



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

**DATE: OCTOBER 26, 2016**

**FROM: CONSTRUCTION AND MAINTENANCE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - INCREASE CONTRACT  
AUTHORITY AMOUNT FOR ANNUAL PROCUREMENT CONTRACT  
NO. 39768 WITH LA ROOFING MATERIALS, INC.**

**SUMMARY:**

Staff requests that the Board of Harbor Commissioners approve an increase in the expenditure authority for Contract No. 39768 with LA Roofing Materials, Inc., currently set at the amount of \$250,000 per year to \$400,000 per year. This annual contract, administered by the Construction and Maintenance Division (C&M), is for the purchase of roofing materials and supplies for scheduled re-roofing projects throughout the Port of Los Angeles (Port). The requested increase is necessary for C&M to complete current and planned capital and maintenance projects throughout the Port. Although the contract authority level would increase, the actual contract expenditures will not exceed the budget levels authorized in the C&M operating, Capital Improvement Program (CIP), and Maintenance Improvement Program (MIP) budgets. The Port is responsible for payment of expenses under these contracts.

**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 (CEQA) under Article III, Class 1, of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Approve a purchase order change to Contract No. 39768 with LA Roofing Materials, Inc. in the amount of \$250,000, increasing the annual expenditure authority from \$150,000 to \$400,000 annually, including any renewal options;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said purchase order change; and
4. Adopt Resolution No. \_\_\_\_\_.

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**DISCUSSION:**

Background/Context - The Harbor Department executes annual procurement contracts to purchase required materials, supplies, and services to support Harbor Department operations and projects. C&M currently utilizes more than one hundred annual procurement contracts in order to provide safe, reliable, efficient, and quality services to its customers. Through these annual procurement contracts, a wide range of vendors provide materials and services that allow C&M to efficiently maintain the Port's infrastructure. Most of these annual procurement contracts are less than \$150,000 per year, and are typically sufficient for C&M to perform both planned and responsive maintenance responsibilities.

In the course of normal operations, C&M requests increases as needed in the spending authority level on annual procurement contracts to complete maintenance and capital improvement projects. These requests may be necessary due to extra work needed on a capital project or simply as a result of changing needs in C&M operations (e.g., a terminal needs more replacement electrical parts than usual after normal preventive maintenance is performed). Although the expenditure level may increase for a specified contract, actual expenditures will not exceed the annual budget levels authorized in the CIP, MIP, and C&M operating budgets.

Contract Requiring Increased Funding - In order to complete scheduled projects and maintain regular operations, C&M is requesting approval to increase the expenditure authority for the annual procurement contract with L.A. Roofing Materials, Inc. by an amount not-to-exceed \$400,000 per year (Transmittals 1 & 2). This annual procurement contract allows C&M the flexibility to obtain key materials for scheduled projects and unscheduled repairs in a timely manner. The requested expenditure increase is an estimate based on current project needs and contract year expenditure levels.

Contract No. 39768 with L.A. Roofing Material, Inc., went into effect on December 1, 2015 for a maximum expenditure authority of \$150,000 per year for a one-year term, with two one-year renewal options. Contract No. 39768 is a piggyback on City of Los Angeles General Services Department Contract No. 59321. This contract is needed to provide readily available roofing materials and sealants for maintenance and capital projects. The requested increase is necessary to provide materials for a re-roofing project at Berth 181 for the Pasha terminal, a major deck recoating at the Berths 91-92 passenger terminal, and a reroof of the Port Police Dive House on Terminal Island this fiscal year. In addition, C&M anticipates re-roofing projects at the Maritime Law Enforcement Training Center, roof coating work at a police facility at 239 N. Avalon Boulevard, and a major resealing job at the Berth 93 passenger terminal upper parking deck next fiscal year. These are all deferred maintenance projects which are in

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additional to regular roof maintenance operations. C&M is requesting an increase in the contract amount to \$400,000 to accommodate large supply purchases. This is a one-time increase and it is not anticipated additional funds will be needed to meet roofing materials needs. In addition, actual expenditures will not exceed the budget levels authorized in the C&M operating budget, and the CIP and MIP budgets.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval to increase the expenditure authority for two contracts that are used by the C&M Division for purchase of roofing materials and supplies. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

The requested increase in expenditure authority will modify the maximum spending authority on the contract with L.A. Roofing Materials, Inc. by \$250,000. No additional costs are scheduled to be incurred beyond the amount budgeted in the current FY for Deferred Maintenance projects in the CIP and MIP, or the designated budgets for each capital project. In addition, there are sufficient funds in the CIP and C&M operating budgets to cover the expenditures anticipated in the current fiscal year. Budget appropriations will be sought to cover anticipated expenditures for roofing materials in upcoming fiscal years through the normal annual budget process.

If the purchase order change is not approved, there will be no fiscal impact as project funding is already authorized for these expenditures. However, the lack of approval will delay the ability of C&M to complete project work anticipated in the current and future fiscal years.

The current contract with LA Roofing Materials, Inc. is scheduled to expire on November 30, 2016. Based on consistent increases in annual expenditures for roofing materials and supplies, funds will be exhausted before the contract expires. C&M needs materials as soon as possible to continue work on projects and wants to place a large order immediately before the expiration of the contract. Expenditures approved for payment to date under this contract come to \$131,061.

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**CITY ATTORNEY:**

The City Attorney's office has reviewed the change order and approved it as to form and legality.

**TRANSMITTALS:**

1. Purchase Order Change No. 1 to Contract No. 39768
2. Contract No. 39768

FIS Approval:  (initials)  
CA Approval:  (initials)

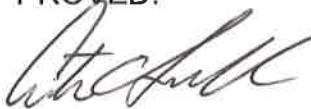


JOE MALDONADO  
Director of Construction & Maintenance



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

APPROVED:



*for* EUGENE D. SEROKA  
Executive Director

FEB/FHA

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