



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the

Board of Harbor Commissioners

DATE: MAY 5, 2026

FROM: CONSTRUCTION AND MAINTENANCE

**SUBJECT: RESOLUTION NO. _____ - APPROVAL OF PURCHASE
ORDER CHANGE NO. 1 TO CONTRACT NO. 39957 WITH BERNELL
HYDRAULICS, INC.**

SUMMARY:

Staff requests approval of Purchase Order Change No. 1 to Contract No. 39957 (Contract) with Bernell Hydraulics, Inc. (Bernell) of Rancho Cucamonga, California to increase expenditure authority. The Contract, effective in December 2021, provides for the purchase of new hydraulic cylinders containing stainless steel rods at the four gangways at Berths 91-93, Los Angeles World Cruise Center (WCC), in the maximum expenditure authority of \$1,769,501. The proposed purchase order change will increase the contract expenditure authority amount by \$235,000, from \$1,769,501 currently to \$2,004,501, as proposed. The requested increase is necessary to meet obligations for parts, materials, and services for the hydraulic cylinders purchased for the mobile passenger gangways at Berths 91-93. The City of Los Angeles Harbor Department (Harbor Department) will be financially responsible for payment of costs incurred under this Contract.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve Purchase Order Change No. 1 to Contract No. 39957 with Bernell to increase the contract expenditure authority from \$1,769,501 to \$2,004,501;
3. Authorize the Executive Director to execute and the Board Secretary to attest to Purchase Order Change No. 1 for and on behalf of the Board; and
4. Adopt Resolution No. _____

DATE: MAY 5, 2026

PAGE 2 OF 4

SUBJECT: PURCHASE ORDER CHANGE NO. 1 WITH BERNELL HYDRAULICS, INC.

DISCUSSION:

Background/Context – The Harbor Department executes annual procurement contracts to purchase required materials, supplies, and services to support Harbor Department operations and projects. In the course of normal operations, Construction and Maintenance Division (C&M) requests increases to spending authority levels on annual procurement contracts only as needed to complete maintenance and capital improvement projects. These requests may be necessary due to extra work needed on a capital project or simply as a result of changing needs in C&M operations (e.g., a terminal needs more electrical replacement parts than usual after normal preventative maintenance is performed).

Contract Requiring Increased Funding – Contract No. 39957 with Bernell went into effect in December 2021, for a maximum expenditure authority of \$1,769,501. The contract provided for materials to update four tunnels used by passengers to embark and disembark cruise ships at Berths 91-93 at the World Cruise Terminal. This includes the purchase of six new hydraulic cylinders containing stainless steel rods, which allow the tunnels to rise and descend in congruence with the motions of the tide when the ship is berthed.

The stainless steel hydraulic cylinders were custom manufactured by Bernell and involved numerous technical and approval processes such as precise measurements of dimensions, engineering sketches, preliminary and final Computer-Aided Design (CAD) drawings, quality control, and testing prior to placing orders. Therefore, the lead time to delivery was lengthy. Since the execution of the contract in December 2021, Bernell notified C&M of the price increase in 2022 and 2023, which was due to several factors. In 2022, Bernell notified C&M that the adjustments were needed due to the unceasing inflationary pressures on items such as raw materials, freight, logistics, energy, and reduced availability for labor from the constriction on global chain supply after the onset of Covid-19 and the war in Ukraine. During this time, the cylinders that were manufactured by Bernell needed additional configuration and fitting. In 2023, an additional revision to the price increase was needed due to a supplementary increase in cost of raw materials, supplies, and fuel. The final shipment of the hydraulic cylinders was installed in October 2025.

At that point, it was brought to the Harbor Department's attention that the 2022 and 2023 invoices had not been paid. The invoices, with the requested cost increase, were reviewed and approved. However, an audit noted that the purchase order changes that were necessitated were not processed by C&M in a timely manner, resulting in the related invoices remaining unprocessed from prior years. It was determined that the purchase order changes went undetected due to Covid-19-related operational impacts

DATE: MAY 5, 2026

PAGE 3 OF 4

SUBJECT: PURCHASE ORDER CHANGE NO. 1 WITH BERNELL HYDRAULICS, INC.

and the onboarding of new personnel. Therefore, staff requests approval of Purchase Order Change No. 1 to the contract.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the Purchase Order Change No. 1 to the Contract with Bernell to increase expenditure authority, which is an administrative action. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Purchase Order Change No. 1 (Transmittal 1) to Contract No. 39957 (Transmittal 2) would authorize the increase of contract authority by \$235,000 from \$1,769,501 to \$2,004,501 for the purchase and installation of hydraulic cylinders inclusive of sales tax.

Spending under the Contract has occurred and is anticipated to occur as follows:

Fiscal Year	Current Contract Authority	Increase in Contract Authority	Proposed Contract Authority
2025/26	\$1,769,501	\$235,000	\$2,004,501

Fiscal Year (FY) 2025/26 funding in the amount of \$2,004,501 is available within Account 161305 (Construction-in-Progress), Division 00000 (Harbor Global), Project 2565300 (Berth 91-93 – Passenger Terminal Mobile Gangways Hydraulic Cylinder Replacement). If the purchase order change is not approved, there will not be a fiscal impact as project funding is already authorized for these expenditures.

DATE: MAY 5, 2026

PAGE 4 OF 4

SUBJECT: PURCHASE ORDER CHANGE NO. 1 WITH BERNELL HYDRAULICS, INC.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed Purchase Order Change No. 1 as to form and legality.

TRANSMITTALS:

1. Purchase Order Change No. 1
2. Contract No. 39957

FIS Approval: MM

CA Approval: SO



TIM CLARK
Director of Port Construction and Maintenance

for Michael DiBernardo
DINA ARYAN-ZAHLAN, P.E.
Deputy Executive Director
Development

APPROVED:

Erica M. Calhoun for

EUGENE D. SEROKA
Executive Director