



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

**DATE: JUNE 8, 2011**

**FROM: ENGINEERING DIVISION**

**SUBJECT: RESOLUTION NO. \_\_\_\_ CONTRACT COMPLETION DESIGN-BUILDER: ADESTA LIMITED PARTNERSHIP PORT SECURITY GRANT PROGRAM – ROUND 3 PROJECT NO. 2 – PORT OF LOS ANGELES FACILITY SECURITY ENHANCEMENTS PROJECT AGREEMENT NO. 2498**

**SUMMARY:**

Through design/build Agreement No. 2498 (Agreement), the Facility Security Enhancements Project, Adesta Limited Partnership (Adesta) of Torrance, California, provided the City of Los Angeles Harbor Department (Harbor Department) with a security surveillance and access control system for various Port of Los Angeles (Port) facilities.

Staff recommends the Board of Harbor Commissioners (Board) authorize the Executive Director to execute Authority for Adjustment (AFA) No. 37 for a credit of \$251,543. An AFA is a contract instrument that allows the Harbor Department to add or delete work to a contract. Any AFA that increases or decreases the contract by more or less than \$150,000 requires Board approval. AFA No. 37 will close out funds not used under the Agreement's allowance items, tasks 12 through 15. In addition, staff recommends that the Board formally accept the contract as complete in the amount of \$9,935,809. This will allow the Executive Director to release \$12,487 in remaining retention held by the Harbor Department.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Approve and authorize the Executive Director to execute Authority for Adjustment No. 37, which decreases the contract by \$251,543; for a total contract amount of \$9,935,809;
2. Receive for information the AFA Summary Log (Transmittal No. 3);
3. Approve and accept the subject contract as complete; and
4. Adopt Resolution No. \_\_\_\_\_

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**SUBJECT: CONTRACT COMPLETION OF PORT FACILITY SECURITY  
ENHANCEMENT PROJECT**

**DISCUSSION:**

Project Description – The Port of Los Angeles Port Facility Security Enhancement Project (Project No. 2) originated as part of the post 9/11 Transportation Security Administration (TSA) Port Security Grant Program – Round 3. In 2003, under a separate Port Police contract, a security assessment of Port facilities was conducted by Science Application International Corporation (SAIC) to define the scope of work. It was recommended to increase surveillance and access control capabilities for high-risk and Harbor Department employee occupied facilities.

Project No. 2 improves the security of nine (9) Port facilities with the installation of 270 cameras and 163 card readers. These facilities include:

1. Harbor Administration Building
2. Construction and Maintenance Administration Building, Yard and Test Lab
3. Port Pilot Station
4. Port Police Dive House
5. 239 N. Avalon (Port Police sub-station)
6. 300 Water Street (Port Police sub-station)
7. Pacific Place Building (9<sup>th</sup> and 10<sup>th</sup> floor)
8. Liberty Hill Plaza
9. 300 S. Ferry Street (Port Police training facility)

These cameras and card readers are monitored by Port Police at the Threat Detection Center.

Background – On November 16, 2006, the Board awarded Project No. 2 to Adesta Limited Partnership with a contract amount of \$4,994,850, and a contract time of 10 months (305 calendar days), and 12 months of system maintenance. This work was necessary to provide the Port Police with surveillance capabilities at Port facilities. The Harbor Department received approval for grant reimbursement from the TSA under the Port Security Grant Program. The Agreement became effective on December 14, 2006, when the Executive Director executed the Agreement. The Notice to Proceed was issued February 22, 2007.

On October 4, 2007, AFA No. 3 for installation of a fiber optic cable on the Vincent Thomas Bridge was approved by the Board. On January 3, 2008, Supplemental Agreement No. 1 was approved by the Board in the amount of \$3,500,000. Project No. 2 was initially proposed in late 2003 and focused on providing security improvements to Harbor Department employee occupied facilities. Supplement Agreement No. 1 provided the added security requirements for new facilities that were acquired since 2003 and new locations that were identified with security vulnerabilities, e.g. 300 Water Street, Pacific Place Building, and Liberty Hill Plaza.

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On August 7, 2009, Supplemental Agreement No. 2 was approved by the Board in the amount of \$1,197,143. Supplemental Agreement No. 2 provided the security enhancement for the Harbor Administration Building Lobby. The installation of the added security work was coordinated with the lobby remodel completed by the Construction and Maintenance Division. The lobby effort utilized State Proposition 1B funds. Supplemental Agreement No. 3 was authorized to provide a 12-month time extension to the project. The contract expired on December 13, 2010. On January 7, 2011, the Affidavits of Completion was signed (Transmittal No. 1).

**SCHEDULE SUMMARY**

The following time extensions were provided to Adesta:

1. Supplemental Agreement No. 1 – 119 calendar days, issued March 18, 2008
2. No Cost Change Order No. 1 – 315 calendar days, issued January 26, 2009
3. Authority for Adjustment No. 14 – 50 calendar days, issued February 25, 2009
4. Supplemental Agreement No. 3 – 365 calendar days, issued November 24, 2009

The Harbor Department took beneficial occupancy of the project on April 25, 2009.

**COST**

Original Agreement	\$ 4,994,850
AFA Nos. 1-36 (see summary log Transmittal No. 3)	\$ 5,192,502
AFA No. 37 (Transmittal No. 2)	\$ (251,543)
Final Agreement Amount	\$ 9,935,809

**MBE/WBE/OBE/SBE PROGRAM**

Adesta originally proposed a subcontractor business enterprise outreach of 0% Minority Business Enterprises (MBE), 0% Women Business Enterprise (WBE), and 26% Other Business Enterprise (OBE) for an overall contract outreach of 26%. The contract closes with subcontractor work consisting of 0% MBE, 0% WBE, and 26% OBE.

The Harbor Department's Small Business Enterprise (SBE) program was established by the Department after Adesta selected team members for this project. They subsequently set a goal of 10% SBE outreach. Unfortunately, no SBE opportunities were identified and the project closes with 1% SBE outreach.

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**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of an AFA to decrease the contract amount and accept the contract as complete for work related to the Port Security Grant Program – Round 3. As an administrative action, 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:**

Approval of AFA 37 is requested to reduce the contract by the amount of \$251,543 for unused balance for Task Items 12 through 15 of Agreement 2498.

The ongoing annual operations and maintenance cost associated with this project is \$2,000,000 beginning fiscal year 11/12 and will be requested to be budgeted as part of the annual budget adoption process, upon Board approval.

No additional funding is being requested through this Board action, but results in a cost savings of \$251,543 in Account No. 54510, Work Order No. 24694, Center No. 1179 and Program No. 640.

This project was partially funded with \$1,737,145 from the Department of Homeland Security's TSA Port Security Grant Program Round 3 Project No. 2 funds. The Harbor Department has received full reimbursement. The remaining funds of \$8,198,664 (\$9,935,809 less \$1,737,145) were the responsibility of the Harbor Department.

**ECONOMIC BENEFITS:**

This Board action will have no additional employment impact.

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**CITY ATTORNEY:**

The Office of the City Attorney has reviewed the Board Report and the proposed actions raise no legal issues at this time.

**TRANSMITTALS:**

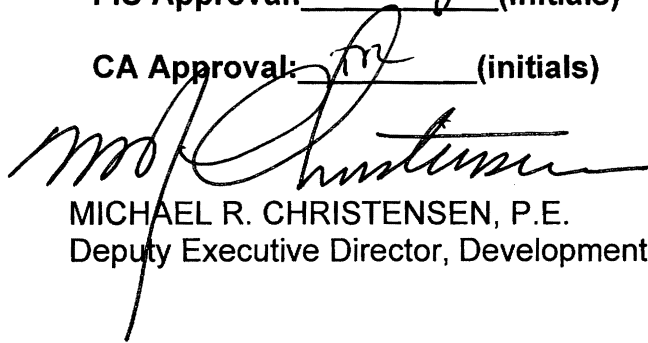
1. Affidavits of Completion
2. Authority for Adjustment (AFA) No. 37
3. AFA Summary Log

FIS Approval: ecj (initials)

CA Approval: fr (initials)



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APPROVED:



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