



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

Board of Harbor Commissioners

**DATE: SEPTEMBER 17, 2020**

**FROM: CONSTRUCTION AND MAINTENANCE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - INCREASE CONTRACT  
AUTHORITY AMOUNT FOR ANNUAL PURCHASE ORDER NO. 31972-  
20 WITH PRECISION AERIAL SERVICES**

**SUMMARY:**

Staff requests approval of Change No. 3 which would increase the expenditure authority for Purchase Order No. 31972-20 with Precision Aerial Services (Precision) of Ladera Ranch, California. The proposed Change No. 3 would increase the existing authority by \$50,000 from the current, \$140,000 to \$190,000 for the current contract period. The existing annual contract will expire on November 4, 2020 and the requested increase is necessary to complete repairs on the crane used for pile driving activity on the derrick barge. The Harbor Department will be financially responsible for costs incurred under this contract.

**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 categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Class 1(2) of the Los Angeles City CEQA Guidelines;
2. Approve Change No. 3 to Purchase Order No. 31972-20 with Precision to increase the annual expenditure authority from \$140,000 to \$190,000 for the current contract period;
3. Authorize the Executive Director to execute and Board Secretary to attest to said purchase order change; and
4. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background/Context – The Harbor Department executes annual procurement contracts to purchase required materials, supplies, and services to support its operations and projects. C&M currently utilizes more than one hundred varied annual procurement contracts in order to provide safe, reliable, efficient, and quality services to its customers

**DATE: SEPTEMBER 17, 2020**

**PAGE 2 OF 4**

**SUBJECT: AWARD OF CONTRACT NO. 31972-20 TO PRECISION AERIAL SERVICES**

as well as to maintain the Port's infrastructure. Most of these annual procurement contracts are less than \$150,000 per year and they are typically sufficient for C&M to perform both planned and responsive maintenance responsibilities. In addition, many of these contracts are contingency in nature, i.e. they are entered into without a specific project in mind but are exercised when needed to meet more immediate needs, allowing for a quick response to any given situation.

In the course of normal operations, C&M requests increases, as needed, in the spending authority level on annual procurement contracts to complete maintenance projects. These requests may be necessary due to an expanded scope of work, unforeseen needs, or extra time required to complete a project.

Contract Requiring Increased Funding – Purchase Order No. 31972-20 with Precision is a cooperative purchasing (“piggyback”) agreement based on City of Los Angeles (Department of General Services) Contract No. 59523. It went into effect on November 5, 2019 for a one year term with two one-year renewal options and an annual expenditure authority of \$60,000 (Transmittal No. 1). The contract provides for the repair and overhaul of aerial and crane equipment. Such equipment includes aerial lifts, and cranes on trucks and the derrick barge.

Purchase Order Change Nos. 1 and 2 (Transmittal No. 2) increased the annual expenditure authority to \$140,000 to service equipment. An additional increase to the contract expenditure authority is required to service the crane on the derrick barge, which is used for driving pile for the repair of wharfs and docks. The crane is 51 years old and is inspected annually. During the last inspection, rust and corrosion were seen on critical areas. Further inspection beneath the layers of paint on the crane revealed additional cracks, compromising the safety of operating the equipment. To continue with pile driving operations, repairing the crane will be more expeditious than replacing it. The cost to repair the crane on the derrick barge is \$98,292. Purchase Order Change No. 3 (Transmittal No. 3) has been prepared for the annual expenditure authority for the current period.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of for Purchase Order No. 31972-20 with Precision to repair the crane on the derrick barge used for pile driving operations, which is repair and maintenance of mechanical systems serving existing facilities. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance with Article III Class 1(2) of the Los Angeles City CEQA Guidelines.

**DATE: SEPTEMBER 17, 2020**

**PAGE 3 OF 4**

**SUBJECT: AWARD OF CONTRACT NO. 31972-20 TO PRECISION AERIAL SERVICES**

**FINANCIAL IMPACT:**

Approval of the proposed Change No. 3 would increase the authority of the Purchase Order No. 31972-20 by \$50,000 from \$140,000 to \$190,000 over the contract term. Fiscal Year 2020/21 funding is available within the Construction & Maintenance Division, Account 54030 (Maintenance Services – Equipment), Center 0510, Program 000.

Expenses under Purchase Order No. 31972-20 have been incurred and are expected to be incurred as follows over the remainder of the contract term.

	Amounts
Expenditures to Date	\$ 83,273
Cost of Repairs for Crane on Derrick Barge	\$ 98,292
Contingency for Unanticipated Repairs	\$ 8,435
Total Amount	\$ 190,000

**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved Contract No. 39788 as to form and legality.

DATE: SEPTEMBER 17, 2020

PAGE 4 OF 4

SUBJECT: AWARD OF CONTRACT NO. 31972-20 TO PRECISION AERIAL SERVICES

TRANSMITTALS:

1. Purchase Order Change Nos. 1 and 2 to Purchase Order No. 31972-20
2. Purchase Order Change No. 3 to Purchase Order No. 31972-20

FIS Approval: MB

CA Approval: [Signature]



TIM CLARK  
Director of Port Construction & Maintenance



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

APPROVED:



EUGENE D. SEROKA  
Executive Director

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