



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

DATE: SEPTEMBER 24, 2019

FROM: RISK MANAGEMENT

SUBJECT: RESOLUTION NO. _____ FIRST AMENDMENT TO AGREEMENT NO. E7008 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND OCEAN MARINE SURVEYORS FOR VESSEL CONDITION AND VALUATION SURVEY SERVICE

SUMMARY:

Staff requests approval of the First Amendment to Agreement No. E7008 with Ocean Marine Surveyors (OMS) for as-needed vessel condition and valuation survey services. Agreement No. E7008 is for one-year term with a not-to-exceed compensation amount of \$15,000 and will expire on November 26, 2019. The proposed First Amendment will extend the term by two additional years to November 26, 2021, and increase the not-to-exceed compensation amount to \$45,000.

The recommendation to enter into Agreement No. E7008 was based on a competitive Request for Qualifications (RFQ) process conducted by the City of Los Angeles Harbor Department (Harbor Department). The Harbor Department will continue to be financially responsible for payment of services rendered 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. E7008 with Ocean Marine Surveyors to extend the term by two additional years and increase the not-to-exceed compensation amount to \$45,000;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said First Amendment for and on behalf of the Board of Harbor Commissioners; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background - The Harbor Department currently operates a marine fleet of about 50 vessels. The vessels are used for fire and emergency response, law enforcement patrol and training, maritime construction and maintenance, and are insured on an annual basis.

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During an insurance renewal meeting in 2017, the Harbor Department's insurance broker, Alliant Insurance Services, advised that the marine fleet insurer has requested that the Harbor Department conduct vessel condition and valuation surveys (C&V surveys). A C&V survey is a type of marine survey done specifically for insurance underwriting purposes. The survey has two primary purposes: 1) to identify the vessel, its equipment, condition, and general value, and 2) to identify defects, damage or hazardous conditions that pose a potential threat to the safety of the vessel and its passengers, or any other such condition that is likely to result in loss or damage. C&V surveys have not been conducted on the vessels for a number of years. Through August 2019, OMS has conducted C&V surveys on 21 vessels at a cost of \$11,835.

Selection Process - An RFQ for as-needed vessel condition and valuation survey services was issued by the Harbor Department in May 2018. Two firms, OMS and another marine surveyor, submitted statements of qualifications. OMS was chosen by a selection panel which consisted of three Harbor Department employees. The Harbor Department entered into Agreement No. E7008 with OMS for a one-year term (November 27, 2018 – November 26, 2019) and for a not-to-exceed compensation amount of \$15,000.

First Amendment - Staff requests approval of the First Amendment to Agreement No. E7008 with OMS to extend the term by two additional years to November 26, 2021, and increase the not-to-exceed compensation amount to \$45,000. The requested time extension and compensation increase will allow OMS to conduct vessel surveys on the remaining 29 vessels and allow for additional vessel surveys if needed.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a proposed First Amendment to Agreement No. E7008 with Ocean Marine Surveyors Inc., which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed First Amendment would authorize the Harbor Department to expend up to \$45,000 for as-needed vessel condition and valuation survey services. Funds are available within the Fiscal Year 2019-20 Budget in Account 59350 (Marine Liability Insurance), Division 0550, Program 000 and anticipated to be expended as outlined below. Future fiscal year funding will be requested as part of the annual budget adoption process.

FISCAL YEAR	TOTAL
2018-19	\$10,575
2019-20	\$19,425
2020-21	\$15,000
TOTAL	\$45,000

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed amendment as to form and legality.

TRANSMITTALS:

1. Agreement No. E7008
2. First Amendment to Agreement No. E7008

FIS Approval: MB (initials)

CA Approval: gml (initials)



JENNIFER BERSALES
Director of Risk Management



MARLA BLEAVINS
Deputy Executive Director and
Chief Financial Officer

APPROVED:



GENE SEROKA
Executive Director

JB:ct
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