



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

**DATE: AUGUST 11, 2015**

**FROM: CONSTRUCTION**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ -  
AWARD AND APPROVAL OF CONSTRUCTION CONTRACT  
CONTRACTOR: METRO BUILDERS & ENGINEERS GROUP, LTD.  
BERTH 142 CRANE MAINTENANCE BUILDING  
SPECIFICATION NO. 2760A**

**SUMMARY:**

This improvement is part of the TraPac container terminal development program. The Berth 142 Crane Maintenance Building project (Project) will provide a facility for the maintenance of automated shuttle carriers, the equipment operating within the automated backland development. The lowest responsive and responsible bidder is Metro Builders & Engineers Group, Ltd. located in Newport Beach, California. The contract amount, plus a 10% contingency, is \$7,081,821.45. The contract duration is 575 calendar days. The Project is partially funded under Proposition 1B, State Trade Corridor Improvement Fund, a reimbursement grant through the State of California Department of Transportation, in the amount of \$2,841,000.00. The Harbor Department is financially responsible for payment of expenses under the proposed contract.

**RECOMMENDATION:**

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

1. Find that, in accordance with 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 and approve, Specification No. 2760A for Item Nos. 1 through 19 of the proposal schedule to Metro Builders & Engineers Group, Ltd., in the amount of \$6,438,019.50; that a 10% contingency not included in the original contract amount be applied for a total authorization of \$7,081,821.45; and authorize payment from the City of Los Angeles Harbor Department Construction Account. The contract time for performance of the work will be 575 calendar days from the Notice to Proceed;

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3. Authorize the Executive Director to execute and the Board Secretary to attest to this contract for and on behalf of the Board;
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:**

Background / Context – On December 6, 2007, the Board approved the Berths 136-147 [TraPac] Container Terminal Project Environmental Impact Report (EIR). On September 19, 2013, an addendum to this EIR, for the Berths 142-143 Backland Improvements Project, was considered by the Board in connection with the Second Amendment to Permit No. 881. On September 2008, the Board approved a Level III Coastal Development Permit (No. 08-07) for the TraPac Terminal Expansion Project, Berths 136-147.

This Project is part of the overall automated container terminal development program at the TraPac terminal. The scope of this Project consists of the construction of a 5,000 square foot crane maintenance building, which will be the facility for the maintenance of automated shuttle carriers, the operating equipment used in the automated backland development. This Project also includes a 50-foot offset for civil work, including grading, paving, utility connections, striping, fencing and methane mitigation. An aerial site plan showing the limits of the Project can be found in Transmittal 3.

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.

This construction contract is temporary in nature and requires specific experience and equipment to perform the work. 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.

Construction Award Process – City of Los Angeles Charter Section 371(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 the City of Los Angeles, as well as on the Port of Los Angeles website. The Harbor Department conducts a pre-bid

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conference to familiarize the prospective bidders with the Project and to answer questions related to the construction contract.

Following submittal to the Harbor Department, the bids are publicly opened, and the apparent lowest bidder is declared. Bid documents, SBE and VSBE participation, and other required 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 lowest bidder is found non-responsive, the next lowest bidder is reviewed.

In conformance with the City Charter section for competitive bidding, as stated above, the Notice of Inviting Bids for Specification No. 2760A was advertised on June 22, 2015 on the Port of Los Angeles website, in Dodge Construction "Green Sheet", LA Watt's Times, LA Opinion, Rafu Shimpo, and Metropolitan News Company to reach out to as many potential bidders as possible. A pre-bid meeting was held on June 30, 2015.

As authorized by the Executive Director on February 26, 2015, the Chief Harbor Engineer received 6 bids for the subject contract on July 14, 2015. The Analysis of Bids (Transmittal 1) lists the companies that submitted bids and their respective bid amounts. The bids received were opened, and Metro Builders & Engineers Group, Ltd. was declared the apparent lowest bidder at the time of the bid opening with a bid of \$6,438,019.50.

Construction staff has verified Metro Builders & Engineers Group, Ltd.'s state license. In conformance with Section 10.8.4 of Ordinance No. 143429, verification is hereby made that Metro Builders & Engineers Group, Ltd. 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. Metro Builders & Engineers Group, Ltd.'s bid has been found responsive. An approximate 10% contingency is recommended based on a qualitative review of project specific tasks, including schedule constraints and potential unforeseen conditions that may arise during construction, utility conflicts and design and scope changes to accommodate field conditions for a total project cost of \$7,081,821.45.

The Harbor Department had set a minimum SBE participation level of 12%, of which 5% shall be VSBE participation. Metro Builders & Engineers Group, Ltd. has provided the required documents regarding their SBE and VSBE participation and has included 100% SBE Subcontractors/Suppliers of which 12.35% is VSBE Subcontractors/Suppliers (Transmittal 2). This contract is consistent with State of California Prevailing Wage provisions. This Project is subject to the terms of Project Labor Agreement No. 11-2955, as approved by the Board on March 17, 2011, and the Los Angeles City Council on May 11, 2011.

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This Project along with all other projects that comprise the TraPac Terminal Program, are currently within the budgets approved by the Board on September 19, 2013.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of a construction contract with Metro Builders & Engineers Group, Ltd. for construction of the Berth 142 Crane Maintenance Building project. The Project was included as part of the Berths 136-147 [TraPac] Final Environmental Impact Statement (EIS)/Environmental Impact Report (EIR) which was certified by the Board in December 2007 and the EIR addendum considered by the Board on September 19, 2013. 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 the requirements of CEQA in accordance with Article II, Section 2(i) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Funds for fiscal year 15/16 in the amount of \$3,103,580 are budgeted in Capital Budget, Account No. 54510, Center No. 1103, Program No. 000. The remaining funds are expected to be expended as follows over the next three fiscal years:

Fiscal Year 2015/2016	\$ 3,103,580
Fiscal Year 2016/2017	\$ 2,665,421
Fiscal Year 2017/2018	\$ 1,312,820
<b>Total</b>	<b>\$ 7,081,821</b>

Funds for future fiscal years will be requested to be budgeted as part of the annual budget process, upon Board Approval. The total construction budget for this Project is \$7,700,000, which does not include design, construction management, and other administrative costs of \$1,780,302, which brings the total Project cost to \$9,480,302. TraPac is responsible for all costs associated with the maintenance of improvements under this contract.

This Project is partially funded under the Proposition 1B, State Trade Corridor Improvement Fund, through the State of California Department of Transportation, in the amount of \$2,841,000. State funding requires that the Project must be awarded by January 22, 2016. The Harbor Department's cost share for the proposed Project will be \$4,240,821.45. This is based on the awarded amount with a 10% contingency and subtracting the total grant reimbursement of \$2,841,000. All grant funding will be on a reimbursement basis.

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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.

**ECONOMIC BENEFITS:**


Spending under the proposed contract will support 52 direct and 42 secondary one-year equivalent jobs for the five-county region.


**CITY ATTORNEY:**

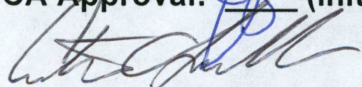
The Office of the City Attorney reviewed and approved Specification No. 2760A as to form and legality on February 24, 2015.

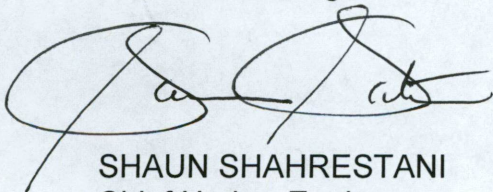
**TRANSMITTALS:**

1. Analysis of Bids
2. Contractor and Subcontractor List
3. Vicinity Map and Building  
Renderings

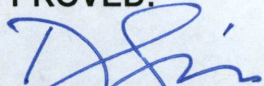

FIS Approval:  (initials)

CA Approval:  (initials)

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

  
SHAUN SHAHRESTANI  
Chief Harbor Engineer  
Construction Division

**APPROVED:**

  
 EUGENE D. SEROKA  
Executive Director