



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: MARCH 7, 2019
FROM: ENGINEERING
SUBJECT: RESOLUTION NO. _____ - PROPOSED FIRST AMENDMENT TO PERSONAL SERVICES AGREEMENTS BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND AECOM TECHNICAL SERVICES, INC. AND JACOBS ENGINEERING GROUP, INC. FOR THE ON-CALL ENGINEERING SERVICES FOR MARINE OIL TERMINAL ENGINEERING AND MAINTENANCE STANDARDS (MOTEMS) PROGRAM

SUMMARY:

Staff requests approval of first amendments (First Amendments) to Agreement No. 17-3470 with AECOM Technical Services, Inc. (AECOM) and Agreement No. 17-3471 (collectively, the Agreements) with Jacobs Engineering Group Inc. (Jacobs). The First Amendments will increase total compensation under Agreement No. 17-3470 from \$2,000,000 to \$4,000,000 and will increase total compensation under Agreement No. 17-3471 from \$2,000,000 to \$3,750,000. In aggregate, the First Amendments will increase total compensation under these agreements by \$3,750,000 from \$4,000,000 to \$7,750,000. All other terms and conditions within Agreement No. 17-3470 and Agreement No. 17-3471 will remain the same.

The First Amendments are required at this time in order to accommodate an increase in the quantity of work for the MOTEMS program. Among the changes to the MOTEMS program are: additional engineering resulting from code revisions; additional studies to evaluate tenant proposed alternatives; additional inspections to comply with California State Lands Commission (CSLC) subsequent audit requirements; and, design support services during construction. Payment of costs incurred under the First Amendments will continue to 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 is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines;

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2. Find that in accordance with Charter Section 1022, the work proposed to be contracted could be more feasibly performed by a contractor than by a City employee. Since this proposed amendment does not add a new labor component and the original 1022 determination elements are still accurate, a new 1022 determination is not required;
3. Approve the First Amendment to Agreement 17-3470 with AECOM Technical Services, Inc. to increase the contract amount by \$2,000,000 for the total not-to-exceed amount of \$4,000,000;
4. Approve the First Amendment to Agreement 17-3471 with Jacobs Engineering Group Inc. to increase the contract amount by \$1,750,000 for the total not-to-exceed amount of \$3,750,000;
5. Authorize the Executive Director to execute and Board Secretary to attest to the said First Amendments for and on behalf of the Board of Harbor Commissioners; and
6. Adopt Resolution No. _____.

DISCUSSION:

Background: On March 2, 2017, the Board of Harbor Commissioners approved the Agreements with AECOM (Transmittal 1) and Jacobs (Transmittal 2). These \$2,000,000 Agreements provide professional engineering design support for the Harbor Department's MOTEMS Capital Improvement Program (CIP) for three years. Staff is requesting additional authority: \$2,000,000 to the agreement with AECOM (Transmittal 3) and \$1,750,000 to the agreement with Jacobs (Transmittal 4), for a total not-to-exceed amount of \$7,750,000.

The Port of Los Angeles (Port) has several liquid bulk facilities to handle various types of commodities for both import and export. These facilities are located at multiple berths throughout the Port and accommodate tankers, barges, and bulk carriers.

The California Building Code Chapter 31F provides regulations for Marine Oil Terminals (MOTs), which require all facilities to comply with current code standards. These standards apply to all existing and new MOTs in California, and include criteria for inspection, structural analysis and design, mooring and berthing, geotechnical considerations, fire protection, piping, and mechanical and electrical systems.

MOTEMS requires all liquid bulk facilities undergo initial and subsequent audits to determine the fit-for-purpose condition of the facilities. MOTEMS further requires that all deficiencies discovered during the audit process be corrected to the requirements stated in the code. The existing MOTs do not meet all the regulations set forth in the code;

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consequently, these MOTs will either have to be retrofitted or replaced with a new MOT due primarily to the advanced age of the existing wharf structures and their lack of compliance with the code's seismic criteria.

The scope of work includes providing above and below water inspection services; MOTEMS audit services; miscellaneous MOTEMS structural and geotechnical support services; preparation of studies; and the preparation of plans, specifications, and estimates for upgrading or replacing the various liquid bulk facilities.

Due to the variety and timing of work considered under these Agreements, all work will be initiated by project directives which will define the scope of work, maximum cost, schedule, terms of payment, deliverables, work site, personnel or sub-consultants to be utilized, Small Business Enterprise (SBE) and Very Small Business Enterprise (VSBE) participation, and other pertinent details.

All project directives require Executive Director approval. The Consultants will only be compensated for work completed; any unused funds at the end of the contract term will remain with the Harbor Department. These Agreements do not include any additional change order authority; any changes in the Consultants total compensation will require Board approval.

Progress To Date: Since the Board approved the Agreements, substantial progress has been made towards the design of new code compliant marine oil unloading platforms at Berths 164 Valero (80 percent design), Berths 167-169 Shell Oil (95 percent design), Berths 150-151 Phillips 66 (10 percent), and Berths 238-239 PBF Energy (40 percent design). MOTEMS above and below water inspections have also been performed at Berths 163 (NuStar), 164 (Valero), 167-169 (Shell Oil), and 187-190 (Vopak). Currently, it is the stated intent of the marine oil terminal tenants at Berths 163 (NuStar) and Berths 187-190 (Vopak) to design and construct their respective MOTs.

First Amendment: Additional funding for the on-call agreements is required to accommodate an increase in the quantity of work for the MOTEMS program. Among the changes to the MOTEMS program are additional engineering resulting from code revisions, additional studies to evaluate tenant proposed alternatives, additional inspections to comply with California State Lands Commission (CSLC) subsequent audit requirements, and design support services during construction. Staff recommends that it is in the best interest of the Harbor Department to amend the current Agreements with AECOM and Jacobs in order to provide continuity of engineering design and to provide engineering support services during the construction period, maintaining a single responsible party as Engineering of Record for professional liability.

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As of January 18, 2019, \$3,785,014 (94.6%) out of \$4,000,000 has been committed to specific project tasks:

Consultant	Contract Amount	Commitment	%	Uncommitted	%
AECOM	\$ 2,000,000	\$ 1,851,001	92.6%	\$ 148,999	7.4%
Jacobs	\$ 2,000,000	\$ 1,934,013	96.7%	\$ 65,987	3.3%
TOTAL	\$ 4,000,000	\$ 3,785,914	94.6%	\$ 214,986	5.4%

Small Business Development Program: The Consultant Agreements will include an overall 25% SBE participation requirement. The SBE participation commitment level has been specified for the scope of work on each individual project directive when work is assigned. This has allowed the overall SBE and VSBE goals for each consultant to be tracked. As of December 28, 2018, the combined SBE achieved amount was \$480,441 out of \$2,134,338 invoiced, which represents a total SBE participation level of 22.5%.

Consultant	Invoiced	SBE Achieved Amount	SBE Participation Level%
AECOM	\$ 1,428,497	\$ 322,639	22.6%
Jacobs	\$ 705,841	\$ 157,802	22.4%
TOTAL	\$ 2,134,338	\$ 480,441	22.5%

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of Amendments to Personal Services Agreements with AECOM and Jacobs to increase the compensation under the agreement, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed First Amendments will increase the funding authority associated with the Agreements, as follows:

Consultant	Original Authority Amount	1 st Amendment Authority Increase	Total Authority Requested
AECOM	\$ 2,000,000	\$ 2,000,000	\$ 4,000,000
Jacobs	\$ 2,000,000	\$ 1,750,000	\$ 3,750,000
TOTAL	\$ 4,000,000	\$ 3,750,000	\$ 7,750,000

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Spending under the proposed First Amendment is estimated as follows:

Fiscal Year	Amount
Previous Years	\$ 0
FY 2019	\$ 600,000
Future Years	\$ 3,150,000
TOTAL	\$ 3,750,000

FY 2019 funding in the amount of \$600,000 is available within the Capital Improvement Program Budget, Account 54220 (Architectural/Engineering Design Services), Center 1195, Program 000. Future Fiscal Year funds will be requested to be budgeted through the Harbor Department's annual budgeting process, upon Board approval.

The Harbor Department's financial obligations in future fiscal years is contingent upon the Board's appropriation of funds. If any subsequent fiscal year funds are not appropriated by the Board for the work required by the Agreements, then the Agreements shall be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred. A funding out clause is included within the Agreements.

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CITY ATTORNEY

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

TRANSMITTALS:

1. Agreement No. 17-3470 with AECOM Technical Services, Inc.
2. Agreement No. 17-3471 with Jacobs Engineering Group Inc.
3. First Amendment to Agreement No. 17-3470 with AECOM Technical Services, Inc.
4. First Amendment to Agreement No. 17-3471 with Jacobs Engineering Group Inc.

FIS Approval: MB
CA Approval: gme



DAVID M. WALSH, P.E.
Chief Harbor Engineer



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

APPROVED:

 FOR

EUGENE D. SEROKA
Executive Director

ER:sc
MGT 3-3 MOTEMS