



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

DATE: OCTOBER 25, 2016

FROM: CONSTRUCTION AND MAINTENANCE

**SUBJECT: RESOLUTION NO. _____ - INCREASE CONTRACT
EXPENDITURE AUTHORITY FOR ANNUAL PROCUREMENT
CONTRACT NO. 39796 WITH A-THRONE CO., INC.**

SUMMARY:

Staff requests that the Board of Harbor Commissioners approve an increase in the expenditure authority for Contract No. 39796 with A-Throne Co., Inc., currently set at the amount of \$150,000 per year to \$200,000 per year. This annual contract, administered by the Construction and Maintenance Division (C&M), is for the rental of portable toilets and sanitation facilities which are used for special events and for stationing throughout the Port of Los Angeles (Port) on an on-going basis. The requested increase is necessary to meet sanitation service demands throughout the Port. Although the contract authority level will increase, actual contract expenditures will not exceed the budget levels authorized in the annual C&M operating budget. The Port is responsible for payment of expenses under this contract.

RECOMMENDATION:

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

1. Find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III, Class 1, of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Approve a purchase order change to Contract No. 39796 with A-Throne Co., Inc., in the amount of \$50,000, from \$150,000 to \$200,000 annually, including any renewal options;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said purchase order change; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background/Context - The Harbor Department executes annual procurement contracts to purchase required materials, supplies, and services to support Harbor Department operations and projects. C&M currently utilizes more than one hundred annual

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procurement contracts in order to provide safe, reliable, efficient, and quality services to its customers. Through these annual procurement contracts, a wide range of vendors provide materials and services that allow C&M to efficiently maintain the Port's infrastructure. Most of these annual procurement contracts are less than \$150,000 per year and are typically sufficient for C&M to perform both planned and responsive maintenance responsibilities.

In the course of normal operations, C&M requests increases as needed in the spending authority level on annual procurement contracts 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 replacement electrical parts than usual after normal preventive maintenance is performed). Although the expenditure level may increase for a specified contract, actual expenditures will not exceed the annual budget levels authorized in the CIP, MIP, and C&M operating budgets.

Contract Requiring Increased Funding - In order to complete scheduled projects and maintain regular operations, C&M is requesting approval to increase the expenditure authority for the annual procurement contract with A-Throne Co., Inc. by an amount not-to-exceed \$200,000 per year (Transmittals 1 & 2). This annual procurement contract is used to rent, place, and service portable sanitation facilities which are used for special events and for stationing throughout the Port of Los Angeles (Port) on an on-going basis. The requested expenditure increase is an estimate based on current projected needs and contract year expenditure levels. If additional increases are needed, subsequent Board action will be required to further increase contract expenditure levels.

The following is a summary of the contract requiring increased funding:

A-Throne Co, Inc. – Contract No. 39796 with A-Throne Co, Inc. went into effect on September 1, 2016 in the amount of \$150,000 per year for a one-year term, with two one-year renewal options. This contract is essential for providing portable toilets and sanitation facilities such as hand wash stations to be used throughout the Port. The requested increase for this contract is directly related to an expanded public event schedule including the Port of Los Angeles Lobster Festival, LA Fleet Week, and numerous events held periodically at Downtown Harbor Plaza, the Harbor Boulevard Parkway, and the Wilmington Waterfront Park. The level of public attendance at these events requires the presence of these facilities. In addition, expanded public visits to Ports O' Call during the summer months at a time when ADA compliance issues have resulted in the loss of use of permanent restroom facilities there have increased the need for portable service coverage. The cost of the rentals for this area alone is about \$9,000 per month for a five month period. To meet a higher level of demand for these

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services, C&M is requesting an increase in the amount of the contract to \$200,000 per year.

It should be noted that increasing the contract expenditure authority does not mean that all funds will be spent up to the proposed project total. In addition, although the contract authority level will change, actual expenditures will not exceed the budget levels authorized in the C&M operating budget.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval to increase the expenditure authority for two contracts that are used by the C&M Division for rental portable toilets. 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 the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The requested increase in expenditure authority will raise the maximum spending authority of the contract with A-Throne Co., Inc., from \$150,000 to \$200,000 per year. No additional costs are scheduled to be incurred beyond the amount budgeted in the current fiscal year.

If the purchase order change is not approved, there will be no fiscal impact as project funding is already authorized for these expenditures. However, the lack of approval will delay the ability of C&M to respond to service needs posed by the Port's events calendar as well as address needs posed by projects or site inadequacies.

The prior A-Throne Co. Inc. Contract No. 31585-16 in the amount of \$150,000 expired on August 31, 2016. Based on consistent increases in annual expenditures for sanitation facilities and portable services under this contract two one-time purchase orders had to be generated for payments. The funds allocated under that contract were completely exhausted before the contract expired. The expenditures for the last three months before the contract expired were as follows:

June Invoices (\$9,612.00); July Invoices (\$23,410.06); and August Invoices (\$25,698.38).

Funding in the contract increase is in the Fiscal Year 2016/2017 C&M operating budget. Funding for expenditures beyond the current fiscal year will be requested as part of the annual budget process with Board approval.

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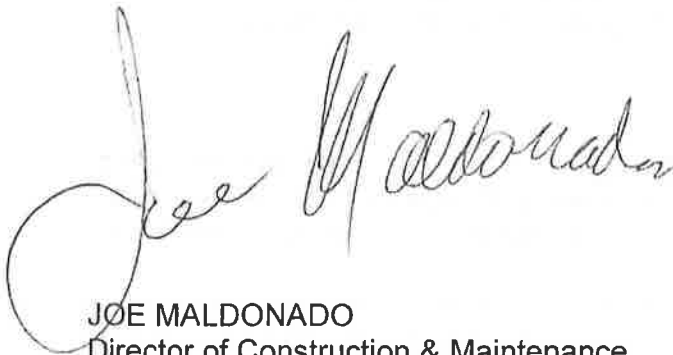
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CITY ATTORNEY:

The City Attorney's office has reviewed the change order and approved it as to form and legality.

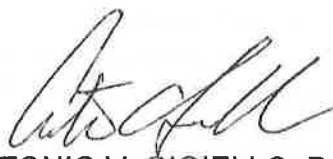
TRANSMITTALS:

1. Purchase Order Change No. 1 to Contract No. 39796
2. Contract No. 39796



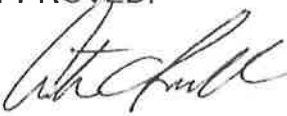
JOE MALDONADO
Director of Construction & Maintenance

FIS Approval: MB (initials)
CA Approval: CPB (initials)



ANTONIO V. GIOIELLO, P.E.
Deputy Executive Director

APPROVED:



FOR EUGENE D. SEROKA
Executive Director

FEB/FHA

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