



**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: GRIFFITH COMPANY  
BERTHS 142-143 BACKLAND IMPROVEMENTS  
SPECIFICATION NO. 2756**

**SUMMARY:**

The Berths 142-143 Backland Improvements Project (Project) is a component of the phased development of the Berths 136-147 TraPac Container Terminal Improvement Program (Program). This Project will consist of the construction of 15 automated stacking blocks, each with the capacity to operate two automated stacking cranes, and related infrastructure. The automated stacking cranes will be fabricated and deployed by Trans Pacific Container Services, Corp. (TraPac), the operator of the terminal. The lowest responsive and responsible bidder is Griffith Company located in Brea, California. The contract amount, plus a 10% contingency, is \$116,242,841. The contract duration is 1,080 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 \$26,664,000.

**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. 2756 for Item Nos. 1 through 70 of the proposal schedule to Griffith Company, in the amount of \$105,675,310; that a 10% contingency not included in the original contract amount be applied for a total authorization of \$116,242,841; and authorize payment from the City of Los Angeles Harbor Department Construction Account. The contract time for performance of the work will be 1,080 calendar days from the Notice to Proceed;

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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 in Council File Number 13-1501;
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 Project Environmental Impact Report (EIR). On September 19, 2013, an addendum to this EIR, for the Berths 142-143 Backland Improvements Project, was considered by the Board in connection with the Second Amendment to Permit No. 881. On September 2008, the Board approved a Level III Coastal Development Permit (No. 08-07) for the TraPac Terminal Expansion Project, Berths 136-147.

This Project is part of the overall automated container terminal development program at the TraPac terminal. The scope of this Project consists of the construction of 15 automated stacking blocks, each with the capacity to operate two automated stacking cranes, over 72 acres of container terminal backland. The work includes grading, utilities, (storm drain, sewer, gas, water, and lighting), crane rail, striping, signage, and fencing. It also includes concrete pavement and transtainer runways throughout the terminal, which will accommodate new automated electric powered transtainer cranes. 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 very large 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.

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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.

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. 2756 was advertised on September 10, 2013 on the Port of Los Angeles website, in Dodge Construction "Green Sheet", LA Watt's Times, LA Opinion, Rafu Shimpo, and Metropolitan News Company to reach out to as many potential bidders as possible. A pre-bid meeting was held on September 17, 2013.

As authorized by the Executive Director on September 3, 2013, the Chief Harbor Engineer received seven bids for the subject contract on October 31, 2013. The Analysis of Bids (Transmittal 1) lists the companies that submitted bids and their respective bid amounts. The bids received were opened, and Griffith Company was declared the apparent lowest bidder at the time of the bid opening with a bid of \$105,675,310.

Construction staff has verified Griffith Company's state license. In conformance with Section 10.8.4 of Ordinance No. 143429, certification is hereby made that Griffith 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. Griffith 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 \$116,242,841.

The Harbor Department had set a minimum Small Business Enterprise (SBE) participation level of 14%, of which 5% shall be Very Small Business Enterprise (VSBE) participation. Griffith Company has provided the required documents regarding their SBE and VSBE participation and has included 16.32% SBE Subcontractors/Suppliers of which 5.63% is VSBE Subcontractors/Suppliers (Transmittal 2). This contract is

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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.

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 Griffith Company for construction of the Berths 142-143 backlands improvement 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 \$2,729,341, are budgeted in Capital Budget, Account No. 54220, Center No. 1103, Program No. 000. Funds for future fiscal years will be requested to be budgeted as part of the annual budget process, subject to Board Approval. Funds for this contract are expected to be expended as follows over the next four fiscal years:

Fiscal Year 2013/2014	\$ 2,729,341
Fiscal Year 2014/2015	\$ 40,000,000
Fiscal Year 2015/2016	\$ 38,000,000
<u>Fiscal Year 2016/2017</u>	<u>\$ 35,513,500</u>
<b>Total</b>	<b>\$116,242,841</b>

The total construction budget for this Project is \$129,000,000, which does not include design, construction management, and other administrative costs of \$14,422,405, which brings the total Project cost to \$143,422,405. Approval of this contract will not require an increase in the total Project budget which stands at \$143,422,405 as modified by the Board on September 19, 2013. TraPac is responsible for all costs associated with the maintenance of improvements under this contract.

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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 \$26,664,000. 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 \$89,578,841. This is based on the awarded amount with a 10% contingency and subtracting the total grant reimbursement of \$26,664,000. 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 849 direct and 693 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. 2756 as to form and legality on August 26, 2013.

**TRANSMITTALS:**

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

FIS Approval:  (initials)

CA Approval:  (initials)

  
SHAUN SHAHRESTANI  
Chief Harbor Engineer  
Construction Division

  
MICHAEL R. CHRISTENSEN  
Deputy Executive Director

APPROVED:

  
GARY LEE MOORE, P.E.  
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BR:be/lm  
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