



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

DATE: FEBRUARY 14, 2018

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ -
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT
CONTRACTOR: SHAWNAN
2018-2020 SITE IMPROVEMENTS
SPECIFICATION NO. 2795**

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve the award of this construction contract to Sialic Contractors Corporation dba Shawnan (Shawnan). The 2018-2020 Site Improvements (Project) consists of site improvements to be performed on an on-call basis throughout San Pedro, Wilmington, and Terminal Island. The lowest responsive and responsible bidder is Shawnan, located in Downey, California. The contract amount, plus a 10% contingency, is \$15,909,960. The contract duration is 730 calendar days.

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 exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Find that, in accordance with the City Charter Section 1022, work under the subject contract can be performed more feasibly by an independent contractor rather than by City employees;
3. Award and approve Specification No. 2795 for Item Nos. 1 through 113 of the proposal schedule to Shawnan in the amount of \$14,463,600; that a 10% contingency not included in the original contract amount be applied for a total authorization of \$15,909,960; that in accordance with City Charter Section 376, authorize the Executive Director or its designee to execute Change Orders and Authority for Adjustments, regardless of their amount, up to the authorized amount of \$15,909,960; and authorize payment from the Harbor Department Construction Account;

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4. 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:

Project Description - This Project consists of on-call site improvements throughout San Pedro, Wilmington, and Terminal Island. Work includes, but is not limited to, demolition and removal of structures, pavements and other improvements, pipelines, and substructures; earthwork; supplying paving materials; construction of fencing, parking barriers, and traffic controls; construction of pavements, retaining walls, pavement markings, and other improvements; relocation of substructures and utilities, site clearing, crushing of rubble and stockpiling the resulting crushed miscellaneous base materials. Work also includes trenching and backfilling, preparing soil, landscaping, planting, hardscaping, irrigation systems, site furnishings, plant establishment and site care.

This contract will augment the Harbor Department's staff in performing necessary repairs and new construction to accommodate the needs of the Harbor Department, its customers and the community. As repair work or new construction is identified, the Construction and Maintenance Division will determine whether adequate resources, along with necessary expertise and equipment, are available to perform the required work. Depending on the availability of Harbor Department staff and equipment, and the nature and urgency of the work, this contract may be utilized to complete the work. The intent of this contract is to provide the Harbor Department with a tool that will allow staff to focus on normal recurring tasks that can be safely and cost-effectively performed, using this contract for specialized non-recurring urgent work.

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 answer questions related to the construction contract.

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Following the submittal to the Harbor Department, the bids are publicly opened and the apparent lowest bidder is declared. Bid documents, Small Business Enterprise (SBE) and Very Small Business Enterprise (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 low bidder is found non-responsive, the next lowest bidder is reviewed.

In conformance with the City Charter section for competitive bidding, as stated above, on December 19, 2017, the Notice of Inviting Bids for Specification No. 2795 was advertised on the Port of Los Angeles website, and in the LA Opinion, Metropolitan News, Chinese Daily News, Daily Breeze, and Dodge Construction "Green Sheet" to reach out to as many potential bidders as possible.

As authorized by the Executive Director on December 7, 2017, the Chief Harbor Engineer received five bids for the subject contract on January 25, 2018. The Analysis of Bids (Transmittal 1) lists the companies that submitted bids and their respective bid amounts. The bids received were opened, and Shawnan was declared the apparent lowest bidder at the time of the bid opening with a bid of \$14,463,600 subject to evaluation and verification of bid documents. Since all bidders are local businesses, the local business preference did not affect the award.

Construction staff has verified Shawnan's state license. In conformance with Section 10.8.4 of Ordinance No. 143429, certification is hereby made that Shawnan 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.

The Harbor Department had set a minimum SBE participation level of 18%, of which 5% shall be VSBE participation. Shawnan has provided the required documents regarding their SBE and VSBE participation and has achieved an SBE participation of 21.73% and a VSBE participation of 6.77% using subcontractors (Transmittal 2).

This contract is consistent with State of California Prevailing Wage provisions. This contract is also subject to the local business preference ordinance adopted by the Board on April 5, 2012, and Project Labor Agreement No. 17-3526 as approved by the Board on September 7, 2017, and the Los Angeles City Council on December 5, 2017.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is solely limited to awarding a construction contract to Shawnan for site improvements to be performed on an on-call basis, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the CEQA in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines. Each individual project performed under this contract will be subject to CEQA evaluation prior to commencement or the issuance of a Notice to Proceed.

FINANCIAL IMPACT:

Funds in the amount of \$2,000,000 are budgeted for the current FY 2017-2018 in Account No. 54510 (Capital Construction Services), Center No. 1900, Program No. 000, with various Work Orders. Funds are anticipated to be expended as follows:

Fiscal Year 2017/2018	\$ 2,000,000
Fiscal Year 2018/2019	\$ 7,000,000
Fiscal Year 2019/2020	\$ 6,909,960
Total	\$15,909,960

Funds for future fiscal years will be requested to be budgeted as part of the annual budget process, upon Board approval. The contract will allow the Port to better respond to tenants' needs in a timely manner, thereby maintaining productivity of active facilities. Not having this contract as an option to accomplish urgently needed repairs and improvements could impact the usability of Port facilities and the ability to maintain a safe environment for those working at Port facilities.

Although Shawnan 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 therefore 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.

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CITY ATTORNEY:

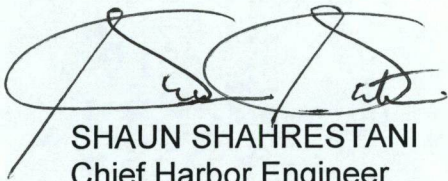
The Office of the City Attorney reviewed and approved Specification No. 2795 as to form and legality on November 29, 2017.

TRANSMITTALS:


1. Analysis of Bids
2. Contractor and Subcontractor List

FIS Approval: MB (initials)

CA Approval: gml (initials)



SHAUN SHAHRESTANI
Chief Harbor Engineer
Construction Division



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

APPROVED:

 FDR

EUGENE D. SEROKA
Executive Director

Author: P. Ouk
PO:lh
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