



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JUNE 11, 2015

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ -
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT
CONTRACTOR: MANSON CONSTRUCTION COMPANY
BERTHS 214-220 REDEVELOPMENT
SPECIFICATION NO. 2763**

SUMMARY:

The Berths 214-220 Redevelopment Project (Project) is a component of the ten-year lease extension of the Yusen Terminals, Inc. Container Terminal. The Project includes dredging; wharf improvement; backland improvements; and utility relocation and removals. The lowest responsive and responsible bidder is Manson Construction Company located in Long Beach, California. The contract amount, plus a 10% contingency, is \$44,617,210, and the contract duration is 660 calendar days. The Project is partially funded under the Proposition 1B, State Trade Corridor Improvement Fund, through the State of California Department of Transportation, in the amount of \$8,401,000. The Harbor Department is financially responsible for payment under the proposed construction contract.

RECOMMENDATION:

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

1. 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;
2. Award and approve, subject to Recommendation No. 3 below, Specification No. 2763 for Item Nos. 1 through 73 of the proposal schedule to Manson Construction Company, in the amount of \$40,561,100; that a 10% contingency not included in the original contract amount be applied for a total authorization of \$44,617,210; and authorize payment from the City of Los Angeles Harbor Department Construction Account. The contract time for performance of the work will be 660 calendar days from the Notice to Proceed;

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3. Authorize the Executive Director to execute and the Board Secretary to attest to this contract for and on behalf of the Board;
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
5. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – On November 6, 2014, the Board approved the Final Environmental Impact Report (EIR) for the Berths 212-224 Yusen Terminals, Inc. (YTI) Container Terminal Improvements Project (APP No. 130204-020; SCH No. 2013041017).

The scope of this Project consists of the dredging to -53 ft and installing underwater bulkhead at Berths 214-217, extending and replacing approximately 1,485 linear feet (ft) of 100 ft gauge crane rail, reconfiguring and upgrading switchgears at Berths 212, 214, and 217 electrical substation, installing Alternative Maritime Power (AMP) facilities at Berths 218-220, resurfacing pavement on approximately five acres of backland, stripping, relocating and modifying of utilities and fire hydrants as required. An aerial site plan showing the limits of the Project can be found in Transmittal 3.

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.

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.

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 of Los Angeles, 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.

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Following submittal to the Harbor Department, the bids are publicly opened, and the apparent lowest bidder is declared. Bid documents, SBE and 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. 2763 was advertised on April 16, 2015 on the Port of Los Angeles website, in Dodge Construction "Green Sheet", LA Watt's Times, Daily Breeze, Chinese Daily News, and Metropolitan News Company to reach out to as many potential bidders as possible. A pre-bid meeting was held on April 29, 2015.

As authorized by the Executive Director, the Chief Harbor Engineer received four bids for the subject contract on June 8, 2015. The Analysis of Bids (Transmittal 1) lists the companies that submitted bids and their respective bid amounts. The bids received were opened, and Manson Construction Company was declared the apparent lowest bidder at the time of the bid opening with a bid of \$40,561,100.

Construction staff has verified Manson Construction Company's state license. In conformance with Section 10.8.4 of Ordinance No. 143429, certification is hereby made that Manson Construction Company 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. Manson Construction Company'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 \$44,617,210.

The Harbor Department had set a minimum SBE participation level of 10%, of which 5% shall be VSBE participation. Manson Construction Company has provided the required documents regarding their SBE and VSBE participation and has included 13.58% SBE Subcontractors/Suppliers of which 9.02% 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.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a construction contract with Manson Construction Company for construction of the Berths 214-220 Redevelopment Project. The Project was assessed in the Final EIR for the Berths 212-224 YTI Container Terminal Improvements Project which was certified by the Board on November 6, 2014. Therefore, as an activity for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA), the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II, Section 2(i) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Funds for the Fiscal Year 2015/2016, in the amount of \$17,674,068, have been requested to be budgeted in Capital Budget, Account No. 54510, Center No. 1165, Program No. 000. Funds are expected to be expended as follows over the next three fiscal years:

Fiscal Year 2015/2016	\$ 17,674,068
Fiscal Year 2016/2017	\$ 26,515,300
<u>Fiscal Year 2017/2018</u>	<u>\$ 427,842</u>
Total	\$ 44,617,210

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 is \$47,818,998, which does not include design, construction management, and other administrative costs of \$10,961,282, which brings the total Project cost to \$58,780,280. Approval of this contract will not require an increase in the total Project budget which stands at \$58,780,280. The tenant is responsible for costs associated with the maintenance improvements under this contract. There is expected to be a budget savings of \$3,201,788 as the actual contract award plus contingency is less than the amount budgeted for this project.

This Project is partially funded under the Proposition 1B, State Trade Corridor Improvement Fund, through the State of California Department of Transportation, in the amount of \$8,401,000. State funding requires that the Project must be awarded by July 14, 2015. The Harbor Department's cost share for the proposed Project will be \$50,379,280. This is based on the awarded amount with a 10% contingency and subtracting the total grant reimbursement of \$8,401,000. All grant funding will be on a reimbursement basis.

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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.

ECONOMIC BENEFITS:

Spending under the proposed contract will support 326 direct and 266 secondary one-year equivalent jobs for the five county region.

CITY ATTORNEY:

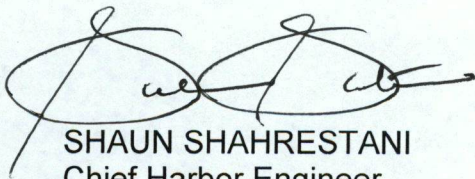
The Office of the City Attorney reviewed and approved Specification No. 2763 as to form and legality on March 31, 2015.

TRANSMITTALS:

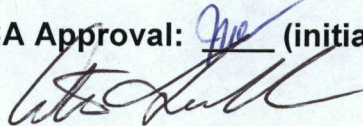
- 1. Analysis of Bids
- 2. Contractor and Subcontractor List
- 3. Project Aerial Site Map

FIS Approval: MB (initials)

CA Approval: AG (initials)



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Chief Harbor Engineer
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APPROVED:


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