



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: FEBRUARY 15, 2018

FROM: CONSTRUCTION AND MAINTENANCE

SUBJECT: RESOLUTION NO. _____ - AWARD OF CONTRACT NO. 39839 TO GEMINI FOREST PRODUCTS FOR THE PURCHASE OF TREATED ACZA PILES

SUMMARY:

Staff requests the approval of a one-year contract with two one-year renewal options to Gemini Forest Products of Los Alamitos, California for the purchase and delivery of treated Ammoniacal Copper Zinc Arsenate (ACZA) wooden piles. The amount of this contract shall not exceed \$689,665 for the initial year. If the two renewal options are exercised, \$724,148 will be authorized for the second year and \$774,839 for the third year. The total contract amount would not exceed \$2,188,652 over the three years if the renewal options are exercised. These piles are used by the Construction and Maintenance Division (C&M) Pile Driving Section to replace old or damaged timber piles when necessary throughout the Port of Los Angeles. This contract is the financial responsibility of the City of Los Angeles Harbor Department (Harbor Department).

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 Contract No. 39839 with Gemini Forest Products for a term of one year with two one-year renewal options with an annual compensation amount not to exceed \$689,665 in the first year; not to exceed \$724,148 in the first renewal option year; not to exceed \$774,839 in the second renewal option year; and the total compensation amount not to exceed \$2,188,652; and authorize said expenditures;
3. Authorize the Executive Director to execute Contract No. 39839; and
4. Adopt Resolution No. _____ .

DISCUSSION:

Background/Context - Wharves at the Port of Los Angeles are composed of both concrete and timber piles. The majority of these piles are concrete and the Engineering

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Division is responsible for their maintenance. Approximately 18,000 pilings are timber and maintained by C&M. Timber piling may be either bearing, which primarily support the wharf structure, or fender, which are located at the face of the wharf and protect it from the ships that dock at the wharf. The approximately 6,000 fender piles are most prone to damage. Due to both damage and natural deterioration, it is estimated that at least 300 timber fender piles will need to be replaced annually.

Untreated piling, as opposed to treated piling, is susceptible to damage from marine borers, organisms that can compromise the integrity of the timber piling within just a few years. Wood treatments like ACZA, which is the type of pile being purchased through this proposed agreement, protect the piling and significantly extend its life. ACZA treatment is the industry standard for piling and is in conformance with the standard set in the U. S. Army Corps of Engineers permit that is required for work in the waters of the United States and under which the Harbor Department operates. ACZA treated piles can release potentially harmful constituents such as polycyclic aromatic hydrocarbons into harbor waters. This potential hazard is mitigated effectively by wrapping pile with plastic. Wrapping also serves to protect and lengthen the life of piling by adding an additional layer of protection from marine organisms.

Contract Process - The Contracts and Purchasing Division submitted a purchase request for treated piles. Request for Bids (RFB) No. F-999 was released on October 18, 2017 to solicit bids for piles based on estimated usage. It was advertised on the City of Los Angeles Business Assistance Virtual Network (LABAVN) and the Harbor Department website. The bid requested cost per pile ranging from 50-100 feet in length. Bids received by the November 8, 2017 deadline have been tabulated as detailed in Transmittal 1. Bids were received from ABCO Trading Company and Gemini Forest Products. The bid calls for an award to the lowest, responsive bidder.

RFB No. F-999 was also eligible for the Local Business Preference Program (LBPP) which provides for an eight percent (8%) bid preference for qualifying businesses in the five counties closest to the Harbor Department on any contract opportunity valued in excess of \$150,000. Both ABCO Trading Company and Gemini Forest Products are located in Los Angeles County and are eligible for the preference and that calculation is shown on Transmittal 1. There is no financial impact to the Harbor Department as a result of the LBPP because both bidders are qualified local businesses. The contract amount is based on an estimated annual expenditure for ACZA treated piles.

Of all the RFB line items, Gemini was the lowest bidder on each item. Staff is recommending approval by the Board of a contract with Gemini Forest Products (Transmittal 2).

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ENVIRONMENTAL IMPACT:

The proposed action is for the approval of a one year contract with two one year renewal options with Gemini, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act under Article II, Section 2(f) of the City of Los Angeles CEQA Guidelines.

FINANCIAL IMPACT:

The purchase and delivery of treated piles will cost the Harbor Department a maximum total of \$689,665 in the first contract year. The contract allows for two one-year renewal options with provision for a five percent product price increase in the first year and a seven percent product price increase in the second year. Should the renewal options be exercised in the second and third years, the not-to-exceed cost is expected to be \$724,148 and \$774,839 in each of the subsequent years resulting in a total three-year not-to-exceed amount of \$2,188,652.

Piles vary in size and cost. The average cost per pile is approximately \$1,665. Generally, maintenance associated with a pile once it is installed is limited to survey and incidental repairs. Piles are visually inspected by underwater divers at least once every two years. If damage or deterioration is found, repairs are scheduled. Piles that are not repaired or replaced in a timely manner can compromise the structural integrity of the wharf and may result in damage to the vessel and unsafe conditions at the wharf. Under certain circumstances, damage repair costs may be billed to a Harbor Department tenant, where applicable, pursuant to the terms of the tenant lease.

C&M spent approximately \$192,160 in Fiscal Year 2014-15 and \$421,552 in Fiscal Year 2015-16 on treated piles. No funds were spent in FY 2016-17 due to the number of piles on hand from the prior fiscal year. Funding for Fiscal Year 2017-18 in the amount of \$700,000 has been budgeted in Account 55010 (Parts and Materials), Center No. 0510, and Program No. 000. Upon Board approval, future fiscal year funding will be requested as part of the annual budget process. A funding out clause is included in the contract.

CITY ATTORNEY:

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

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TRANSMITTALS:

1. Recap of Bid No. F-999
2. Contract No. 39839

FIS Approval: MB (initials)

CA Approval: ML (initials)



TIM CLARK
Director of Port Construction and Maintenance



ANTONIO GIOIELLO
Deputy Executive Director

APPROVED:

 FOR

EUGENE D. SEROKA
Executive Director

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