



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

DATE: FEBRUARY 9, 2011

FROM: CONSTRUCTION DIVISION

**SUBJECT: RESOLUTION NO. _____ - FIRST AMENDMENT TO
AGREEMENT NO. 08-2707 BETWEEN THE CITY OF LOS ANGELES
AND TRANSYSTEMS CORPORATION FOR CONSTRUCTION
MANAGEMENT SERVICES FOR THE CABRILLO WAY MARINA
PHASE II PROJECT – TIME EXTENSION**

SUMMARY:

The existing Agreement No. 08-2707 with TranSystems Corporation, located in Long Beach, CA, will expire on September 8, 2011, approximately the same time as the estimated completion date of the Cabrillo Marina Phase II construction project. The First Amendment to Agreement No. 08-2707 will extend the Agreement from 1,095 calendar days to 1,300 calendar days. This time extension is necessary for completion of construction management services and contract closeout of the Cabrillo Way Marina Phase II Project. No additional compensation is being requested.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve First Amendment to Agreement No. 08-2707, extending the term of the Agreement from 1,095 calendar days to 1,300 calendar days (Transmittal No. 1);
2. Authorize the Executive Director to execute, and the Board Secretary to attest to said Amendment for and on behalf of the Board pending City Council approval;
3. Adopt Resolution No. _____; and
4. Direct the Board Secretary to forward the Amendment to the City Council for its approval pursuant to Section 373 of the City Charter.

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DISCUSSION:

Background – Since September 8, 2008, TranSystems Corporation has been authorized to provide construction management services for the construction of the Cabrillo Way Marina Phase II. The project is located on the easterly side of the West Channel, immediately opposite the existing Cabrillo Way Marina. The project includes the construction of floating docks with 700 boat slips, 400 mast-up land-side boat storage spaces, boater restrooms and shower facilities, public restrooms, boater and public parking lots, trailer boat storage, and a public boat hoist and launching facility. The development will accommodate marine retail and commercial uses and a yacht club. Construction includes dredging and fill, rock dikes, reinforced concrete piling, floating docks, earthwork, concrete work, grading and paving, utilities, buildings, lighting, landscaping, and a promenade (Transmittal No. 2).

On August 7, 2008, the Board approved Agreement No. 08-2707 with TranSystems Corporation for construction management services for the Cabrillo Way Marina Phase II Project for a three-year term (1,095 calendar days) and a maximum compensation of \$4,680,000. To date, \$2,762,553.82 has been spent.

When Agreement No. 08-2707 was approved by the Board, the Board found that in accordance with Charter Section 1022, the work proposed to be contracted could be performed more economically and feasibly by an independent contractor than by city employees. Since this proposed Amendment does not add a new labor component to the work, a new 1022 determination is not required.

On November 20, 2008, the Board awarded Contract Specification No. 2712 to Griffith/Dutra Joint Venture for \$124,566,775 to construct the Cabrillo Way Marina Phase II Project, with a contract duration of calendar 855 days. Notice to Proceed was issued on February 9, 2009, and construction is estimated to be completed by September 2011. Construction is approximately 80% complete and approximately \$100 million has been spent to date.

Reasons for the Amendment – The existing Agreement No. 08-2707 will expire on September 8, 2011. First Amendment to Agreement No. 08-2707 will extend the term of the Agreement from 1,095 calendar days to 1,300 calendar days. The time extension is necessary to allow for the continuation of construction management services through final completion of the project punch list items and the project close-out phase.

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During the final design of the Cabrillo Way Marina Project, just after award of this contract, and immediately before advertising the project for construction, the project duration was changed from 20 months to 28 months, in order to minimize potential overtime work by the prospective contractors bidding on the project and minimizing the overall construction cost. In addition, since construction began in February, 2009, we have encountered numerous unforeseen conditions, permit issues and design changes. Although we have minimized the impacts of these delays, it is anticipated that the project will finish in September, 2011, approximately three months behind schedule.

The original Small Business Enterprise (SBE) percentage for this Agreement was 27%. To date, the consultant has achieved an SBE percentage of 30.05%.

ENVIRONMENTAL ASSESSMENT:

The proposed action is an Amendment to Agreement No. 08-2707 between the City of Los Angeles and TranSystems Corporation. The Amendment will extend the overall contract duration with no changes to the scope of work. As an administrative function, the Director of Environmental Management has determined that the proposed action is exempt from California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Approval of this Amendment extending the term with no additional compensation will have no direct job impact for the five-county region.

FINANCIAL IMPACT:

On August 7, 2008, the Board approved Agreement No. 08-2707 with TranSystems Corporation for construction management services for the Cabrillo Way Marina Phase II Project for a three-year term (1,095 calendar days) and a maximum compensation of \$4,680,000.

Approval of the proposed Board item will not have a financial impact upon the Harbor Department. No additional compensation is required at this time. The remaining authority for this Agreement is \$2,439,712.87.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the First Amendment to Agreement No. 08-2707 as to form and legality.

TRANSMITTALS:

1. First Amendment between the City of Los Angeles Harbor Department and TranSystems Corporation
2. Aerial Site Map



SHAUN SHAHRESTANI
Chief Harbor Engineer
Construction Division

FIS Approval: KP (initials)



MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

R. Zmuda:be/lm
A2707B01Ver.2