



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: OCTOBER 25, 2012

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ - AWARD OF
CONSTRUCTION CONTRACT
CONTRACTOR: MCM CONSTRUCTION, INC.
SOUTH WILMINGTON GRADE SEPARATION
SPECIFICATION NO. 2690A**

SUMMARY:

This contract is for construction of the South Wilmington Grade Separation project (Project), which will construct an approximately 4,100-foot-long grade separation structure linking Harry Bridges Boulevard, Pier A Street and Fries Avenue with a proposed new entrance to the Trans Pacific Container Service Corp. (TraPac) Terminal. The lowest responsive and responsible bidder is MCM Construction, Inc., located in North Highlands, California. The contract amount, including a 10% contingency, is \$55,707,438. The contract duration is 780 calendar days. The Project is partially state-funded under the Proposition 1B, State Trade Corridor Improvements Fund through the State of California Department of Transportation, in the amount of \$17,000,000 and funded under the Los Angeles County Metropolitan Transportation Authority (LACMTA) – under Prop C in the amount of \$19,288,000.

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. Authorize the Executive Director to execute, and the Board Secretary to attest to, this contract for and on behalf of the Board;
3. Award the above mentioned contract for Item Nos. 1 through 48 of the proposal schedule to MCM Construction, Inc. in the amount of \$50,643,125; that a 10% contingency not included in the original contract amount be applied for a total authorization of \$55,707,438; and authorize payment from the City of Los Angeles Harbor Department Construction Account. The contract time for performance of the work will be 780 calendar days from the Notice to Proceed;

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4. In accordance with City Charter Section 655 (g), delegate and authorize the Executive Director to adjust final bid quantities and accept the construction contract upon its completion; and
5. Adopt Resolution No. _____.

DISCUSSION:

Previous Board Actions - At the April 5, 2006 Board meeting, a public hearing was held on the Level III Coastal Development Permit for a grade separation at Fries Avenue, south of Harry Bridges Boulevard, in Wilmington. The recommendation to adopt the Permit was approved. Since approval, the Project design has been revised to avoid conflicts with Department of Water and Power infrastructure, though the concept and general location remains as was originally approved by the Board. Consequently, the title of the Project was also changed from Fries Avenue Grade Separation to South Wilmington Grade Separation.

On February 17, 2011, the Board approved Resolution No. 11-7084, authorizing the prequalification of contractors under Specification No. 2690 for the Project.

On May 19, 2011, the Board approved Agreement No. 11-2976 with AECOM Technical Services, Inc. for Construction Management Services for the South Wilmington Grade Separation for a three-year term and a maximum compensation of \$3,836,300. A three-year extension was approved by the Board on October 4, 2012.

On September 6, 2012, bids for Specification No. 2690 were received and opened. After evaluation of bids, staff recommended rejection of all bids. On September 20, 2012, the Board approved Resolution No. 12-7390 for the rejection of all bids and the re-advertisement of the Project.

South Wilmington Grade Separation - The scope of the Project includes construction of a grade separation structure linking Harry Bridges Boulevard, Pier A Street and Fries Avenue with a proposed new entrance to the TraPac Terminal (Transmittal 3). The Project will carry vehicular traffic over the Pier A Street Rail Yard entrance track, which is frequently used for switching purposes, and over the San Pedro mainline railroad track, which is used several times a day. Both will remain active during construction activities. Separation of truck traffic from rail traffic will be necessary to facilitate the efficient flow of truck traffic from Harry Bridges Boulevard to the proposed TraPac Terminal entrance.

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The structure will consist of 2,300 lineal feet of prestressed, cast-in-place concrete box girder on seven-foot diameter concrete columns, built on footings supported by 24-inch diameter precast/prestressed concrete piles. Abutments will also be supported by 24-inch diameter precast/prestressed concrete piles. Approaches to the bridge will utilize 32,000 square feet of mechanically stabilized earth (MSE) retaining wall. The Project will be constructed on streets and backland areas that have a large number of petroleum, gas, and other underground lines that have been or will be relocated by their owners, where necessary.

This Project will be constructed in compliance with the City of Los Angeles Harbor Department's (Harbor Department) Small Business/Very Small Business Enterprise Program (SBE/VSBE). This contract is consistent with State of California Prevailing Wage provisions. This Project will be performed under a Project Labor Agreement. The duration of the Project is 780 calendar days. Construction is anticipated to start in January 2013 and be completed in March 2015.

This is a very large construction contract requiring specific experience and equipment to perform the work. This contract is also temporary in nature. As such, it is not feasible for the City of Los Angeles (City) to hire employees and purchase equipment to perform the work under this contract.

The Project is partially state-funded under the Proposition 1B, State Trade Corridor Improvements Fund through the State of California Department of Transportation in the amount of \$17,000,000 and funded under the Los Angeles County Metropolitan Transportation Authority (LACMTA) – under Prop C in the amount of \$19,288,000. Since the Project is state funded, it is exempt from the Local Business Preference Program (LBPP). State funding declares that the Project must be awarded by the Harbor Department by November 1, 2012. There are no additional funding constraints or deadline requirements.

Construction Award Process - City 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 publishes the Notice Inviting Bids in daily newspapers and trade publications circulated in City of Los Angeles, as well as on the Port of Los Angeles website. The Harbor Department conducts a pre-bid conference and job walk to familiarize the prospective bidders with the jobsite and to answer questions related to the construction contract. Following the submittal to the Harbor

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Department, the bids are publicly opened and the apparent lowest bidder is declared. Bid documents, and other documents are reviewed for compliance with Harbor Department requirements. Once all information is verified, and if the lowest bidder is deemed responsive, recommendation for award of the construction contract is made. If the apparent low bidder is found non-responsive, the next lowest bidder is reviewed and so forth.

In accordance with Resolution No. 11-7084 approved by the Board of Harbor Commissioners on February 17, 2011, only prequalified prime contractors were allowed to submit bids for this Project and only prequalified specialty work subcontractors are allowed to perform box girder construction, MSE retaining wall construction, pile driving, and infrastructure relocation.

- a. Prequalified Prime Contractors are: Shimmick Construction Company; Steve P. Rados, Inc.; Flatiron West, Inc.; C.C. Myers, Inc.; Skanska USA Civil West District, Inc.; Atkinson Contractors, LP; Brutoco Engineering and Construction, Inc.; Security Paving Company, Inc.; Griffith Company; SEMA Construction; MCM Construction, Inc.; Ortiz Enterprises, Inc.; and Balfour Beatty Infrastructure, Inc.
- b. Prequalified Box Girder Specialty Work Contractors are: Shimmick Construction Company; Steve P. Rados, Inc.; Flatiron West, Inc.; C.C. Myers; Skanska USA Civil West District, Inc.; Atkinson Contractors, LP; Brutoco Engineering and Construction, Inc.; Security Paving Company, Inc.; Griffith Company; MCM Construction, Inc.; and Balfour Beatty Infrastructure, Inc.
- c. Prequalified MSE Retaining Walls Specialty Work Contractors are: Shimmick Construction Company; Steve P. Rados, Inc.; Flatiron West, Inc.; Skanska USA Civil West District, Inc.; Atkinson Contractors, LP; Brutoco Engineering and Construction, Inc.; Security Paving Company, Inc.; Griffith Company; SEMA Construction; MCM Construction, Inc.; Ortiz Enterprises, Inc.; and Balfour Beatty Infrastructure, Inc.
- d. Prequalified Pile Driving Specialty Work Contractors are: Flatiron West, Inc.; Dutra Construction Co., Inc.; Foundation Pile, Inc.; and R.E. Staite Engineering, Inc.

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- e. Prequalified Infrastructure Relocation Specialty Work Contractors are: ARB, Inc.; Sully-Miller Contracting Company; Shimmick Construction Company; Steve P. Rados, Inc.; Flatiron West, Inc.; Skanska USA Civil West District, Inc.; Brutoco Engineering and Construction, Inc.; Security Paving Company, Inc.; Griffith Company; SEMA Construction; and Balfour Beatty Infrastructure, Inc.

The Notice of Inviting Bids concerning Specification No. 2690A was advertised on September 20, 2012 on the Port of Los Angeles website, and in the Daily Breeze, Hoy, Chinese Daily News, Dodge Construction "Green Sheet", and Metropolitan News Company.

As authorized by the Executive Director on September 20, 2012, the Chief Harbor Engineer received two bids for the subject contract on October 15, 2012. The Analysis of Bids (Transmittal 1) lists the companies that submitted bids and their respective bid amounts. The bids received were opened, and MCM Construction, Inc. was declared the apparent lowest bidder at the time of the bid opening.

MCM Construction's bid contains a few instances where reference is made to the original Specification No. 2690 instead of the re-bid, Specification No. 2690A. However, MCM Construction's bid expressly indicates it was bidding on the correct Specification No. 2690A, including Addendum No. 1 and MCM Construction, Inc. has also confirmed this to staff. Therefore, staff recommends waiving the mistaken references and awarding to MCM Construction, Inc.

Construction staff has verified MCM Construction, Inc.'s state license. In conformance with Section 10.8.4 of Ordinance No. 143429, certification is hereby made that MCM Construction, Inc. 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. MCM Construction, Inc. satisfied the prequalification requirement for identifying prequalified specialty subcontractors in its bid.

The Harbor Department had set a minimum SBE participation level of 14% and a minimum VSBE participation level of 4%. MCM Construction, Inc. has provided the required documents regarding their SBE and VSBE participation, and has included 24.37% SBE subcontractors/suppliers of which 21.20% is VSBE subcontractor/suppliers (Transmittal 2).

ENVIRONMENTAL ASSESSMENT:

The proposed action is award of a contract to MCM Construction, Inc., for construction of the Project. As an activity involving an activity specifically exempted from the requirements of the California Environmental Quality Act (CEQA) by State Law

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(construction of a railroad grade separation project to eliminate an existing grade crossing per Section 21080.13 of PRC), the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II, Section 2(h) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Funds in the amount of \$14,000,000 for the South Wilmington Grade Separation project have been budgeted in Account No. 54510, Center No. 1172, and Program No. 502 for the current fiscal year.

It is anticipated that the funds for this contract will be expended as follows over the next three fiscal years:

Fiscal Year 2012/2013:	\$14,000,000
Fiscal Year 2013/2014:	\$25,000,000
Fiscal Year 2014/2015:	\$16,707,438
Total	\$55,707,438

Funds for future fiscal years will be requested to be budgeted as part of the annual budget adoption process, upon Board approval. The total baseline budget cost for this Project was approved by the Board on April 19, 2012 and is \$84,300,000. Approval of this contract will not require an increase in the total project baseline budget.

Subsequent to Project completion, the Harbor Department will fully bear the ongoing operating and maintenance costs associated with this Project, currently estimated at \$40,000 per year.

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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ECONOMIC BENEFITS:

Spending under the proposed contract will support approximately 437 direct one-year equivalent construction jobs in the five-county region.

CITY ATTORNEY:

The Office of the City Attorney reviewed and approved Specification No. 2690A as to form and legality on October 5, 2012.

TRANSMITTALS:

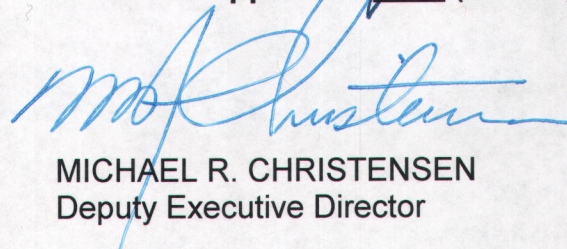
1. Analysis of Bids
2. Contractor and Subcontractor List
3. Location Key Map

FIS Approval: KR (initials)

CA Approval: MC (initials)

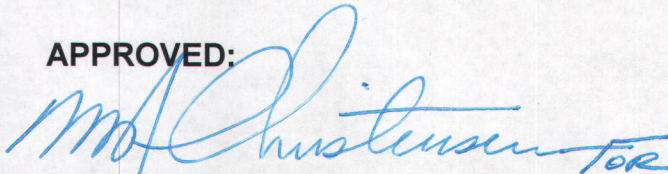


SHAUN SHAHRESTANI
Chief Harbor Engineer
Construction Division



MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

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