



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: DECEMBER 3, 2013

FROM: CONSTRUCTION

SUBJECT: RESOLUTION NO. _____ - PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND ARCADIS U.S., INC. FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE BERTHS 142-143 BACKLAND IMPROVEMENTS (PHASES 2-4) PROJECT

SUMMARY:

The Berths 142-143 Backland Improvements (Phases 2-4) project (Project) is a component of the phased development of the Berths 136-147 Trans Pacific Container Services, Corp. (TraPac) Container Terminal Improvement Program. This Project is part of the overall automated container terminal development program at the TraPac terminal. The scope of this Project consists of the construction of 15 automated stacking blocks (and related infrastructure), each with the capacity to operate two automated stacking cranes over 72 acres of container terminal backland. This professional services agreement (Agreement) provides for construction management services for the construction of the Project. ARCADIS, U.S., Inc., located in Irvine, California is recommended to provide the required services. The Agreement amount is \$5,645,000 for a duration of four years.

RECOMMENDATION:

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

1. Find that in accordance with the City Charter Section 1022, work under the subject Agreement can be performed more feasibly by an independent consultant, and is necessary due to a peak in work volumes, and current employees being committed to other assignments;
2. Award the four-year Agreement to ARCADIS, U.S., Inc. in the amount of \$5,645,000; and authorize payment from the Construction Management Services account;

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3. Authorize the Executive Director to execute, and the Board Secretary to attest to, this Agreement for and on behalf of the Board;
4. Adopt Resolution No. _____; and
5. Direct the Board Secretary to forward the Agreement to the City Council for its approval pursuant to Section 373 of the City Charter.

DISCUSSION:

Background/Context – On December 6, 2007, the Board approved the Berths 136-147 [TraPac] Container Terminal Environmental Impact Report (EIR). On September 19, 2013, an addendum to this EIR, for the Berths 142-143 Backland Improvements Project, was considered by the Board in connection with the Second Amendment to Permit No. 881. On September 4, 2008, the Board approved a Level III Coastal Development Permit (No. 08-07) for the TraPac Terminal Expansion Project, Berths 136-147.

On June 6, 2013, State Proposition 1B Trade Corridors Improvement Fund Program – California Transportation Commission “Baseline Agreements” between the City of Los Angeles Harbor Department (Harbor Department) and the State of California was approved by the Board.

On November 21, 2013, the Board approved Resolution No. _____, authorizing award of the construction contract for the Project (Specification No. 2756) to Griffith Company, in the amount of \$105,675,310.

This Agreement (Transmittal 1) is for construction management services during construction of the Project, which is part of the overall automated container terminal development program at the TraPac terminal. The duration of the construction contract is 1,080 calendar days. Construction is anticipated to start in February 2014 and be completed in early 2017. An aerial site plan showing the location of the Project can be found on Transmittal 4.

Harbor Department Construction Division staff are not available to adequately support this project. Staff is currently fully engaged supporting the construction of projects totaling over \$700 million. The consultant team, providing staff augmentation, will be led by a Construction Division staff member. Staff also reached out to other City of Los

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Angeles (City) departments performing these services, and found that City staff is unavailable to support this Project. Consultant services are therefore required to provide additional construction management expertise and augment Harbor Department construction management staff.

Scope of Services – Consultant services will include, but are not limited to construction management, cost estimating, scheduling, document control, and coordination with all stakeholders.

Reason for City Council Approval – The duration of the construction contract for the Berths 142-143 Backland Improvements project is three years. There will be a one year post-construction period in which the Project will be closed out. Construction management services will be required during construction and post-construction. As this is a four-year agreement, the Harbor Department is required by the City Administrative Code to obtain City Council approval.

Selection Process – On July 16, 2012, a Request for Qualifications (RFQ) to perform construction management services for construction of the Berths 142-147 Intermodal Container Transfer Facility (ICTF) project, and the Berths 142-143 Backland Improvements (Phases 2-4) project, was advertised and published. Seven Statement of Qualifications (SOQs) were received. A selection committee consisting of members from the Construction Division, and one member from the Port of Long Beach, evaluated the SOQs based on qualifications of the prime and subconsultants, and deemed all seven firms to be qualified to be invited to submit a proposal to provide the subject services. The seven firms are as follows:

- AECOM Technical Services, Inc. (Irvine, CA)
- ARCADIS, U.S., Inc. (Los Angeles, CA)
- WorleyParsons Group, Inc. (Fountain Valley, CA)
- Berg & Associates, Inc. (San Pedro, CA)
- TranSystems Corporation (Long Beach, CA)
- Atkins North America, Inc. (Los Angeles, CA)
- Vanir Construction Management, Inc. (Los Angeles, CA)

The Harbor Department issued a Request for Proposals (RFP) to the seven firms on December 3, 2012. Proposals were received on March 15, 2013. Six firms proposed to provide services for both projects. TranSystems Corporation, Inc., proposed to provide services for only the Berths 142-147 ICTF project. The proposals were evaluated and ranked by the evaluation committee. For this Project, the following four firms were invited to deliver a presentation of their proposal to, and answer specific questions from,

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the evaluation committee:

- AECOM Technical Services, Inc.
- ARCADIS, U.S., Inc.
- WorleyParsons Group, Inc.
- Berg & Associates, Inc.

The evaluation committee interviewed the four firms and selected ARCADIS, U.S., Inc., as the most qualified firm because of its extensive experience with construction management. Transmittal 2 shows the consultant rankings and evaluations. Transmittal 3 provides the work descriptions for ARCADIS, U.S., Inc., and their sub-consultants.

The recommendation for award for the Agreement for the construction management services for the Berths 142-147 ICTF project will be made under a separate Board report.

Small Business Enterprise (SBE) Program, Very Small Business Enterprise (VSBE) and Sub-consultant Participation – ARCADIS, U.S., Inc., has committed to the SBE participation level of 25 percent, and VSBE participation of five percent. Their sub-consultants are:

- Integrated Engineering Management (SBE, VSBE)
- MBI Media (SBE)
- LelandSaylor (SBE)
- Safework (SBE, VSBE)

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a professional services agreement with ARCADIS, U.S., Inc. for construction management services for the Berths 142-143 Backlands Improvements project. The Project was included as part of the Berths 136-147 [TraPac] Final Environmental Impact Statement/EIR which was certified by the Board in December 2007 and the EIR addendum considered by the Board on September 19, 2013. Therefore, as an activity for which the underlying Project has previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA), the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II, Section 2(i) of the Los Angeles City CEQA Guidelines.

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ECONOMIC BENEFITS:

Spending under the proposed contract will support 45 direct and 37 secondary one-year equivalent jobs for the five-county region.

Although the consultant 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 consultant 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 consultant 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.

FINANCIAL IMPACT:

The Berths 142-143 Backland Improvements (Phases 2-4) project is one of ten projects included in the TraPac Terminal Improvements Program (Program). The Program budget was approved by the Board on September 19, 2013, at \$510,412,338, and this Project is budgeted at \$143,422,405. Both this Project and the TraPac Terminal Improvements Program are currently on budget and on schedule. Transmittal 5 shows the budget status for the ten projects.

Funding in the amount of \$460,131 for construction management services has been budgeted in the fiscal year 2013/2014 budget in Account No. 54225 (Construction Management Services), Work Order No. 24498, Center No. 1103, and Program No. 000. It is anticipated that funds for this Agreement will be expended as follows:

<u>Fiscal Year</u>	<u>Amount</u>
FY 2013/2014	\$ 460,131
FY 2014/2015	\$1,548,869
FY 2015/2016	\$1,607,000
FY 2016/2017	\$1,412,000
<u>FY 2017/2018</u>	<u>\$ 617,000</u>
TOTAL	\$5,645,000

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The maximum compensation under this Agreement is \$5,645,000. Approximately \$2.32 million of the contract amount is on a fixed-fee basis, with approximately \$3.33 million of services to be compensated on an hourly basis through individual sub-task project directives issued under Exhibit "C" and Exhibit "D" of the Agreement.

This Agreement, along with the other projects and agreements that comprise the TraPac Terminal Program, is currently within the budgets approved by the Board on September 19, 2013, totaling \$510,412,338.

CITY ATTORNEY:

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

TRANSMITTALS:

1. Agreement between the City of Los Angeles and ARCADIS, U.S., Inc.
2. Final Evaluation and Rankings
3. Consultant and Sub-consultant Work Description
4. Site Map
5. Budget Status Sheet



SHAUN SHAHRESTANI
Chief Harbor Engineer
Construction Division

FIS Approval:  (Initials)
CA Approval:  (Initials)



MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



GARY LEE MOORE, P.E.
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