for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of CEQA, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II, Sections 2(f) and 2(i), of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Funds for fiscal year 2016/2017 in the amount of \$5,000,000 are budgeted in Capital Budget, Account No. 54510, Center No. 1169, Program No. 624. Funds are expected to be expended as follows:

Fiscal Year 2016/2017	\$ 5,000,000
Fiscal Year 2017/2018	\$ 3,993,600
Fiscal Year 2018/2019	\$ 1,100,000
Total	\$10,093,600

Funds for future fiscal years will be requested to be budgeted as part of the annual budget process, upon Board approval. The total construction budget for this Project, including contingency, is \$10,093,600.

This Project is reimbursable up to \$4,951,400, under the LACMTA Proposition C funding, and an additional \$3,675,000 is anticipated to be approved for reimbursement.

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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.

CITY ATTORNEY:

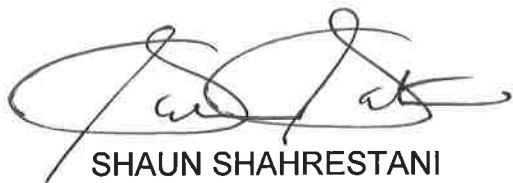
The Office of the City Attorney reviewed and approved Specification No. 2776 as to form and legality on February 19, 2016.

TRANSMITTALS:

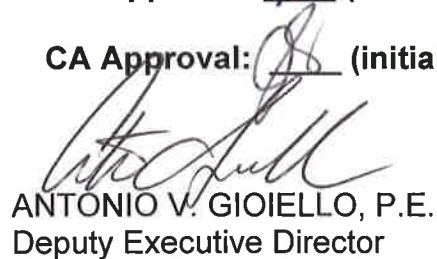
1. Analysis of Bids
2. Contractor and Subcontractor List
3. Aerial Site Plan and Detailed Location Map

FIS Approval: MB (initials)

CA Approval: AS (initials)



SHAUN SHAHRESTANI
Chief Harbor Engineer
Construction Division



ANTONIO V. GIOIELLO, P.E.
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
Executive Director

Author: Michael Swords

MGS:lh
2776B01
File No. 4.7