



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: APRIL 9, 2013

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____
PROPOSED RESOLUTION FOR PREQUALIFICATION OF BIDDERS
FOR CONSTRUCTION OF THE BERTHS 142-147 ICTF PROJECT
SPECIFICATION NO. 2752**

SUMMARY:

The City of Los Angeles Harbor Department (Harbor Department) has committed to the timely delivery of an Intermodal Container Transfer Facility (ICTF) as part of the Berths 136-147 Trans Pacific Container Service (TraPac) expansion program. Staff recommends that construction of the Berths 142-147 ICTF Project, be performed by prequalified contractors to ensure timely completion of the project. Section 375 of the Los Angeles City Charter allows prequalification of bidders for construction contracts if the Board of Harbor Commissioners (Board) finds that utilization of such a process would benefit the City of Los Angeles (City). This Board Report sets forth characteristics of the proposed project and the justification for utilizing the prequalification process to attain benefits for the City. The estimated construction cost is \$75 million. The Project is state funded under the Proposition 1B Trade Corridor Improvement Fund (TCIF) up to \$20.7 million.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve the Resolution for Prequalification of Bidders, finding that utilization of the bidder prequalification process for construction of the Berths 142-147 ICTF project would benefit the City of Los Angeles, pursuant to Section 375 of the Los Angeles City Charter and Section 10.18 of the Los Angeles City Administrative Code, for the Project; and
2. Adopt Resolution No. _____.

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DISCUSSION:

Background & Context - On December 6, 2007, the Board certified the Berths 136-147 Container Terminal Project Environmental Impact Report (EIR). This EIR included an on-dock rail yard for TraPac, and the new Berth 200 Rail Yard project. The Berth 200 Rail Yard project will accommodate relocation of the existing Pier A Rail Yard to the backlands area of Berth 200, allowing the former Pier A Rail Yard area to be used to create an on-dock rail yard for TraPac. The Berths 142-147 ICTF project will develop the intermodal container transfer facility, including demolishing the existing Pier A Rail Yard.

The Board has already authorized several construction projects associated with the TraPac terminal expansion as follows:

1. Berth 144 Wharf Replacement
2. Berths 145-147 wharf Improvements
3. Berths 144-145 Backland Improvements (Phase 1C)
4. Rear Berths 136-139 Terminal Buildings and Main Gate & Backland Improvements (Phase 1B)
5. South Wilmington Grade Separation
6. Berth 200 Rail yard

The Berths 142-147 ICTF Project and the remaining automated backland expansion projects will complete the TraPac Expansion Program, which is anticipated to be completed in November 2016.

The Berths 142-147 ICTF Project - The Project will develop an intermodal container transfer facility, including demolishing the existing Pier A Rail Yard. The Project, shown on the attached layout drawing (Transmittal 4), is defined by the following main components:

- ° Demolition of Pier A Rail Yard - Removal of existing railroad tracks and surrounding infrastructure
- ° Railroad Track – Installation of new Railroad track work located at the former Pier A Rail Yard

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- Railroad Signalization
- Train-In-Motion System for safety of workers within the Rail Yard
- Compressed Air System with Building
- A Two-Lane Terminal Access Road
- Department of Water and Power Substations
- Utility Improvements

The estimated construction cost is approximately \$75 million. Construction is anticipated to begin in 2014 and be completed in 2015.

This Project will be constructed in compliance with the Harbor Department's Small Business Enterprise / Very Small Business Enterprise Program.

This Project will be performed under a Project Labor Agreement.

Prequalification Process - City Charter Section 375 allows the prequalification of bidders if the process is clearly described and the contracting authority, the Board, makes a written finding that utilization of such process would benefit the City. The Berths 142-147 ICTF project has certain characteristics described below that staff believe justify the utilization of a prequalification process for this contract. To ensure the safe, timely, and cost effective completion of the Project, contractors should have experience constructing major track work installation projects. This includes removal of existing railroad tracks and crossings and construction of new continuous welded rail, construction of railroad turnouts and other specialized track-work, construction of a train-in-motion system, signalization improvements, and a grade crossing. Prequalification of bidders will help ensure that the work will be completed safely, within budget, and within the limited time available.

In accordance with Section 10.18 of the Administrative Code, the prequalification process will include the verification of relevant experience in providing similar specialized services, financial ability to complete the work, bonding capability, safe work practices, and prior contracting performance with other governmental agencies. The specific criteria and submittal requirements are identified in the Prequalification Package for the Project – Specification No. 2752 (Transmittals 2 and 3).

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Modifications to the prequalification requirements may be made during the advertising phase (before submittal of prequalification packages) to address questions received from contractors during this period. Any modifications will be issued by addendum to all potential bidders. In accordance with Section 10.18 of the Administrative Code, the prequalification criteria will include verification of relevant experience with similar specialized services, including experience with railroad and specialized signal work. Specific quantities used in the criteria were determined by considering the actual quantities required for the Project, and arriving at a reasonable lower quantity that has been successfully performed, demonstrating that the contractor or subcontractor is capable of achieving the actual required quantities at minimal-to-no risk to the Harbor Department. The adjusted criteria allow additional qualified contractors and subcontractors to be eligible to bid on this Project.

Prequalification Justification – Timely completion of the Project is of paramount importance to supporting the proposed expansion of the Berths 136-147 Container Terminal Projects and ensuring compliance with TCIF grant funding. The Resolution for Prequalification of contractors is included in Transmittal 1.

Rail yard construction requires experienced personnel and specialized equipment to accomplish the work in a timely manner. The Project will be constructed during active terminal operations. A company experienced in this type of project with qualified personnel is required to meet the ambitious schedule.

Prequalifying the contractor for this contract is justified and in the best interest of the City. Prequalification inquiries would include the experience and qualifications of the general contractor, project manager, safety engineer, project scheduler, and site superintendent. Prequalifying bidders and key project personnel will help ensure that the work will be completed within budget and within the limited time available, which will benefit the City. Experienced and qualified contractors and key project personnel should minimize delays, problems, and expenses attributable to lack of knowledge and expertise in the specialized construction work involved.

The scheduled performance time established for the Project is sufficient for completion of the work by a qualified contractor with the necessary experience, but timely completion may be jeopardized if the work is undertaken by a contractor lacking the required experience in the specialized construction work. Furthermore, delays could also jeopardize grant funding because all grant reimbursement must be completed by March 28, 2015. To qualify, bidders must have acquired satisfactory prior experience within the past ten years in the construction of similar projects. Satisfactory experience is described in the attached Notice Inviting Contractors to Prequalify. Only those

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entities successfully meeting all the prequalification criteria will be invited to submit bids for the work.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a Resolution for Prequalification of Bidders for construction of the Berths 142-147 ICTF Project. The Project was analyzed as part analyzed as part of the TraPac EIS/EIR which was certified by the Board in December of 2007. As an activity for which the underlying project has previously been evaluated for environmental significance, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2 (i) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

There is no financial impact associated with the prequalification of bidders as discussed in this Board item. Upon prequalification of contractors, the Berths 142-147 ICTF project will be advertised for construction in mid 2013. Subsequently, the lowest responsive responsible bidder will be recommended to the Board for a construction contract award. Construction is anticipated to start in early 2014. The development of the ICTF will have an estimated construction cost of \$75 million, of which approximately \$20.7 million will be reimbursable under the Proposition 1B Trade Corridor Improvement Fund.

ECONOMIC BENEFITS:

This Board action will have no employment impact.

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CITY ATTORNEY:


The Office of the City Attorney has reviewed and approved the Resolution for Prequalification of Bidders, Notice Inviting Contractors to Prequalify, and Prequalification Instructions and Information as to form and legality on March 21, 2013.

TRANSMITTALS:

1. Resolution for Prequalification of Bidders
2. Notice Inviting Contractors to Prequalify
3. Prequalification Instructions and Information
4. Layout Drawing

FIS Approval:  (initials)

CA Approval:  (initials)


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