



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

Board of Harbor Commissioners

DATE: MARCH 28, 2017

FROM: CONSTRUCTION AND MAINTENANCE

SUBJECT: RESOLUTION NO. _____ - AWARD OF CONTRACT NO. 39801 TO JOHNSON CONTROLS, INC. FOR AIR CONDITIONING UNIT REPLACEMENTS AT THE BANNING'S LANDING COMMUNITY CENTER

SUMMARY:

Staff requests that the Board of Harbor Commissioners approve Contract No. 39801 with Johnson Controls, Inc. of Cypress, California for the removal and replacement of seven air conditioning units on the rooftop of the Banning's Landing Community Center in the amount of \$292,241. The existing units are 21 years old and in poor condition. This project is included in the approved Fiscal Year 2016-17 capital improvement program budget. This contract is the financial responsibility of the Harbor Department.

RECOMMENDATION:

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

1. Find that the proposed action is exempt from the requirements of the California Environmental Quality Act under Article III Class 2(6) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Approve Contract No. 39801 with Johnson Controls, Inc. in the amount of \$292,241 (\$265,674 for the proposed contract and \$26,567 as a 10% contingency);
3. Authorize the Executive Director to execute and Board Secretary to attest to Contract No. 39801 for and on behalf of the Board; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – In the last six years, the Harbor Department's Construction and Maintenance Division (C&M) has completed a wide range of capital infrastructure projects representing work that had been deferred due to either staffing or funding constraints. Funding in the capital budget has been set aside to address several projects, including but not limited to, the re-roofing of transit sheds at the Pasha Stevedoring terminal at Berths 179-181; fire alarm system replacements at the APL, Evergreen, and Yusen terminals; elevator replacements at Warehouse 1 and the World Cruise Center; and electrical infrastructure upgrades at the Yang Ming terminal.

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The replacement of seven existing air conditioning units serving the Banning's Landing Community Center is a project included in the capital improvement program budget for Fiscal Year (FY) 2016-17. The units at Banning's Landing are the responsibility of the Harbor Department and their maintenance is the responsibility of the C&M. The units range in size from 1-1/2 tons to 25 tons and are original to the building which was constructed in 1996. Units such as these typically have a life of approximately 15-17 years. These 21 year old units are in very poor condition. In addition, exposure to the sea air has hastened their deterioration. The units are rusted out at their bottoms and water from their pans is leaking onto the roof. There is also some structural damage to the unit frames due to the leaking water. Each unit needs to be replaced.

The new air conditioning units will be more energy efficient and the refrigerant will be environmentally friendly. They will be coated with material that will improve their durability in a marine environmental. Also, the new units will be equipped with automation that will allow temperature settings to be accomplished remotely instead of having to send a service worker to the site.

Selection Process – The City of Los Angeles Charter Article III, Section 371(e)(8) and Los Angeles Administrative Code Division 10, Chapter 1, Article 2, Section 10.5 (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 federal General Services Administration (GSA) contract is a mechanism for the Harbor Department to utilize Johnson Controls, Inc. at prices that match or exceed high volume government discounts. If the Harbor Department had released a bid for the services and products, it is possible that Johnson Controls, Inc. would have been the sole responsive bidder and charged the Harbor Department higher prices than on the GSA price list. The GSA contract arrangement allows for the best prices for an extended period of time. Therefore, in accordance with the City of Los Angeles Charter and Administrative Code, the proposed action by the Board is consistent with City contracting policies and staff is recommending approval of the contract with Johnson Controls, Inc. (Transmittal No. 1). Note that the entire GSA contract has not been included as it is more 800 pages in length. A recap of the contract bid items has been prepared by the Contracts and Purchasing Division (Transmittal No. 2).

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a contract with Johnson Controls, Inc. for the removal and replacement of six air conditioning units and introduction of a split system

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at the Banning's Landing Community Center, which is an activity involving the replacement of an existing air-conditioning system. As such, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA under Article III Class 2(6) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Funding for this deferred maintenance project is included in the FY 2016-17 Capital Improvement Program budget in the amount of \$400,000. Specifically, funds in the amount of \$292,241 are budgeted in Center No. 1207, Program No. 000, Account No. 54010. Project No. 2541000 has been opened to track project costs.

In addition, annual maintenance costs for the air conditioning system, which have averaged approximately \$9,000 per year for past five years, should be reduced by at least 50% due to the newness of the equipment and the introduction of automation into the system.

CITY ATTORNEY:

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

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TRANSMITTALS:

1. Contract No. 39801
2. Bid Recap for Bid No. F-959

FIS Approval: MB (Initials)

CA Approval: gme (Initials)



TIM CLARK
Director of Port Construction & Maintenance



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

APPROVED:



For EUGENE D. SEROKA
Executive Director

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