



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

Board of Harbor Commissioners

**DATE: NOVEMBER 15, 2023**

**FROM: CONSTRUCTION**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ -  
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT  
CONTRACTOR: SKANSKA USA CIVIL WEST CALIFORNIA  
DISTRICT INC.  
STATE ROUTE 47(SR-47)/VINCENT THOMAS BRIDGE AND  
FRONT STREET/HARBOR BOULEVARD INTERCHANGE  
RECONFIGURATION  
SPECIFICATION NO. 2816**

**SUMMARY:**

Staff requests approval of an award of a contract (Contract) to Skanska USA Civil West California District Inc. (Skanska) to construct the State Route 47 (SR-47)/Vincent Thomas Bridge (VTB) and Front Street/Harbor Boulevard Interchange Reconfiguration project (Project). The Project will modify the existing on and off ramps of the SR-47/VTB and Front Street/Harbor Boulevard interchange to improve safety, access, and efficient operation in and around the Port of Los Angeles complex. The lowest responsive and responsible bidder is Skanska, located at 1995 Agua Mansa Road, Riverside California. The Contract amount of \$90,988,550, plus a 10% contingency, is \$100,087,405, and the Contract duration is 990 calendar days. Certain expenses up to \$65,783,000, incurred under the proposed Contract are eligible for reimbursement under the following grants: the California Senate Bill 1 Trade Corridor Enhancement Program; the United States Department of Transportation Maritime Administration; and the Los Angeles County Metropolitan Transit Authority. Payment of expenses incurred under the proposed Contract will be 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 has been previously evaluated pursuant to the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(i) of the Los Angeles City CEQA Guidelines;

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2. Find that, in accordance with the Los Angeles City Charter Section 1022, work under the subject Contract can be performed more feasibly by an independent contractor rather than by City employees;
3. Award and approve Specification No. 2816 for Item Nos. 1 through 55 of the Bid Proposal Line Items to Skanska for a total amount of \$100,087,405 including a 10% contingency, and a total term of 990 calendar days;
4. Authorize the Executive Director to execute and the Board Secretary to attest to this Contract for and on behalf of the Board;
5. Delegate and authorize the Executive Director to adjust the final bid quantities and accept the construction Contract upon its completion in accordance with City Charter Section 655 (g); and
6. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Project Background and Description – The Project is located within the boundaries of Knoll Drive to the north, Swinford Street to the south, Front Street to the east and the I-110/SR-47 Freeway interchange to the west as shown in the site map (Transmittal 1). The Project will modify the existing on and off ramps of the SR-47/VTB and Front Street/Harbor Boulevard interchange to improve safety, access, and efficient operation in and around the Port of Los Angeles complex.

Currently, southbound SR-47 traffic, and southbound Interstate 110 (I-110) traffic destined for the West Basin and San Pedro Waterfront areas exit at Harbor Boulevard. Significant non-standard weaving conditions exist as traffic travels through the Harbor Boulevard off-ramp. Non-standard merging also exists on the northbound SR-47 on-ramp from Harbor Boulevard as traffic approaches the VTB. Vehicles routinely back up onto both off-ramps during peak periods as a result of the two freeways (I-110 & SR-47) terminating at the same point. With the projected future growth and the development of the Waterfront, the Harbor Department anticipates that traffic congestion will increase and greatly reduce the operational efficiency of the interchange.

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To mitigate this operational deficiency, the Project will relocate the existing southbound SR-47 off-ramp north of the VTB at Front Street and Knoll Drive. Relocating the off-ramp to the north will separate traffic travelling from both freeways into two different exits (Harbor Boulevard/Swinford Street and Front Street/Knoll Drive), allowing for efficient movement of vehicles through the interchange that are destined for the cruise terminal, Waterfront Development, and other recreational facilities. The Project will reduce delays, potential for crashes/non-recurrent congestion and emissions.

The improvements include replacement of existing southbound (SB) off-ramp from the VTB with a new off-ramp, realignment of the existing northbound (NB) on-ramp onto the SR-47 and I-110 connector, modification of the SB off-ramp onto Harbor Boulevard, and modification of the NB on-ramp onto VTB toward Terminal Island. Work also includes removal of abandoned railroad, settlement mitigation along new NB SR-47 on and off ramps (including temporary and permanent site drainage, specialty retaining walls and utility relocations), realignment of Knoll Drive to facilitate the new on and off ramp construction, widening the west side of Front Street (includes paving, fencing, sidewalk, landscape and irrigation, drainage, street lighting, traffic signal modifications, and bike lanes where feasible).

The Project has received the following grant funding: \$13,383,000 from the California Senate Bill 1 Trade Corridor Enhancement Program; \$9,880,000 from the United States Department of Transportation Maritime Administration; and \$37,395,000 from the Los Angeles County Metropolitan Transit Authority (LACMTA), with an additional \$5,125,000 to be executed via Amendment No. 3. These funds can be utilized for certain Contract expenses totaling up to \$65,783,000.

Previous Board Actions (Grant Funding) – The Harbor Department executed the following agreements with the state and federal agencies to receive funding for the Construction Phase of the Project.

On April 15, 2021, the Board approved the Trade Corridor Enhancement Program (TCEP) Baseline Agreement between the Harbor Department and the California Transportation Commission to receive \$13,383,000 in Senate Bill 1 TCEP funds and authorized the Environmental Management Division to file the Notice of Determination for the Project.

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On June 23, 2022, the Board approved Amendment No. 2 to the Grant Funding Agreement No. 920000000MR312.32 (Harbor Agreement No. 22-9870), between the Harbor Department and the LACTMA, to receive \$37,395,000 in Measure R funds for construction of the project.

On March 30, 2023, the Board approved the Port Infrastructure Development Program (PIDP) Grant Funding Agreement between the Harbor Department and the United States Department of Transportation Maritime Administration to receive \$9,880,000 in PIDP funds for construction of the Project.

Previous Board Actions (Cooperative Agreements) – Since the improvements to the interchange fall within the California Department of Transportation (Caltrans) jurisdiction, the Harbor Department and Caltrans executed the Cooperative Agreements and Amendments listed below to define the roles and responsibilities of each agency during each stage of the project life cycle.

On November 17, 2015, the Board approved Cooperative Agreement 07-5049 between the Harbor Department and California Department of Transportation (Caltrans) in the amount of \$150,000, to develop the Project Study Report for the Project.

On June 15, 2017, the Board approved Cooperative Agreement No. 07-5120 between the Harbor Department and Caltrans to develop the Project Approval and Environmental Document (PA&ED) for the Project.

On November 1, 2018, the Board approved Cooperative Agreement No. 07-5164 between the Harbor Department and Caltrans to develop Plans, Specifications, and Estimates (PS&E) for the Project.

On May 16, 2019, the Board approved Amendment No.1 to Cooperative Agreement No. 07-5164 between the Harbor Department and Caltrans to correct the name of the Environmental Document from a Categorical Exemption to a Negative Declaration/Finding of No Significant Impact.

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On July 14, 2022, the Board approved Caltrans Cooperative Agreement No. 07-5257 (Harbor Agreement No. 22-9872) between the Harbor Department and Caltrans which defines the roles and responsibilities of each agency during construction of the Project.

On August 10, 2023, the Board approved Amendment No. 1 to Caltrans Cooperative Agreement No. 07-5257 (Harbor Agreement No. 22-9872-A) between the Harbor Department and Caltrans to replace the Funding Agreement Summary No. 1 with Funding Summary No. 2 to reflect the latest grant amounts and overall project construction cost total.

Construction Award Process – City of Los Angeles Charter Section 371 (a) – Competitive Bidding sets forth the procedure staff follow to award the 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 of Los Angeles, as well as on the Port of Los Angeles website and in Regional Alliance Marketplace for Procurement (RAMP). The Harbor Department also conducts a pre-bid conference to answer questions related to the construction contract.

Bidders submit bids through the Port's Construction Division Business Opportunity Network (CDBON) System. The opportunity to submit bids closes once a predetermined time is reached. After bid closing, bid documents, Disadvantaged Business Enterprise (DBE) 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, a recommendation for award of the construction contract is made. If the apparent low bidder is found non-responsive, the next lowest bidder is reviewed.

In conformance with the City Charter section for competitive bidding, as stated above, on July 13, 2023, the Notice of Inviting Bids for Specification No. 2816 was advertised on the Harbor Department website, in RAMP, and in the Los Angeles Times, Chinese Daily News, LA Watts Times, Dodge Construction "Green Sheet" and the Metropolitan News Company to reach out to as many potential bidders as possible. A pre-bid meeting was held on August 2, 2023.

Bid Results – As authorized by the Executive Director on June 8, 2023, the Chief Harbor Engineer received 5 bids for the Contract on October 24, 2023. Skanska was declared the apparent lowest bidder with a bid of \$90,988,550. Staff completed the evaluation of the bids and determined Skanska to be the lowest responsive and responsible bidder.

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The analysis of bid results with the companies and their respective bid amounts are included in Transmittal 2. Skanska submitted the documents required in Section 00012.09 within the time specified in the Specification. Construction staff has verified Skanska's state license. Skanska has certified compliance with Section 10.8.4 - Affirmative Action Program Provisions of Ordinance No. 143429.

Projects that receive federal funding are subject to federal Disadvantaged Business Enterprise (DBE) requirements. Therefore, the Small Business Enterprise and Very Small Business Enterprise program was replaced with the DBE program. As defined in the Specification, a DBE is a small business, pursuant to Section 3 of the Small Business Act and relevant regulations, which is majority owned and operated by one or more socially and economically disadvantaged individuals. Those individuals who are women, Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, or Subcontinent Asian Americans, and any other minorities or individuals found to be disadvantaged by the Small Business Administration pursuant to Section 8(a) of the Small Business Act are categorized as socially and economically disadvantaged individuals. The DBE program is administered by Caltrans on behalf of the federal government and the Department will be responsible to verify compliance with the federal regulations and documentation requirements of Caltrans' DBE program. The DBE participation goal for the project is 23%. Skanska's proposed participation level is 23.20% (Transmittal 3).

The Contract is subject to the terms of Project Labor Agreement No. 17-3526, as approved by the Board on September 7, 2017, and the Los Angeles City Council on December 5, 2017. Local hire is not allowed as a provision of the federal funding for this project; therefore, a Letter of Understanding, signed by both the Harbor Department and the Los Angeles/Orange Counties Building and Construction Trades Council, waives the local hire requirement for this Project and has been included in Appendix "A" of the Specification. This Contract is also consistent with the State of California Prevailing Wage provisions and minimum wage requirements per the Davis-Bacon Act provisions for Federal-aid construction projects.

The contingency amount of 10% is necessary to address unforeseen requirements and conditions that may be encountered that are beyond the work included in the contract bid items. Unforeseen conditions include, but are not limited to, differing site conditions and unforeseen scope changes.

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**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of an award of the Contract to Skanska to construct the State Route 47/VTB & Front Street/Harbor Boulevard Interchange Reconfiguration project (Project). The SR-47 Project was assessed in a Final Negative Declaration prepared by Caltrans for the State Route 47/VTB and Front Street/Harbor Boulevard Interchange Reconfiguration Project (SCH #2018101003), which was considered by the Board on April 15, 2021. As such, the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to the requirements of CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed Contract will authorize expenditures of up to \$100,087,405 for the construction of the Project. Funds in the amount of \$10,000,000 are budgeted for the Fiscal Year (FY) 2023-2024 in Account No. 54510 (Capital Construction Services), Center No. 1172, and Program No. 000. Funds are anticipated to be expended as follows:

FY 2023-2024	\$ 10,000,000
FY 2024-2025	\$ 41,000,000
FY 2025-2026	\$ 41,000,000
FY 2026-2027	\$ 8,087,405
<b>TOTAL</b>	<b>\$100,087,405</b>

Future fiscal year funding will be requested as part of the annual budget process, subject to Board approval. While the Harbor Department will be responsible for funding the proposed Contract amount of \$100,087,405, the Harbor Department has also been awarded \$65,783,000 in grant funds to offset Project costs. Net of grant receipts, staff anticipates the Harbor Department will be ultimately responsible for \$34,304,405 in Project costs.

Although Skanska is not obligated to perform any work under the Contract in any fiscal year in which no appropriation for the Contract has been made, Skanska 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 therefore is approved

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within that 60-day period. Skanska 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 an 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. 2816 as to form and legality on March 24, 2023.

**TRANSMITTALS:**

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

FIS Approval: MB

CA Approval: SO



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SHAUN SHAHRESTANI  
Chief Harbor Engineer

*Dina Aryan-Zahlan*  
DINA ARYAN-ZAHLAN, P.E.  
Deputy Executive Director

**APPROVED:**

*Marla Bleavins* For  
EUGENE D. SEROKA  
Executive Director

Author: L. Walsh  
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