



THE PORT
OF LOS ANGELES
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: JUNE 13, 2012

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ -
AWARD OF CONSTRUCTION CONTRACT
CONTRACTOR: MANSON CONSTRUCTION COMPANY
MARINE ON-CALL IMPROVEMENTS & MISCELLANEOUS PROJECTS
2012-2014
SPECIFICATION NO. 2743**

SUMMARY:

This proposed contract consists of on-call marine construction to promptly perform unforeseen and urgent work to support the Port of Los Angeles operations and the needs of its customers and community. The contract also includes five identified projects totaling \$4,242,000. The lowest responsive bidder for this project is Manson Construction Company, located in Long Beach, California. The contract amount including a 10% contingency is \$24,439,140, and the contract duration is 730 calendar days.

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 contract can be performed more feasibly by an independent contractor rather than by City employees;
2. Award the above-mentioned contract for Bid Item Nos. 1 through 97 of the proposal schedule to Manson Construction Company in the amount of \$22,217,400, and that a 10% contingency not included in the original contract amount be applied for a total authorization of \$24,439,140, and authorize payment from the City of Los Angeles Harbor Department Construction Account. The contract time for performance of the work will be 730 calendar days from the Notice to Proceed;
3. In accordance with City Charter 655(g), delegate and authorize the Executive Director to adjust final bid quantities and accept the construction contract upon its completion;

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4. Authorize the Executive Director to execute, and the Board Secretary to attest to, this contract for and on behalf of the Board; and
5. Adopt Resolution No. _____.

DISCUSSION:

Project Description - This construction project consists of marine work and improvements to be performed on an on-call basis throughout the San Pedro, Wilmington, and Terminal Island districts of the Port of Los Angeles (Port). Work includes, but is not limited to, concrete and timber wharf demolition and repair, furnishing and driving concrete and timber piles, shotcrete application, epoxy injection, spall repair, driving sheet piles, camel repair and replacement, timber pile wraps and jackets, rock slope repair, asphalt concrete paving, mudjacking, dredging, earthwork, construction of floating docks and gangways, and other marine improvements.

This contract will provide the City of Los Angeles Harbor Department (Harbor Department) with the capability to respond quickly to the needs of our customers and community by authorizing work with individual Notices to Proceed (NTP). The contract also includes the following five identified projects (Transmittal 3) at an estimated total cost of \$4,242,000:

- Berth 239 Mooring Point Structure (\$2,710,000)
- Cabrillo Beach Bird Exclusion Structure (\$500,000)
- Cabrillo Beach Sand Excavation and Replacement (\$637,000)
- Berths 47 Mooring Repairs (\$350,000)
- Berth 144-145 Underwater Bulkhead Repair (\$45,000)

This contract will augment Harbor Department staff in performing necessary repairs and new construction to accommodate the needs of the Harbor Department, its customers and the community. As repair work or new construction is identified, the Construction & Maintenance Division will determine whether adequate resources, along with necessary expertise and equipment, are available to perform the work. Depending on the availability of the Harbor Department staff and equipment, nature and urgency of the work, this contract may be utilized to complete the work. The intent of this contract is to provide the Harbor Department with a tool that will allow staff to focus on normal recurring tasks that can be safely and cost-effectively performed, using this contract for specialized non-recurring urgent work.

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Construction Award Process - City of Los Angeles Charter Section 371, Subdivision A – Competitive Bidding, sets forth the procedure staff followed to award this contract. For construction contracts such as this one, the Harbor Department generally publishes the Notice Inviting Bids in daily newspapers and trade publications circulated in the City, as well as on the Port website. The Harbor Department conducts a pre-bid conference and job walk to familiarize prospective bidders with the jobsite and to answer questions related to the construction contract. Following submittal to the Harbor Department, bids are publicly opened and the lowest apparent bidder is declared. Bid documents, Small Business Enterprise (SBE) and Very Small Business Enterprise (VSBE) participation, and other required documents, are reviewed for compliance with Harbor Department requirements. Once all information is verified and the lowest bidder is deemed responsive, recommendation for award of the construction contract is made.

The Notice Inviting Bids for Specification No. 2743 was advertised on the Port of Los Angeles website, and in the Los Angeles Times, The Los Angeles Watts Times, Chinese Daily News, Dodge Construction "Green Sheet", and the Metropolitan News Company.

As authorized by the Executive Director on November 28, 2011, the Chief Harbor Engineer received two (2) bids for the subject contract on May 24, 2012. Bids were received from Manson Construction Company and Vortex Marine Construction, Inc. in the amounts shown on the Analysis of Bids (Transmittal 1). Manson Construction Company was determined to be the apparent low bidder at \$22,217,400. A 10% contingency is allocated for this project for a total authorized amount of \$24,439,140. This 10% contingency was determined based on a qualitative review of project specific risks including schedule constraints and potential unforeseen conditions that may arise. In addition, as an on-call contract, the majority of work is undefined at the time of bid, which could result in bid item adjustments and scope changes not included in the 97 bid items, included in this contract.

Manson Construction Company has provided the required documents regarding the Small Business Development Enterprise Program. Manson Construction Company projects a SBE participation level of 25.82% and a VSBE participation level of 6.65% (Transmittal 2). The Harbor Department had set a minimum SBE participation level of 25% and a minimum VSBE participation level of 5% for this project.

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Construction staff has verified Manson Construction Company's state license and project references. In conformance with Section 10.8.4 of Ordinance No. 143429, certification is hereby made that Manson Construction Company 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.

This contract is consistent with State of California Prevailing Wage provisions.

Individual Coastal Development Permits will be obtained for each project constructed by this contract.

ENVIRONMENTAL ASSESSMENT:

The proposed action is award of a contract to Manson Construction Company for on-call marine work and improvements as well as three identified projects; the Berth 239 Mooring Point Structure, the Cabrillo Beach Bird Exclusion Structure, and the Cabrillo Beach Sand Excavation and Replacement projects. This action is limited to award of a contract and any construction projects resulting from the contract will be subject to separate environmental review. Therefore, 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) under Article II, Section 2(f) of Los Angeles City CEQA guidelines.

ECONOMIC BENEFITS:

Spending under the proposed contract will support 170 direct and 147 secondary one-year equivalent jobs for the five-county region.

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FINANCIAL IMPACT:

Funds for FY 2012/2013 in the total amount of \$11,108,700 for this contract have been budgeted as shown below. As is typical of on-call contracts, spending under this contract will be requested to be authorized as part of the annual budget adoption process, upon Board approval each fiscal year. It is anticipated that the funds for this contract will be expended as follows:

Maintenance Improvement Budget

Account No. 54040 Center No. 0311 Program No. 308

Fiscal Year 2012/2013: \$ 800,000

Fiscal Year 2013/2014: \$ 800,000

Total \$ 1,600,000

Capital Improvement Budget

Account No. 54510 Center No. 1900 Program No. 000

Fiscal Year 2012/2013: \$10,308,700

Fiscal Year 2013/2014: \$12,530,440

Total \$22,839,140

This contract will allow the Harbor Department to better respond to our customers needs in a timely manner, thereby maintaining productivity of active facilities. Not having this contract as an option to accomplish urgently needed repairs and improvements in a timely manner could impact the usability of Port facilities and the ability to maintain a safe environment for those working at Port facilities. In the event the financial impact of the proposed contract is not approved, productivity at Port facilities may decrease due to inability to expeditiously make needed repairs and improvements.

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. 2743 as to form and legality on November 14, 2011.

TRANSMITTALS:

1. Analysis of Bids
2. Contractor and Subcontractor List
3. Project Aerial Site Plan

FIS Approval: WR (initials)

CA Approval: TAM (initials)



SHAUN SHAHRESTANI
Chief Harbor Engineer
Construction Division

FOR 
MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:


GERALDINE KNATZ, Ph.D.
Executive Director

KH:be
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2743B01
ADP No. 110719-091