



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

Board of Harbor Commissioners

DATE: MARCH 5, 2024

FROM: CONSTRUCTION AND MAINTENANCE

SUBJECT: RESOLUTION NO. _____ - FIRST AMENDMENT TO AGREEMENT NO. 21-9816 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND AMERICAN MARINE CORPORATION FOR UNDERWATER DIVING SERVICES

SUMMARY:

Staff requests approval of the First Amendment (Amendment) to Agreement No. 21-9816 (Agreement) with American Marine Corporation (AMC) of San Pedro, California for on-call underwater diving services. Approval of the proposed Amendment will adjust rates and increase the 3-year Agreement budget by \$500,000 from \$4,200,000 to \$4,700,000 to ensure sufficient funding for services as labor wage and benefits have increased. The Agreement is set to expire on August 5, 2024. The City of Los Angeles Harbor Department (Harbor Department) will continue to be responsible for payment of expenses incurred under the Agreement.

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 the First Amendment to Agreement No. 21-9816 with AMC;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the First Amendment to Agreement No. 21-9816; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The Construction and Maintenance Division of the Harbor Department (C&M) is responsible for the inspection and maintenance of timber wharves and the assessment of underwater slopes for wharf structures throughout the Port of Los

DATE: MARCH 5, 2024

PAGE 2 OF 4

SUBJECT: APPROVAL OF FIRST AMENDMENT TO AGREEMENT 21-9816

Angeles (Port). Underwater diving services are an essential part of the inspection and maintenance function. These services include:

- Annual inspection and evaluation of the condition of fenders, piles, and other underwater structures;
- Timber wharf maintenance repairs, including maintenance repairs performed in conjunction with a C&M surface crew;
- Participation in formal wharf damage inspections/surveys in order to document conditions;
- Inspection of new construction for conformance with Harbor Department specifications; and
- Inspection of plastic pile wrapping and seals to ensure proper installation.

Insofar as there are no employee classifications in the City of Los Angeles that perform hard hat underwater diving, it is necessary to use a contract service to accomplish this specialized function.

The Carpenters Union Master Labor Agreement recently had a wage and benefit increase of six percent. The Amendment (Transmittal 1) is being proposed to adjust rates and to increase the Agreement (Transmittal 2) total compensation limit so that services can continue.

ENVIRONMENTAL IMPACT:

The proposed action is the approval of the First Amendment to Agreement No. 21-9816 with AMC for on-call underwater diving services, which is an administrative activity. 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 Amendment will increase the total not-to-exceed expenditure amount by \$500,000 from \$4,200,000 currently to \$4,700,000 as proposed. Spending under the Agreement has occurred and is anticipated to occur as follows:

DATE: MARCH 5, 2024

PAGE 3 OF 4

SUBJECT: APPROVAL OF FIRST AMENDMENT TO AGREEMENT 21-9816

| <u>Fiscal Year (FY)</u> | <u>Expenditures</u> |
|-------------------------|---------------------|
| Prior Years | \$2,804,948 |
| FY 2023-2024 | \$1,800,000 |
| FY 2024-2025 | \$95,052 |
| Total | \$4,700,000 |

FY 2023-2024 funding in the amount of \$1,800,000 has been budgeted in Account 54040 (Maintenance Services - Wharves), Center No. 0510 (Construction and Maintenance Division), Program No. 000. Through February 2024, \$1,000,000 has been spent over the first eight months of FY 2023-2024, and \$800,000 is available for use over the remaining four months of the current fiscal year. Funding for future fiscal years will be requested as part of the annual budget process upon Board approval.

The Harbor Department's financial obligations after the current fiscal year are contingent upon the Board's appropriation of funds. If any subsequent fiscal year funds are not appropriated by the Board for the work required by the agreement, the agreement shall be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred. A funding out clause is included in the Agreement.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the First Amendment to Agreement No. 21-9816 as to form and legality.

DATE: MARCH 5, 2024

PAGE 4 OF 4

SUBJECT: APPROVAL OF FIRST AMENDMENT TO AGREEMENT 21-9816

TRANSMITTALS:

1. First Amendment to Agreement No. 21-9816
2. Agreement No. 21-9816 with AMC

FIS Approval: MB

CA Approval: SP



TIM CLARK
Director of Port Construction & Maintenance

Dina Aryan-Zahlan
DINA ARYAN-ZAHLAN, P.E.
Deputy Executive Director of
Development Bureau

APPROVED:

Marla Bleavins For
EUGENE D. SEROKA
Executive Director

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