



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

DATE: NOVEMBER 15, 2016

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ -
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT
CONTRACTOR: SULLY-MILLER CONTRACTING CO.
BERTHS 212-224 INTERMODAL CONTAINER TRANSFER
FACILITY (ICTF) EXPANSION (YTI TERMINAL)
SPECIFICATION NO. 2777**

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve the award of this construction contract to Sully-Miller Contracting Co. (Sully-Miller). The Berths 212-224 ICTF Expansion (Project) will include installation of track rails, excavation and disposing of hazardous materials, pavement work, and utility protection, modification and relocation. The lowest responsive and responsible bidder is Sully-Miller located at 135 S. State College Blvd., Suite 400, Brea, California 92821. The contract amount, plus a 10% contingency, is \$3,248,300. The contract duration is 300 calendar days. The Project will receive federal grant funding under the Congestion Mitigation Air Quality fund through the Los Angeles County Metropolitan Transportation Authority (LACMTA), in the amount of \$1,992,000. In addition, the Project will receive state grant funding under the Proposition 1B Trade Corridor Improvement Fund (TCIF) through the State of California Department of Transportation (Caltrans), in the amount of \$1,132,000.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Sections 2(f) and 2(i), of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Find that, in accordance with City Charter Section 1022, work under the subject contract can be performed more feasibly by an independent contractor rather than by City employees;

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3. Award and approve, Specification No. 2777 for Item Nos. 1 through 31 of the proposal schedule to Sully-Miller, in the amount of \$2,953,000; that a 10% contingency not included in the original contract amount be applied for a total authorization of \$3,248,300; and authorize payment from the Harbor Department Construction Account. The contract time for performance of the work will be 300 calendar days from the Notice to Proceed;
4. Authorize the Executive Director to execute and the Board Secretary to attest to this contract for and on behalf of the Board;
5. In accordance with City Charter Section 655 (g), delegate and authorize the Executive Director to adjust final bid quantities and accept the construction contract upon its completion; and
6. Adopt Resolution No. _____.

DISCUSSION:

Background / Context – The Project will construct a new rail loading track (approximately 2,900 linear feet) within the terminal's existing rail yard. Additional improvements will include excavation and disposing of hazardous materials, pavement work and utility modifications/removals/protections, as needed. The Project provides a vital link in the movement of goods by rail between the Port of Los Angeles and the National Rail System. The Project will result in a reduction in truck trips on the National Highway System. An aerial site plan showing the location of the Project can be found in Transmittal 3.

This construction contract is temporary in nature and requires specific experience and equipment to perform the work. As such, it is not feasible for the City of Los Angeles (City) to hire employees and purchase equipment to perform the work under this contract.

Construction Award Process – City of Los Angeles Charter Section 371(a) - Competitive Bidding sets forth the procedure staff followed to award this contract. For construction contracts such as this one, the Harbor Department publishes the Notice Inviting Bids in daily newspapers and trade publications circulated in the City, as well as on the Port of Los Angeles website. The Harbor Department conducts a pre-bid conference to familiarize the prospective bidders with the Project and to answer questions related to the construction contract.

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Following submittal to the Harbor Department, the bids are publicly opened, and the apparent lowest bidder is declared. Bid documents, Disadvantaged Business Enterprise (DBE) participation, and other required documents are reviewed for compliance with Harbor Department requirements. Once all information is verified, and, if the lowest bidder is deemed responsive, recommendation for award of the construction contract is made. If the apparent lowest bidder is found non-responsive, the next lowest bidder is reviewed.

In conformance with the City Charter section for competitive bidding, as stated above, the Notice Inviting Bids for Specification No. 2777 was advertised on September 28, 2016 on the Port of Los Angeles website, in Dodge Construction "Green Sheet", L.A. Eastside Journal, L.A. Times, Metropolitan News Company, and L.A. Watts Times to reach out to as many potential bidders as possible. A pre-bid meeting was held on October 6, 2016.

As authorized by the Executive Director on September 22, 2016, the Chief Harbor Engineer received seven bids for the subject contract on November 2, 2016. The Analysis of Bids (Transmittal 1) lists the companies that submitted bids and their respective bid amounts. The bids received were opened, and Sully-Miller was declared the apparent lowest bidder at the time of the bid opening.

Staff has verified Sully-Miller's state license. In conformance with Section 10.8.4 of Ordinance No. 143429, verification is hereby made that Sully-Miller has executed and filed an Affirmative Action Plan with their bid. A notification letter has been sent to the City Office of Contract Compliance as required in the ordinance. Sully-Miller's bid has been found responsive. An approximate 10% contingency is recommended based on a qualitative review of project specific tasks, including schedule constraints and potential unforeseen conditions that may arise during construction, utility conflicts, and design and scope changes to accommodate field conditions, for a total project cost of \$3,248,300.

This Project will be constructed in compliance with the Federal Regulations Guidelines to utilize Disadvantaged Business Enterprise (DBEs) Program (Transmittal 2). This contract is consistent with State of California Prevailing Wage provisions. This Project is subject to the terms of Project Labor Agreement No. 11-2955, as approved by the Board on March 17, 2011, and the Los Angeles City Council on May 11, 2011.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is awarding a construction contract to Sully-Miller to build out the Berths 212-224 ICTF Expansion Project. The awarding of a construction contract is an administrative activity, and the build out was assessed as part of a joint Environmental Impact Statement/Environmental Impact Report for the Berths 212-224 YTI Container Terminal Improvements Project which was certified by the Board on November 7, 2014 (SCH #2013041017). As an administrative activity, and an activity for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of CEQA, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II, Sections 2(f) and 2(i), of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Funds for fiscal year 2016/2017 in the amount of \$1,692,146 are budgeted in Capital Budget, Account No. 54510, Center No. 1165, Program No. 000. Funds are expected to be expended as follows:

Fiscal Year 2016/2017	\$ 1,692,146
Fiscal Year 2017/2018	\$ 1,556,154
Total	\$ 3,248,300

Funds for future fiscal years will be requested to be budgeted as part of the annual budget process, upon Board approval.

This Project is reimbursable up to \$1,992,000 under the LACMTA federal funding, and an additional \$1,132,000 under the Proposition 1B TCIF state funding.

The operating and maintenance costs of the Project, subsequent to completion, will continue to be the responsibility of the tenant.

Although the contractor 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 contractor 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. The contractor 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.

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CITY ATTORNEY:

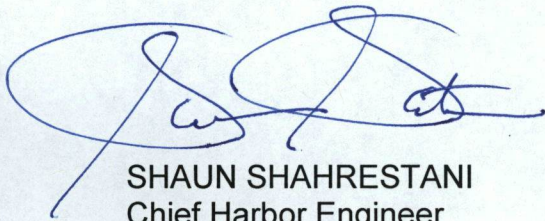
The Office of the City Attorney reviewed and approved Specification No. 2777 as to form and legality on August 3, 2016.

TRANSMITTALS:

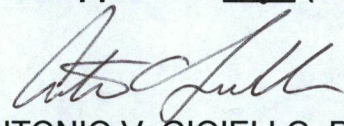
1. Analysis of Bids
2. Contractor and Subcontractor List
3. Aerial Site Plan and Detailed Location Map

FIS Approval: MB (initials)

CA Approval: CSB (initials)

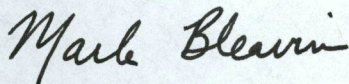


SHAUN SHAHRESTANI
Chief Harbor Engineer
Construction Division



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

APPROVED:



FOR
EUGENE D. SEROKA
Executive Director

Author: Kosta Mallakis

KM:lh
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File No. 4.7