



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

Board of Harbor Commissioners

DATE: JULY 28, 2016

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ -
REJECTION OF ALL BIDS
BERTHS 196-199 WHARF REHABILITATION
SPECIFICATION NO. 2766**

SUMMARY:

Staff recommends that all bids for Specification No. 2766 be rejected and that the Project be re-advertised as it is in the best interest of the City of Los Angeles Harbor Department (Harbor Department) to do so to ensure the most competitive bids and lowest cost to the Harbor Department. The Berths 196-199 Wharf Rehabilitation (Project) will repair the wharf at Wallenius Wilhelmsen Logistics (WWL) to extend its useful life and allow operations at this facility.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f), of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Reject all bids for Specification No. 2766 and authorize the Executive Director to re-advertise the Berths 196-199 Wharf Rehabilitation; and
3. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – This Project consists of wharf repair work at Berths 196-199, including, for concrete wharves, repairing cracked concrete beams and diaphragm wall, repairing undermined rock slopes, pile encasement, shotcrete, and other repairs.

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Timber wharf repair work includes repairing stringers, bracing, pile wrappings, pile jackets, installing new section in damaged piles and other repairs. Additional work includes asbestos abatement and other hazardous material removals, removal of abandoned piping, replacing decking and repaving, and replacing fenders, installing steel frames at ramps, slurry sealing pavement and striping.

Construction Award Process – City of Los Angeles Charter Section 371(a) - Competitive Bidding sets forth the procedure staff followed to advertise this Project. 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 of Los Angeles, as well as on the Port of Los Angeles website. The Harbor Department conducts a pre-bid conference and job walk 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/Very Small Business Enterprise Program (SBE/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, and so forth.

In conformance with the City Charter Section 371(a), the Notice of Inviting Bids for Specification No. 2766 was advertised on March 2, 2016 on the Port of Los Angeles website, in the Daily Breeze, La Opinion, Eastside Journal, Dodge Construction "Green Sheet", and Metropolitan News Company to reach out to as many potential bidders as possible. A pre-bid meeting was held on March 22, 2016.

As authorized by the Executive Director on March 2, 2016, the Chief Harbor Engineer received four bids for the subject contract on June 16, 2016. The Analysis of Bids (Transmittal 1) lists the companies that submitted bids and their respective bid amounts. The bids received were opened; Vortex Marine Construction, Inc. (Vortex) was declared the apparent lowest bidder.

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Reason for Rejection of Bids – Specification No. 2766 includes City of Los Angeles Administrative Code Section 10.15, which reserves the right to reject all bids when to do so would be to the advantage of the City. Staff recommends that it is to the Harbor Department's best interest to reject all bids and re-advertise this Project for the following reasons:

- After the bid opening, staff evaluated Vortex's bid and determined there were irregularities in Vortex's bid proposal. Subsequently, we received a protest letter from Reyes Construction, Inc. (Reyes), the second lowest bidder, requesting that the bid from Vortex be rejected for failing to follow the bidding instructions (Transmittal 2).
- Staff also analyzed the bid for the second lowest bidder, Reyes and found that Reyes did not submit all the required supplemental documents within the required four days after notification from the Port. Additionally, one of the listed subcontractors is not registered with the Department of Industrial Relations at time of bid which is a requirement for Reyes' bid to be responsive.

After careful evaluation of the bids and consultation with the City Attorney, staff recommends that it is in the best interest of the City to reject all bids to ensure the most competitive bid and lowest cost to the Harbor Department.

In anticipation of rejection of all bids, re-advertisement would occur in Fall 2016.

ENVIRONMENTAL ASSESSMENT:

The proposed action is rejection of all bids for construction of the Berths 196-199 Wharf Rehabilitation Project. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the City of Los Angeles CEQA Guidelines.

FINANCIAL IMPACT:

There are no financial impacts associated with rejection of all bids.

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CITY ATTORNEY:

The Office of the City Attorney reviewed and approved Specification No. 2766 as to form and legality on October 13, 2015.

TRANSMITTALS:

1. Analysis of Bids
2. Bid Protest Letter from Reyes Construction, Inc.

FIS Approval: MB (initials)

CA Approval: QPB (initials)



SHAUN SHAHRESTANI
Chief Harbor Engineer
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APPROVED:



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