



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

DATE: MAY 30, 2012

FROM: WHARFINGER

**SUBJECT: RESOLUTION NO. _____ - PROPOSED FIRST AMENDMENT
TO AGREEMENT NO. E6611 BETWEEN THE CITY OF LOS ANGELES
HARBOR DEPARTMENT AND JAMES K. WALLACE, FOR
LIVEABOARD VESSEL INSPECTION SERVICES**

SUMMARY:

The Port of Los Angeles, Tariff No. 4, Section 22, Item 2230, mandates that all liveaboard vessels must be inspected annually for compliance with all applicable United States Coast Guard (USCG), State, Federal, and local regulations. Inspections may only be performed by Port of Los Angeles authorized inspectors. James K. Wallace located in San Pedro, California was authorized by the City of Los Angeles Harbor Department (Harbor Department) to inspect and assess approximately 300 liveaboard vessels at 17 marinas to ensure that these vessels are in compliance with all applicable USCG, Federal, State and local regulations. On August 26, 2011, the Executive Director executed Agreement No. E6611 for liveaboard vessel inspection services in the amount of \$50,000 for a one-year term. The Harbor Department continues to require the services provided by James K. Wallace. As a result, the Wharfinger Division is requesting that the Board of Harbor Commissioners (Board) approve the First Amendment to Agreement No. E6611 with James K. Wallace for liveaboard vessel inspection services. The First Amendment will extend the term of the agreement by two years and increase the compensation by \$100,000. If approved, this will change the Executive Director Agreement to a regular three year agreement. The new resulting agreement will be for a term of three years, at an amount not-to-exceed \$150,000.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that in accordance with Los Angeles City Charter Section 1022 work under the subject agreement can be performed more feasibly by an independent contractor than by City employees;
2. Approve the First Amendment to Agreement No. E6611 with James K. Wallace to increase the compensation amount by \$100,000 and extend the term of the agreement by two years;

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3. Authorize the Executive Director and the Board Secretary to execute and attest to the First Amendment to Agreement No. E6611 for and on behalf of the Board; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background – In April 2011, the Harbor Department issued a Request for Proposals (RFP) to seek the services of an individual to inspect and assess approximately 300 liveaboard vessels at 17 marinas throughout the Port of Los Angeles annually. Staff advertised the RFP on the Port of Los Angeles website and on the Los Angeles Business Assistance Virtual Network. In response to the RFP, staff only received one proposal which was from James K. Wallace, Marine Surveyor. On August 26, 2011, the Executive Director executed Agreement No. E6611 with James K. Wallace in the amount of \$50,000 for a term of one-year to provide liveaboard vessel inspection services (Transmittal 1). Mr. Wallace inspects liveaboard vessels in seventeen marinas at the Port of Los Angeles. In the process of conducting these vessel inspections at the marinas, any deficiencies observed by Mr. Wallace are noted and submitted to the Wharfinger Division for resolution.

Mr. Wallace possesses the following specific knowledge and expertise:

- Local small business (1-2 person operation) based in San Pedro with ability to respond quickly to marinas;
- Three years experience inspecting liveaboard vessels;
- Experience conducting inspections and assessments, determining compliance with vessel safety requirements and determining immediate environmental condition;
- Experience in the design and construction of all vessels;
- Familiarity with the basic functions of recreational vessels and their working parts;
- 39 years of experience as a marine surveyor of recreational vessels;
- Working knowledge of USCG and American Boat and Yacht Council standards;
- Certified Marine Surveyor by the Society of Accredited Marine Surveyors;
- Experience in examining recreational vessels for compliance with all safety, State, and local regulations;
- Familiarity with marinas and small craft mooring areas in the Los Angeles harbor; and
- Reference of choice for all of the local shipyards.

The Harbor Department continues to require the services provided by James K. Wallace. Based on last year's RFP process and recognizing that James K. Wallace is well qualified and that the Wharfinger Division has the utmost confidence in his ability to

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provide such services, it is requested that the Board approve the First Amendment to Agreement No. E6611 with James K. Wallace for liveaboard vessel inspection services.

The First Amendment would extend the term by an additional two years and increase the compensation amount by \$100,000 (Transmittal 2). The resulting agreement would change the Executive Director agreement to a regular three year agreement at an amount not-to-exceed \$150,000. The expiration date would be revised from the current date of August 25, 2012 to August 25, 2014. It should also be noted that James K. Wallace is a Very Small Business Enterprise; therefore, 100% of the dollars awarded for this agreement will fulfill the Harbor Department's objective of providing contract opportunities to Small Business Enterprises.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an amendment to an agreement with James K. Wallace for liveaboard vessel inspections to extend the term of the agreement by two years and increase compensation. As an administrative activity, the Director of Environmental Management has determined the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC IMPACT:

This Board action will have minimal direct employment impact (less than one full-time-equivalent job) in the five-county region.

FINANCIAL IMPACT:

The proposed First Amendment to the existing Agreement extends the term of the Agreement by an additional two years, for a total of three years, and also increases the Agreement authority by an additional \$100,000, for a total authority amount of \$150,000. Under the existing Agreement, \$26,923 of the \$50,000 authority amount has been expended to date, leaving a balance of \$23,077 to be expended through the current Fiscal Year (FY) 2011/2012. Should the proposed First Amendment be approved, it is expected that up to \$50,000 will be expended for the services described herein per year through the end of the Agreement term. Funds in the amount of \$23,077 are available in the current FY 2011/2012 in Account 54290, Center 0418, Program 000. For FY 2012/2013, \$50,000 was requested to be budgeted in Account 54290, Center 0418, Program 000 to compensate for the services to be rendered during this fiscal year. Funds for future fiscal years will be requested to be budgeted as part of the Harbor Department annual budget adoption process, upon Board approval. A funding out clause is included in the Agreement.

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CITY ATTORNEY:

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

TRANSMITTALS:

1. Agreement No. E6611
2. First Amendment to Agreement No. E6611

FIS Approval: ej (initials)
CA Approval: me (initials)

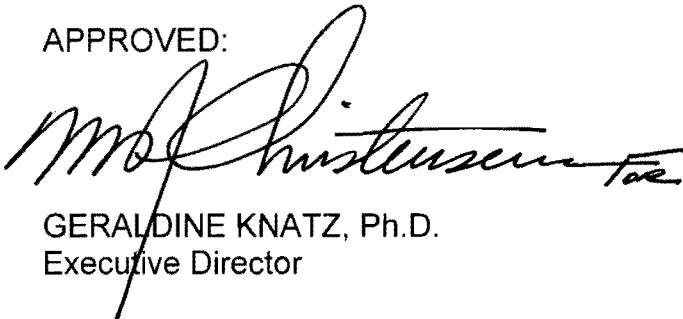


DIANE BOSKOVICH
Chief Wharfinger



JOHN HOLMES
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

DB/my
Author: M. Yamamoto