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11.21.19

**RECOMMENDATION APPROVED;
RESOLUTION 19-9570 ADOPTED; AND
AGREEMENTS 19-3470-B & 19-3471-B APPROVED
BY THE BOARD OF HARBOR COMMISSIONERS**

NOVEMBER 21, 2019



**AMBER M. KLESGES
Board Secretary**



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: NOVEMBER 21, 2019

FROM: ENGINEERING

SUBJECT: RESOLUTION NO. 19-9570 - PROPOSED SECOND AMENDMENT TO PERSONAL SERVICES AGREEMENTS BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT, AECOM TECHNICAL SERVICES, INC. AND JACOBS ENGINEERING GROUP, INC. FOR THE ON-CALL ENGINEERING SERVICES FOR MARINE OIL TERMINAL ENGINEERING AND MAINTENANCE STANDARDS (MOTEMS) PROGRAM

SUMMARY:

Staff requests approval of Second Amendments to Agreement No. 17-3470 with AECOM Technical Services, Inc. (AECOM) and Agreement No. 17-3471 (collectively, the Agreements) with Jacobs Engineering Group Inc. (Jacobs). The proposed Second Amendments will extend the Agreements by three additional years, for a total of six years, to March 20, 2023. The total compensation under these Agreements remains unchanged at \$7,750,000.

The Second Amendments are required at this time in order to accommodate delays to the design and implementation schedule for the Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) program and to provide continuity of engineering design and engineering support services during construction. Payment of expenses incurred under the Agreements will continue to be the financial responsibility of the Harbor Department.

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. Find that in accordance with Charter Section 1022, the work proposed to be contracted could be more feasibly performed by a contractor than by City employees. Since this proposed amendment does not add a new labor component and the original 1022 determination elements are still accurate, a new 1022 determination is not required;

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3. Approve the Second Amendment to extend Agreement No. 17-3470 with AECOM Technical Services, Inc. by three additional years, for a total of six years;
4. Approve the Second Amendment to extend Agreement No. 17-3471 with Jacobs Engineering Group Inc. by three additional years, for a total of six years;
5. Direct the Board Secretary to transmit the Second Amendment to Agreement No. 17-3470 to the Los Angeles City Council for approval pursuant to Section 373 of the Charter of the City of Los Angeles and Section 10.5 of the Los Angeles Administrative Code;
6. Direct the Board Secretary to transmit the Second Amendment to Agreement No. 17-3471 to the Los Angeles City Council for approval pursuant to Section 373 of the Charter of the City of Los Angeles and Section 10.5 of the Los Angeles Administrative Code;
7. Authorize the Executive Director to execute and Board Secretary to attest to the said Second Amendments for and on behalf of the Board of Harbor Commissioners; and
8. Adopt Resolution No. 19-9570.

DISCUSSION:

Background: The Port of Los Angeles (Port) has several liquid bulk facilities to handle various types of commodities for both import and export. These facilities are located at multiple berths throughout the Port and accommodate tankers, barges, and bulk carriers.

The California Building Code Chapter 31F provides regulations for Marine Oil Terminals (MOT), which require all facilities to comply with current code standards. These standards apply to all existing and new MOTs in California, and include criteria for inspection, structural analysis and design, mooring and berthing, geotechnical considerations, fire protection, piping, and mechanical and electrical systems. These Agreements provide for the preparation of plans, specifications, and estimates for the MOTEMS projects as well as design support during construction and preparation of as-built record drawings.

At its meeting on March 2, 2017, the Board approved the Agreements with AECOM and Jacobs. These Agreements provide professional engineering design support for the Harbor Department's MOTEMS Capital Improvement Program (CIP) for three years. At its meeting on March 7, 2019, the Board of Harbor Commissioners approved the First Amendments with AECOM and Jacobs. The First Amendments increased the total compensation under AECOM's Agreement from \$2,000,000 to \$4,000,000 and increased

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the total compensation under Jacobs' Agreement from \$2,000,000 to \$3,750,000. In aggregate, the First Amendments increased the total compensation under these Agreements by \$3,750,000 from \$4,000,000 to \$7,750,000.

Additional time for the Agreements is required to accommodate delays to the MOTEMS design and implementation schedule. Among the causes of these delays are the following: 1) additional studies to evaluate tenant proposed MOTs alternatives 2) additional design time needed to accommodate tenant changes to the original design of the MOTs 3) tenant changes to the construction phasing for the MOTs 4) additional time required to construct MOTs, due to the lead time required to manufacture and procure steel piles 5) time needed for the tenant to install the necessary equipment and piping on the MOTs and 6) time needed for the tenant to commission MOTs with the State. Staff recommends that it is in the best interest of the Harbor Department to amend the current Agreements in order to provide continuity of engineering design and engineering support services during the construction period, maintaining a single responsible party as Engineer of Record for professional liability.

Progress To Date: Since the Board approved the Agreements, substantial progress has been made towards the design of two new code compliant MOTs at Berths 167-169 (Shell Oil) (95% design completed) and Berths 238-239 (PBF Energy) (80% design completed) with construction scheduled to start in 2020. MOTEMS above and below water inspections have also been performed at Berths 163 (NuStar), 164 (Valero), 167-169 (Shell Oil), and 187-190 (Vopak). Currently, it is the stated intent of the marine oil terminal tenants at Berth 163 (NuStar), Berth 164 (Valero), and Berths 187-190 (Vopak) to design and construct their respective MOTs.

Second Amendment: The proposed Second Amendments will extend the Agreement No. 17-3470 with AECOM Technical Services, Inc. (Transmittal 1) and Agreement No. 17-3471 with Jacobs Engineering Group Inc. (Transmittal 2) by three additional years, for a total of six years, to March 20, 2023. The total compensation under these Agreements remains unchanged at \$7,750,000. The Consultant Agreements will include an overall 25% SBE participation requirement.

As of September 18, 2019, \$4,265,052 (55.0%) out of \$7,750,000 has been committed to specific project tasks:

Consultant	Contract Amount	Commitment	%	Uncommitted	%
AECOM	\$ 4,000,000	\$ 2,145,421	53.6%	\$ 1,854,579	46.4%
Jacobs	\$ 3,750,000	\$ 2,119,631	56.5%	\$ 1,630,369	43.5%
TOTAL	\$ 7,750,000	\$ 4,265,052	55.0%	\$ 3,484,948	45.0%

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Consultant	Invoiced	SBE Achieved Amount	SBE Participation Level%
AECOM	\$1,680,717.00	\$ 305,111.00	18.2%
Jacobs	\$ 867,465.20	\$227,638.04	26.2%
TOTAL	\$2,548,182.20	\$532,749.04	20.9%

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of amendments to Personal Services Agreements with AECOM and Jacobs to increase the time under the agreement, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Second Amendments will extend the Agreement with AECOM Technical Services, Inc. and the Agreement with Jacobs Engineering Group Inc. by three additional years, for a total of six years, with no change in compensation which will remain at \$7,750,000, in aggregate, under these Agreements.

FY 2020 funding in the amount of \$1,000,000 is available within the Capital Improvement Program Budget, Account 54220 (Architectural/Engineering Design Services), Center 1195, Program 000. Future Fiscal Year funds will be requested to be budgeted through the Harbor Department's annual budgeting process, upon Board approval.

Fiscal Year	Amount
Previous Years	\$ 2,436,021.59
FY 2020	\$ 1,000,000.00
Future Years	\$ 4,313,978.41
TOTAL	\$ 7,750,000.00

The Harbor Department's financial obligations in future fiscal years is contingent upon the Board's appropriation of funds. If any subsequent fiscal year funds are not appropriated by the Board for the work required by the Agreements, then the Agreements shall be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred. A funding out clause is included within the Agreements.

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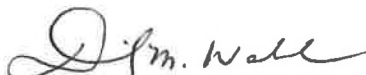
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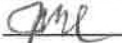

CITY ATTORNEY

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

TRANSMITTALS:

1. Second Amendment to Agreement No. 17-3470 with AECOM Technical Services, Inc.
2. Second Amendment to Agreement No. 17-3471 with Jacobs Engineering Group Inc.


DAVID M. WALSH, P.E.
Chief Harbor Engineer

FIS Approval: 
CA Approval: 

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

APPROVED:

 FOR
EUGENE D. SEROKA
Executive Director

ER:sc
MGT 3-3 MOTEMS (Second Amendment)