



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: SEPTEMBER 12, 2012

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ - PROPOSED
RESOLUTION FOR PREQUALIFICATION OF BIDDERS FOR
CONSTRUCTION OF THE BERTH 200 RAIL YARD TRACK
CONNECTIONS PROJECT
SPECIFICATION NO. 2745**

SUMMARY:

The City of Los Angeles Harbor Department (Harbor Department) has committed to the timely delivery of an on-dock rail yard as part of the Berths 136 -147 (TraPac) Container Terminal Project. In order for the on-dock rail yard to be built, the Pier A Rail Yard must be relocated to a new location at Berth 200. Staff recommends that construction of the new Berth 200 Rail Yard Track Connections project (Project), Harbor Department Specification No. 2745, be performed by prequalified contractors to ensure timely completion of the project. Section 375 of the Los Angeles City Charter allows prequalification of bidders for construction contracts if the Board of Harbor Commissioners (Board) finds that utilization of such a process would benefit the City of Los Angeles (City). This Board report sets forth characteristics of the proposed project and the justification for utilizing the prequalification process to attain benefits for the City. The Project is state funded under the Proposition 1B Trade Corridor Improvement Fund (TCIF).

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve the Resolution for Prequalification of Bidders, finding that utilization of the bidder prequalification process for construction of the Berth 200 Rail Yard Track Connections project would benefit the City of Los Angeles pursuant to Section 375 of the Los Angeles City Charter and Section 10.18 of the Los Angeles City Administrative Code, for the Project; and
2. Adopt Resolution No. _____.

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PREQUALIFICATION OF BIDDERS**

DISCUSSION:

Background - On December 6, 2007, the Board certified the Berths 136-147 (TraPac) Container Terminal Project Environmental Impact Report (EIR). This EIR included an on-dock rail yard for TraPac, and the new Berth 200 Rail Yard project. The Berth 200 Rail Yard project will relocate the existing Pier A Rail Yard to the backlands area of Berth 200, allowing the former Pier A Rail Yard land to be used to create an on-dock rail yard for TraPac.

On February 17, 2011, the Board approved Resolution Nos. 11-7081 and 11-7082 for prequalification of bidders for construction of the Berth 200 Rail Yard project. On June 7, 2012, the Board approved Resolution No. 12-7341 awarding a construction contract to Herzog Contracting Corp. for construction of the Berth 200 Rail Yard project.

The Berth 200 Rail Yard Track Connections Project - The Project will provide the railroad track tie-in connections on the east and west ends of the Berth 200 Rail Yard project currently in construction. The Project is defined by the following main components, as shown on the attached layout drawings (Transmittal 4):

- Railroad Track
 - Railroad track work located on the east and west ends of the Berth 200 Rail Yard project that tie-in to existing mainline and terminal spur tracks.
- Railroad Signalization
 - Centralized Train Control (CTC) signals for mainline track improvements.
 - Grade crossing signal protection for five at-grade street crossings.
- Railroad Grade Crossing Street Improvements
 - Demolition of existing street improvements, existing substructure relocation, protection and abandonment, grading, paving, drainage, striping and fencing.
 - Coordination of utility removals by others.

The estimated construction cost is approximately \$20 million. Construction is anticipated to begin in 2013 and be completed in 2014. Future maintenance costs will be the responsibility of the rail yard tenants.

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 OF BIDDERS**

This Project will be constructed in compliance with the Harbor Department's new Small Business Enterprise / Very Small Business Enterprise Program.

This Project will be performed under a Project Labor Agreement.

Prequalification Process - City Charter Section 375 allows the prequalification of bidders if the process is clearly described and the contracting authority, the Board, makes a written finding that utilization of such process would benefit the City. The Berth 200 Rail Yard Track Connections project has certain characteristics described below that staff believe justify the utilization of a prequalification process for this contract. To ensure the safe, timely, and cost effective completion of the Project, contractors should have experience constructing major track work installation projects. This includes installation of signal and crossing protection specialty work. Prequalification of bidders will help ensure that the work will be completed safely, within budget, and within the limited time available.

In accordance with Section 10.18 of the Administrative Code, the prequalification process will include the verification of relevant experience in providing similar specialized services, financial ability to complete the work, bonding capability, safe work practices, and prior contracting performance with other governmental agencies. The specific criteria and submittal requirements are identified in the Prequalification Package for the Project – Specification No. 2745 (Transmittals 2 and 3).

Modifications to the prequalification requirements may be made during the advertising phase (before submittal of prequalification packages) to address questions received from contractors during this period. Any modifications will be issued by addendum to all potential bidders. In accordance with Section 10.18 of the Administrative Code, the prequalification criteria will include verification of relevant experience with similar specialized services, including experience with railroad and signal work. Specific quantities used in the criteria were determined by considering the actual quantities required for the Project, and arriving at a reasonable lower quantity that has been successfully performed, demonstrating that the contractor or subcontractor is capable of achieving the actual required quantities at minimal-to-no risk to the Harbor Department. The adjusted criteria allow additional qualified contractors and subcontractors to be eligible to bid on this Project.

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Prequalification Justification – Timely completion of the Project is of paramount importance to supporting the proposed expansion of the Berths 142-147 Container Terminal and ensuring the state TCIF grant funding. Construction of the Berth 200 Rail Yard Track Connections project will allow the Pier A Rail Yard near the TraPac terminal to be demolished. The Pier A Rail Yard land can then be used to create an on-dock rail yard for the TraPac terminal. The Resolution for Prequalification of contractors is included in Transmittal 1.

Rail yard construction requires experienced personnel and specialized equipment to accomplish the work in a timely manner. The Project will be constructed during active terminal operations. A company experienced in this type of project with qualified personnel is required to meet the ambitious schedule.

The expertise and equipment required to remove and reconstruct existing railroad tracks and crossings, construct continuous welded rail, construct railroad turnouts and other specialized track work, construct centralized train control signalization improvements, and maintain operations during construction of new improvements requires experienced personnel and specialized equipment to accomplish the work in a timely manner.

Prequalifying the contractor and certain specialty subcontractors for this contract is justified and in the best interest of the City. Prequalification inquiries would include the experience and qualifications of the general contractor, specialty subcontractors as specified, each project manager, safety engineer, project scheduler, and site superintendent. Prequalifying bidders and key project personnel will help ensure that the work will be completed within budget and within the limited time available, which will benefit the City. Experienced and qualified contractors and key project personnel should minimize delays, problems, and expenses attributable to lack of knowledge and expertise in the specialized construction work involved.

The scheduled performance time established for the Project is sufficient for completion of the work by a qualified contractor with the necessary experience, but timely completion may be jeopardized if the work is undertaken by a contractor lacking the required experience in the specialized construction work. Furthermore, delays could also jeopardize grant funding because all grant reimbursement must be completed by March 28, 2015. To qualify, bidders must have acquired satisfactory prior experience within the past ten years in the construction of similar projects. Satisfactory experience is described in the attached Notice Inviting Contractors to Prequalify (Transmittal 2). Only those entities successfully meeting all the prequalification criteria will be invited to submit bids for the work.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a Resolution for Prequalification of Bidders for construction of the Berth 200 Rail Yard Track Connections project. Construction of the Berth 200 Rail Yard, including the Track Connections project, was analyzed in the Berths 136-147 [TraPac] EIR which was certified by the Board in December, 2007. Therefore, as an activity for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA), the Director of Environmental Management has determined that the proposed action is exempt from CEQA in accordance with Article II Section 2(i) of the City of Los Angeles CEQA Guidelines.

FINANCIAL IMPACT:

There is no financial impact associated with the prequalification of bidders as discussed in this Board item. Upon prequalification of contractors, the Berth 200 Rail Yard Track Connections project will be advertised for construction in early 2013. Subsequently, the lowest responsive responsible bidder will be recommended to the Board for a construction contract award. Construction is anticipated to start in early to mid 2013. The development of this rail yard will have an estimated construction cost of \$20 million, of which approximately \$10.5 million will be reimbursable under the Proposition 1B Trade Corridor Improvement Fund.

State Funding – The Project grant is a state Proposition 1B Trade Corridor Improvement Fund. The Contractor will be required to comply with all requirements of sub grantees and/or contractors specified in the grant.

ECONOMIC BENEFITS:

This Board action will have no employment impact for the five-county region.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Resolution for Prequalification of Bidders, Notice Inviting Contractors to Prequalify, and Prequalification Instructions and Information as to form and legality

TRANSMITTALS:

1. Resolution for Prequalification of Bidders
2. Notice Inviting Contractors to Prequalify
3. Prequalification Instructions and Information
4. Layout Drawings

FIS Approval: KS (initials)

CA Approval: JAR (initials)



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APPROVED:



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