



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

Board of Harbor Commissioners

DATE: NOVEMBER 14, 2013

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ -
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT
CONTRACTOR: SHIMMICK CONSTRUCTION COMPANY, INC.
BERTHS 142-147 ICTF
SPECIFICATION NO. 2752**

SUMMARY:

The Berths 142-147 ICTF project (Project) is a component of the phased development of the Berths 136-147 Trans Pacific Container Services, Corp. (TraPac) Container Terminal Improvement Program. The Project will redevelop the existing Pier A Rail Yard into an intermodal container transfer facility (ICTF). The lowest responsive and responsible bidder is Shimmick Construction Company, Inc., located in Irvine, California. The contract amount, plus a 10% contingency, is \$67,512,500. The contract duration is 810 calendar days. The Project is partially funded by the California Transportation Commission for State Proposition 1B Trade Corridors Improvement Fund (TCIF) program in the amount of \$20,712,157.

RECOMMENDATION:

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

1. Find that in accordance with the 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. 2752 for Item Nos. 1 through 48 of the proposal schedule to Shimmick Construction Company, Inc. in the amount of \$61,375,000; that a 10% contingency, not included in the original contract amount be applied for a total authorization of \$67,512,500; and authorize payment from the City of Los Angeles Harbor Department Construction Account. The contract time for performance of the work will be 810 calendar days from the Notice to Proceed;
3. This approval shall not become effective unless and until the Los Angeles City Council affirmatively approves the Order approving that certain Second Amendment to Permit No. 881 with TraPac, Inc., currently pending before the Los Angeles City Council File Number 13-1501;

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4. Upon the satisfaction of the condition in Recommendation No. 3, above, 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 – On December 6, 2007, the Board approved the Berths 136-147 [TraPac] Container Terminal Environmental Impact Report (EIR). An addendum to this EIR to address conditions pertinent to the ICTF was considered by the Board on September 19, 2013 in connection with Second Amendment to Permit No. 881.

On June 12, 2012, State Proposition 1B Trade Corridors Improvement Fund Program – California Transportation Commission “Baseline Agreements” between the City of Los Angeles Harbor Department (Harbor Department) and the State of California was approved by the Board.

On April 9, 2013, the Board approved Resolution No. 13-7473 authorizing the prequalification of contractors under Specification No. 2752 for the Project.

This Project is part of the overall automated container terminal development program at the Trans Pacific Container Service Corp. (TraPac) terminal (Transmittal 3). The scope of this Project consists of developing an ICTF. The work includes demolishing the existing Pier A Rail Yard; grading; placing surcharge; constructing new utilities, some with steel casings, including water, sewer, storm drain, electrical, and communications; installing trackwork; installing railway signal equipment; installing a train in motion system; installing switches, sliding derails, and bumper posts; installing crane rail foundation and crane rail; installing high mast poles and fire hydrant assemblies; installing optical character recognition portals, a turnover anchor pit, and compressed air system; constructing a secondary gate with truck scales, gate arms, and concrete pedestals; constructing a compressor building, guard booth, and customs/border protection office building; constructing concrete and asphalt concrete pavement; and installing signage, striping, and fencing on K-rail.

This Project will be constructed in compliance with the Harbor Department’s 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. The duration of the Project is 810 calendar days. Construction is anticipated to start in February 2014 and be completed in Summer 2016.

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This is a very large construction contract requiring specific experience and equipment to perform the work. This contract is also temporary in nature. 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.

The Project is funded by the California Transportation Commission for State Proposition 1B TCIF program in the amount of \$20,712,157. State funding declares that the Project must be awarded by December 10, 2013.

Construction Award Process - City Charter Section 371, Subdivision 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 and job walk to familiarize the prospective bidders with the jobsite and to answer questions related to the construction contract.

Following the submittal to the Harbor Department, the bids are publicly opened, and the apparent lowest bidder is declared. Bid documents, and other 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 low bidder is found non-responsive, the next lowest bidder is reviewed.

In accordance with Resolution No. 13-7473, approved by the Board on April 9, 2013, only prequalified prime contractors were allowed to submit bids for this Project. The Prequalified Prime Contractors are Ames Construction, Inc./Railworks Track Systems, Inc., Joint Venture, Balfour Beatty Rail, Inc., Herzog Contracting Corp., Kiewit Infrastructure West Co., Shimmick Construction Company, Inc., and Technology Resource Center, Inc./Flat Iron West, Inc./H&H Engineering Construction, Inc., Joint Venture.

In conformance with the City Charter section for competitive bidding, as stated above, the Notice of Inviting Bids for Specification No. 2752 was advertised on September 9, 2013 on the Port of Los Angeles website, and in LA Watt's Times, La Opinion, Rafu Shimpo, 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 September 19, 2013.

As authorized by the Executive Director on August 22, 2013, the Chief Harbor Engineer received six bids for the subject contract on October 17, 2013. The Analysis of Bids (Transmittal 1) lists the companies that submitted bids and their respective bid amounts. The bids received were opened and Shimmick Construction Company, Inc. (Shimmick) was declared the apparent lowest bidder at the time of the bid opening with a bid of \$61,375,000.

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Construction staff has verified Shimmick's state license and project references. In conformance with Section 10.8.4 of Ordinance No. 143429, certification is hereby made that Shimmick 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. Shimmick's bid has been found responsive. A 10% contingency is recommended based on a qualitative review of project specific risks, 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 authorization of \$67,512,500.

The Harbor Department had set a minimum SBE participation level of 12% and a minimum VSBE participation level of 5%. Shimmick has provided the required documents regarding their SBE and VSBE participation, and has included 17.01% SBE subcontractors/suppliers of which 12.83% 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 12, 2011, and the Los Angeles City Council on May 11, 2011.

This Project, along with the other nine projects that comprise the TraPac Terminal Program, is currently within the budgets approved by the Board on September 19, 2013, totaling \$510,412,338.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a construction contract with Shimmick Construction Company, Inc., for construction of the Berths 142-147 ICTF project. The Project was included as part of the Berths 136-147 TraPac Final Environmental Impact Statement (EIS)/Environmental Impact Report (EIR) which was certified by the Board in December 2007, and the EIR addendum considered by the Board on September 19, 2013. 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 current fiscal year 2013/2014 in the amount of \$5,081,014, are budgeted in Capital Budget, Account No. 54510, Center No. 1161 Program No. 000. Funds for future fiscal years will be requested as part of the annual budget adoption process, subject to Board approval.

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It is anticipated that the funds for this construction contract in the amount of \$67,512,500 will be expended as follows over the next three fiscal years:

Fiscal Year 2013/2014	\$ 5,081,014
Fiscal Year 2014/2015	\$ 31,215,486
<u>Fiscal Year 2015/2016</u>	<u>\$ 31,216,000</u>
Total	\$ 67,512,500

The total construction budget for this Project is \$74,665,558, which does not include design, construction management, and other administrative costs of \$18,353,060, and which brings the total Project cost to \$85,865,560. Approval of this contract will not require an increase in the total Project budget, which stands at \$85,865,560 as modified by the Board on September 19, 2013. TraPac is responsible for all costs associated with the maintenance of improvements under this contract.

The Project is partially funded under the State Proposition 1B Trade Corridors Improvement Fund program in the amount of \$20,712,157. State funding requires that the Project must be awarded by December 10, 2013. The Harbor Department's cost share for the proposed Project will be \$46,800,343. This is based on the awarded amount with 10% contingency and subtracting the total grant reimbursement of \$20,712,157. All grant funding will be on a reimbursement basis.

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 493 direct and 402 secondary one-year equivalent jobs for the five-county region.

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CITY ATTORNEY:

The Office of the City Attorney reviewed and approved Specification No. 2752 as to form and legality on August 7, 2013.

TRANSMITTALS:

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

FIS Approval: ldg (initials)

CA Approval: gpc (initials)

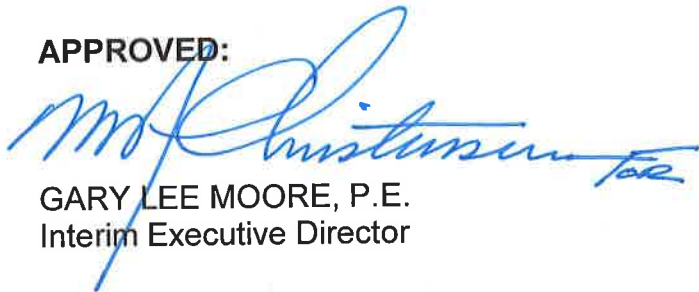


SHAUN SHAHRESTANI
Chief Harbor Engineer
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MICHAEL R. CHRISTENSEN
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APPROVED:



GARY LEE MOORE, P.E.
Interim Executive Director

LW:lm
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ADP NO. 020402-064