



**DATE: MARCH 1, 2018**

**FROM: CONSTRUCTION AND MAINTENANCE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - AWARD OF CONTRACT NO. 39852 TO JOHNSON CONTROLS FIRE PROTECTION LP FOR PORT-WIDE FIRE ALARM AND FIRE SUPPRESSION SYSTEM MAINTENANCE AND UPGRADES**

**SUMMARY:**

Staff requests that the Board of Harbor Commissioners (Board) approve a one-year contract with two one-year renewal options to Johnson Controls Fire Protection LP (JCFP) of Santa Fe Springs, California for port-wide fire alarm and fire suppression system maintenance and upgrades. The amount of this contract is not to exceed \$2,839,000 for the initial year. If the two renewal options are exercised, \$2,980,950 will be authorized for second year and \$3,130,000 will be authorized for the third year. The total contract amount will not exceed \$8,949,950 over the three years if the renewal options are exercised. The contract is based on a cooperative arrangement with the National Joint Powers Alliance through their Contract No. 031517-SGL. The fire-life safety systems installed for the Los Angeles City Harbor Department (Harbor Department) require personnel with specialized certification to maintain, test, and program the equipment that City employees do not possess. This contract is the financial responsibility of the Harbor Department.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Find that the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) and Article III, Class 1(6) of the Los Angeles City CEQA Guidelines;
2. Find that in accordance with City of Los Angeles Administrative Code Division 10, Chapter 1, Article 2, Section 10.15 (a)(8), the Harbor Department may enter into the agreement with JCFP based on a cooperative arrangement with the National Joint Powers Alliance to utilize Contract No. 031517-SGL;
3. Find that in accordance with Los Angeles City Charter Section 1022, work under the subject contract can be performed more feasibly by independent contractors than by City employees;
4. Award Contract No. 39852 with JCFP for a term of one year with two one-year renewal options for the not to exceed amount of \$2,839,000 in the first year; not to exceed \$2,980,950 in the first renewal option year; not to exceed \$3,130,000 in the second

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renewal option year; for a total compensation amount not to exceed \$8,949,950; and authorize said expenditures;

5. Authorize the Executive Director to execute Contract No. 39852 in accordance with National Joint Powers Alliance No. 031517-SGL effective April 1, 2018; and
6. Adopt Resolution No. \_\_\_\_\_ .

**DISCUSSION:**

Background/Context - The Harbor Department, through its Construction and Maintenance Division (C&M) is responsible for maintaining and monitoring fire alarm and fire suppression systems at locations throughout the Port of Los Angeles (Port) including:

- a. Port of Los Angeles (POLA) Administration Building
- b. Port Police Headquarters (330 Centre Street)
- c. Liberty Hill Plaza
- d. Pilot Station and two staff occupied trailers
- e. C&M/Contracts & Purchasing Administration Building (500 Pier A Street)
- f. C&M Yard and Shops (Berth 161)
- g. Port of Los Angeles Test Lab
- h. Police Facility (239 N. Avalon Blvd.)
- i. Police Dive Team Facility (954 Seaside Street)
- j. Maritime Museum (Berth 84)
- k. Former U. S. Customs Building (300 Ferry Street)
- l. World Cruise Center (Berths 91- 93)
- m. Banning's Landing (100 E. Water Street)
- n. Maritime Law Enforcement Training Center (MLETC) (300 E. Water Street)
- o. Former Naval Reserve facility (801 Reeves Avenue)
- p. Former Southwest Marine facility (Berth 240)
- q. Yang Ming terminal buildings (Berths 121-131)
- r. TraPac terminal buildings (Berths 135-147)
- s. Yusen terminal buildings (Berths 212-225)
- t. Everport terminal buildings (Berths 226-236)
- u. Eagle Marine terminal buildings (Berths 302-305)
- v. APMT terminal buildings (Berths 401-406)

The work performed under this contract (Transmittal No. 1) will involve maintaining, repairing, and upgrading fire-life safety equipment requiring specialized training and certification. This includes a State of California C-16 Fire Protection license, National Institute for Certification in Engineering Technologies (NICET) certification, and certification from the manufacturer for installation.

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The work to be performed will involve fully certified, local union technicians performing the repair, maintenance, inspection, testing, programming, and upgrades required for the Harbor Department's systems. They will also complete upgrades of existing fire-life safety systems.

The tasks that JCFP will perform under this contract include the Los Angeles Fire Department mandated Chief's Regulation No. 4 testing of smoke detectors, pull stations, sprinkler heads, and notification devices. Most fire-life safety systems require annual testing and repair, with exceptions for quarterly sprinkler inspections to comply with insurance liability provisions, and semi-annual testing of halon fire extinguishers and air/gas systems to comply with National Fire Protection Association (NFPA) guidelines and City of Los Angeles Department of Building and Safety codes.

In addition, JCFP is assisting C&M in the upgrade of fire-life safety systems throughout the Port as part of the \$5 million per year Deferred Maintenance Program in the capital budget. A portion of those capital funds, at least \$1.8 million, will be used to upgrade fire-life safety systems at the Port Police Building, Port Pilot Station, the former Southwest Marine facility, Vopak terminal, Maritime Museum, and other locations requiring compliance with Los Angeles Fire Department Regulation 4 requirements.

The benefits of contracting with JCFP include standardization of equipment, parts inventory, maintenance, and training for a fire life safety infrastructure that is more than 90 percent comprised of equipment manufactured by SimplexGrinnell, with whom the Harbor Department has contracted with for fire protection maintenance and upgrade services in previous years. SimplexGrinnell is now a subsidiary of JCFP, the proposed contractor for fire protection maintenance and upgrade services. As is standard in the fire life safety industry, the manufacturer of the equipment requires that their certified technicians (with NICET Level II certification and manufacturer training) maintain that equipment. Utilizing SimplexGrinnell as the fire life safety systems manufacturer was also determined by Port Police Homeland Security staff to be the best choice to migrate over to mass notification fire-life safety systems throughout the Port. Past observations and experiences with some other fire-life safety vendors have resulted in a high number of failures and problems. SimplexGrinnell has demonstrated that they can provide technologically and operationally superior products and services for Harbor Department facilities and, through JCFP, staff proposes to continue this association.

Contract Process - The National Joint Powers Alliance (NJPA) is a municipal contracting agency under the authority of the State of Minnesota that provides cooperative contract purchasing opportunities for government, education, and non-profits nationwide. There is no cost, obligation, or liability to participate in NJPA contracts. All of their contracts are competitively bid and the aggregation of products and services to a high volume of public sector users results in competitive pricing.

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The City of Los Angeles Charter Article III, Section 371(e)(8) and Los Angeles Administrative Code Division 10, Chapter 1, Article 2, Section 10.15 (a)(8) allow for "contracts for cooperative arrangement with other governmental agencies for the utilization of the purchasing contracts and professional, scientific, expert or technical services contracts for those agencies and any implementing agreements, even though the contracts and implementing agreements were not entered into through a competitive bid process."

The NJPA contract is a mechanism for the Harbor Department to utilize SimplexGrinnell services through its new owner, JCFP, at prices that match or exceed high volume government discounts. If the Harbor Department had released its own bid for SimplexGrinnell services and products to support the infrastructure that has been developed over the past several years, it is possible that SimplexGrinnell, through JCFP, would have been the sole responsive bidder and charged the Harbor Department a higher price than those in the NJPA price lists. The cooperative arrangement allows for the best prices for an extended period of time. The proposed action to join the NJPA contract with JCFP, in accordance with the City of Los Angeles Charter and Administrative Code, is in the Harbor Department's best interests and consistent with City contracting policies.

In addition, the NJPA pricing structure is the lowest that JCFP offers. It is approximately two percent lower than the federal General Services Administration (GSA) pricing used in earlier Harbor Department contracts, and ten percent lower than local district pricing (versus national volume pricing). The Harbor Department may find a cheaper alternative to JCFP, but not without incurring millions of dollars in fire-life safety equipment modifications and changes to the already approved SimplexGrinnell equipment platform for the Port-wide mass notification system, and not without compromising safety, security and reliability. Fifteen years ago, the Harbor Department had contracts with several other fire-life safety companies, but reliability problems and other challenges negatively impacted the Port's fire-life safety systems. C&M staff determined that through utilizing SimplexGrinnell products and expertise, the Harbor Department has achieved the highest level of reliability with a technology platform that cost effectively serves all of its fire protection maintenance and upgrade needs.

The proposed contract with JCFP will succeed the currently used NJPA sponsored contract with SimplexGrinnell which will expire on March 31, 2018. C&M requests the Board to authorize the Harbor Department to enter into the proposed cooperative arrangement commencing April 1, 2018 and ending three years later (should the Harbor Department exercise each of the two one-year renewal options).

**ENVIRONMENTAL IMPACT:**

The proposed action is approval of a contract to JCFP for port-wide fire alarm and fire suppression system maintenance and upgrades which is an administrative activity and an activity involving the addition of safety devices for use in conjunction with existing

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an activity involving the addition of safety devices for use in conjunction with existing facilities. Therefore, the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) and Article III, Class 1(6) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Between 2012 and 2017, C&M has spent between \$1,100,000 and \$2,690,000 annually on fire-life safety systems maintenance, repair, installation, testing, programming and upgrades. The most recent contract period has seen expenditures to date of \$1,000,000 with work primarily focused on maintenance throughout Harbor Department facilities. Over the course of the proposed contract, additional upgrade projects are anticipated to include mass notification networking upgrades at the Port Police headquarters, Pilot Station, and Vopak terminal, as well as a continuation of maintenance of existing systems.

In the first year of the new contract, a total of \$2,839,000 is expected to be spent as follows:

<u>Account No.</u>	<u>Center No.</u>	<u>Program No.</u>	<u>FY 2017-18 Amount</u>	<u>FY 2018-19 Amount</u>	<u>Total</u>
54010	0510	000	\$ 230,000	\$ 690,000	\$ 920,000
54010	1207	000	\$ 480,000	\$ 1,439,000	\$ 1,919,000
		<b>TOTAL</b>	<b>\$ 710,000</b>	<b>\$ 2,129,000</b>	<b>\$ 2,839,000</b>

A funding out clause is included in the contract. In order to fund the contract renewal option, future fiscal year funding will be requested as part of the annual budget process upon Board approval. Assuming such funding is approved by the Board and if the one-year renewal options are exercised in the second & third years, with the approval of the Executive Director, \$2,980,950 and \$3,130,000 will be authorized in the respective contract years, representing a roughly five percent annual increase per year, for a total contract amount of \$8,949,950.

**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved this contract as to form and legality.

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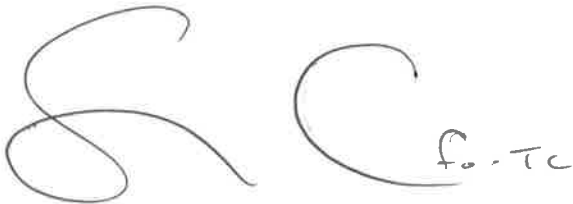
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**TRANSMITTALS:**

1. Contract No. 39852

FIS Approval: MB

CA Approval: me

Handwritten signature of Tim Clark, consisting of a large, stylized 'S' followed by a 'C' and the initials 'fo-TC'.

TIM CLARK  
Director of Port Construction and Maintenance

Handwritten signature of Antonio V. Gioiello, appearing as a cursive 'A' followed by 'ntonio Gioiello'.

ANTONIO V. GIOIELLO, P.E.  
Deputy Executive Director

APPROVED:

Handwritten signature of Eugene D. Seroka, appearing as 'Eugene D. Seroka' in cursive, followed by the word 'FOR'.

EUGENE D. SEROKA  
Executive Director

Author: F. Albers