



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

DATE: JULY 29, 2015

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ - AWARD OF CONTRACT
CONSULTANT: APSI CONSTRUCTION MANAGEMENT
MASTER SCHEDULING, COST ESTIMATING AND CLAIMS
MANAGEMENT CONSULTING SERVICES**

SUMMARY:

This Agreement provides for a full-time master scheduler and an on-call cost estimator, as well as claims management services for Port of Los Angeles construction projects. Also included in the Agreement is a provision for training City of Los Angeles Harbor Department (Harbor Department) employees in related topics. APSI Construction Management (APSI), located in Irvine, California, is recommended to provide the required services. The Agreement amount is not-to-exceed \$4,471,912, and the Agreement duration is five 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 economically and feasibly by an independent consultant, and is necessary due to a peak in work volumes, current employees being committed to other assignments, and expertise that is needed for the subject services;
2. Award the Agreement to APSI Construction Management in the amount of \$4,471,912; and that payment be authorized from the Construction Management Services account. The Agreement duration for the performance of the work will be five years;
3. Direct the Board Secretary to forward the Agreement to the City Council for its approval pursuant to Section 373 of the City Charter, and Section 10.5 of the Los Angeles Administrative Code;

DATE: JULY 29, 2015

PAGE 2 OF 6

**SUBJECT: AWARD OF CONTRACT
CONSULTANT APSI CONSTRUCTION MANAGEMENT**

4. Authorize the Executive Director to execute, and the Board Secretary to attest to, this Agreement after approval by the City Council for and on behalf of the Board; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The Master Scheduler monitors schedules for all projects, and maintains a program-wide master schedule of all projects during, or just prior to, the construction phase. Historically, the Master Scheduler closely monitors schedules of adjacent projects, watching for impacts that one project may have on others, and has facilitated construction coordination efforts to avoid conflicts between adjacent construction activities and contractors. These efforts are very valuable in situations where multiple contractors are working side-by-side.

Larger projects managed by the Construction Division are often supported by a dedicated consultant team (with scheduling, estimating, and claims elements) under a project-specific consulting agreement. For those (typically larger) projects where specific consultant support is obtained, the Master Scheduler reviews schedules for consistency with other projects, and provides guidance to project-specific schedulers regarding how to apply and enforce contract specifications governing construction schedules.

In the past, services were provided by Jacobs Project Management Co., Project Controls Consulting, Inc., Pinnacle One, and APSI (the most recent agreement). This is the second opportunity APSI has had with the Harbor Department to serve as a prime consultant for master scheduling, cost estimating and claims management consulting services. Approximately \$500,000 to \$700,000 has been expended on an annual basis over the previous two contracts, both of which had a three-year duration.

Scope of Services – This Agreement provides for a full-time Master Scheduler, on-call cost estimator, and assistance with managing claims from construction contractors (Transmittal 1). Such services are highly specialized, utilizing unique software applications, requiring high levels of training. The Agreement will have a duration of five years, and will, therefore, require City Council approval.

The Master Scheduler will review contractors' construction schedules, verify construction progress in the field, provide parallel schedules to contractors' monthly update schedules (based on field observations), assist Harbor Department Construction Managers in reviewing requests for project time extensions, and prepare and maintain a schedule for projects.

DATE: JULY 29, 2015

PAGE 3 OF 6

**SUBJECT: AWARD OF CONTRACT
CONSULTANT APSI CONSTRUCTION MANAGEMENT**

APSI will also provide as-needed cost estimating services for projects being advertised, review and verify contractor costs or quotes, and provide services to address potential claims during construction.

The Agreement has provisions for the enhancement of staff's knowledge by providing in-house training for Construction Managers. Construction Managers will receive training on scheduling fundamentals, including how to develop, review and maintain Critical Path Method Schedules, conduct time impact analysis, and create, maintain and review schedules using Primavera software, which is the construction industry standard for construction scheduling. Construction Managers will also receive training on the fundamentals of construction estimating, and instruction on how to create and review construction estimates.

The Construction Division has trained, and will continue to train, staff to perform scheduling and estimating in-house. However, the need for outside services will continue. Scheduling and estimating are specialty fields that require years of training and experience to ensure timely completion and delivery of our critical projects by mitigating potential delays in a proactive and cooperative manner during construction, as well as, mitigate potential claims. Additionally, the diverse range of disciplines (architectural, electrical, mechanical, landscape, etc.) included in most construction contracts require expertise and experience. The consultant team provides access to a diverse team of experts in multiple disciplines.

The consultant will also provide resources to assist with the review and resolution of requests for additional compensation from contractors. Such requests are always reviewed by staff, who determine if the requests are valid. On occasion, staff will request a review of the contractor's request by a claims expert, who is experienced with reviewing construction related claims. Input from an expert has proven to be very valuable in assisting with the resolution of disputes in a timely manner.

Selection Process – A Request for Proposals (RFP) was advertised and published on November 5, 2014. Nine proposals were received. The proposal from PMA Consultants, LLC, did not include the required Very Small Business Enterprise participation and, therefore, was determined to be non-responsive. The remaining eight proposals were evaluated and ranked by a committee consisting of four persons from the Construction Division and one person from the City of Los Angeles Department of Public Works, Bureau of Engineering. The proposals were evaluated based on the qualifications and experience of the proposed Master Scheduler, Estimator, claims management personnel, and other key staff.

DATE: JULY 29, 2015

PAGE 4 OF 6

**SUBJECT: AWARD OF CONTRACT
CONSULTANT APSI CONSTRUCTION MANAGEMENT**

The following five firms were short-listed and invited to participate in an oral interview, and answer specific questions from the evaluation committee:

- AMEC Environmental & Infrastructure, Inc., Los Angeles, CA (SBE)
- APSI Construction Management, Irvine, CA (SBE)
- Hill International, Irvine, CA
- Project Time & Cost, LLC, Atlanta, GA
- Trauner/Lenax Joint Venture, Los Angeles, CA (SBE)

The evaluation committee interviewed and ranked the five firms based on the following criteria, which included the following:

- Master Scheduler's experience with marine construction, with developing schedules for complex projects, and with Primavera
- Estimator's experience with developing estimates for marine construction
- Claims Management personnel's experience and qualifications
- Key personnel's understanding of the local construction industry
- Value of services and cost effectiveness
- Project approach and work plan
- Quality and clarity of presentation, and answers to questions

It was the consensus of the evaluation committee that APSI is the most qualified team because of the experience and qualifications of the proposed Master Scheduler, Estimator, claims management personnel, and the qualifications of other key staff and sub-consultants. Please see Transmittal 2 for the consultant ranking, and Transmittal 3 for work descriptions for APSI and their sub-consultants.

APSI is a Small Business Enterprise (SBE), and, therefore, will qualify for 100% SBE participation, exceeding the required overall SBE participation level of twenty-five (25) percent. APSI's sub-consultants, which include three Very Small Business Enterprises (VSBEs), are as follows:

- O'Conner Construction Management, Irvine (SBE, DVBE)
- Steven Davis Consulting, Redondo Beach (SBE, VSBE)
- Integrated Engineering Management, San Pedro (SBE, VSBE, WBE)
- Kugan & Associates, San Diego (SBE, VSBE, MBE)

DATE: JULY 29, 2015

PAGE 5 OF 6

SUBJECT: AWARD OF CONTRACT
CONSULTANT APSI CONSTRUCTION MANAGEMENT

ENVIRONMENTAL ASSESSMENT:

The proposed action is award of a Contract to APSI for master scheduling, cost estimating and claims management consulting services. 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) in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Funding for the Fiscal Year 2015-2016 has been budgeted in Account No. 54225 (Construction Management Support Services), Center No. 1900, Program No. 000 in the amount of \$149,065. Upon Board approval, expenditures are expected to be spent as follows:

FY 2015/2016	\$149,065
FY 2016/2017	\$894,382
FY 2017/2018	\$894,382
FY 2018/2019	\$894,382
FY 2019/2020	\$894,382
FY 2020/2021	\$745,319
Total	\$4,471,912

Although APSI is not obligated to perform any work under the contract in any fiscal year in which no appropriation for the contract has been made, APSI 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 is approved within that 60-day period.

APSI 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.

ECONOMIC BENEFITS:

Spending under the proposed contract will support 33 direct and 35 secondary one-year equivalent jobs for the five-county region.

DATE: JULY 29, 2015

PAGE 6 OF 6

SUBJECT: AWARD OF CONTRACT
CONSULTANT APSI CONSTRUCTION MANAGEMENT

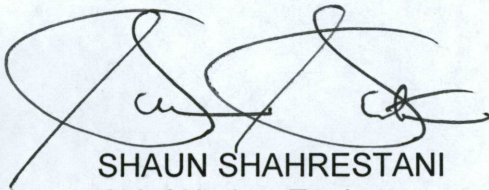
CITY ATTORNEY:

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

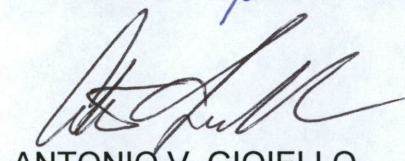
TRANSMITTALS:

1. Agreement between the City of Los Angeles and APSI Construction Management
2. Final Evaluation and Rankings
3. Consultant and Sub-consultant Work Description

FIS Approval: MB (initials)
CA Approval: JW (initials)



SHAUN SHAHRESTANI
Chief Harbor Engineer
Construction Division



ANTONIO V. GIOIELLO
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
Executive Director

Author: C. Adams
CA:be
AgmtAPSIB01.doc