

0150-11483-0001

TRANSMITTAL

TO Eugene D. Seroka, Executive Director Harbor Department	DATE 2/16/2023	COUNCIL FILE NO. 19-1532
FROM The Mayor	COUNCIL DISTRICT 15	

PROPOSED FIRST AMENDMENTS TO CONTRACTS WITH ARCADIS U.S. INC., BERG & ASSOCIATES, INC., HARRIS & ASSOCIATES, INC., INTEGRATED ENGINEERING MANAGEMENT AND SECOND AMENDMENT TO THE AGREEMENT WITH ANSER ADVISORY MANAGEMENT, LLC, FOR ON-CALL CONSTRUCTION MANAGEMENT SERVICES

Transmitted for further processing and Council consideration.
See the City Administrative Officer report attached.



MAYOR

(Chris Thompson for)

MWS:PJH/JVW:JFH;10230069t

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: January 27, 2023

CAO File No. 0150-11483-0001

Council File No. 19-1532

Council District: 15

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer

Reference: Correspondence from the Harbor Department dated October 20, 2022; referred by the Mayor for report on October 27, 2022

Subject: **PROPOSED FIRST AMENDMENTS TO CONTRACTS FOR ON-CALL CONSTRUCTION MANAGEMENT SERVICES WITH ARCADIS U.S. INC, BERG & ASSOCIATES INC, HARRIS & ASSOCIATES, INC, INTEGRATED ENGINEERING MANAGEMENT AND SECOND AMENDMENT TO CONTRACT WITH ANSER ADVISORY MANAGEMENT, LLC.**

RECOMMENDATION

That the Mayor:

1. Approve Harbor Department (Port) Board of Commissioners Resolution No. 22-10077 to authorize the First Amendment to four Agreements Nos. 22-3678-A Arcadis U.S., Inc, 22-3679-A Berg & Associates, Inc, 22-3681-A Harris & Associates Inc, 22-3682-A Integrated Engineering Management and Second Amendment to Agreement No.19-3680 Anser Advisory Management, LLC, for On-Call Construction Management Services that will extend the term by two years for a total of seven years and increase the total maximum compensation to \$4 million for each contract for a new maximum on-call construction contracts total of \$20 million; and,
2. Return the documents to the Port for further processing, including Council consideration.

SUMMARY

The Port of Los Angeles (Port) has existing on-call construction management contracts with Arcadis U.S., Inc, Berg & Associates Inc, Harris & Associates Inc, Integrated Engineering Management, and Anser Advisory Management for various projects throughout the Port. The services provided include, but are not limited to, construction management, cost estimating, constructability reviews, scheduling and other construction management services. The contracts were awarded pursuant to a competitive Request for Qualifications based on their experience, qualifications and expertise. On October 20, 2022, the Board of Harbor Commissioners (Board) approved amendments to these contracts and submitted its request for Mayoral approval.

The Board had initially approved all five on-call construction management contracts on September 5, 2019, for a five-year term and a maximum compensation of \$2 million each for a total of \$10 million. On November 19, 2020, the Board approved a first amendment to the agreement with DHS Consulting LLC, an Anser Advisory Company, to change the firm's name to Anser Advisory Management, LLC. All the contracts were approved by the City Council on December 10, 2019 (C.F. 19-1532).

Demand for Services - The Port indicates that in the past few years there has been a significant increase in demand for the services provided by these firms due to a need for terminal improvements, beautification projects, and roadway improvements. The funding for two of these contracts is nearly depleted and the Port foresees an even greater demand for these services in the future.

To provide for the continuity of construction management services to current projects and the necessary resources to complete future projects successfully, the Port requests a two-year extension and a \$2 million increase in the contract amount for each contract. Approval of the request will result in the extension of the individual contracts by two years to seven years and result in total individual contract amounts of \$4 million each for a combined cost of \$20 million.

The funding for these on-call contracts has been sufficient to support the six major projects completed in the last two years at a total cost of \$120,000,000. However, the existing funding and contract terms will not permit the timely completion of the six new projects currently in construction, including the Wilmington Waterfront Promenade which is scheduled to be completed by May/June 2023.

In addition, the existing contract funding and terms are insufficient to provide the needed services for 15 additional projects that are projected to begin construction within the next three years at a cost of \$400,000,000. The annual expenditures on these contracts are projected to increase from a total of \$3.4 million over the last three years to between \$3.4 and \$4.6 million annually for the current and next three fiscal years.

Charter Section 1022 - The initial approval of the contracts with these firms included a finding, pursuant to Charter Section 1022, that this work could be performed more feasibly by independent contractors because of a lack of available staffing and, the temporary and on-call nature of the work.

CEQA - In as much as the contract amendments will not involve any change in the scope of work or involve only administrative activities, the Port's 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(f) of the Los Angeles City CEQA Guidelines.

FISCAL IMPACT STATEMENT

The proposed amendments will increase the maximum compensation under the proposed agreements by \$2 million each, for a total of \$10 million. Funding for the current fiscal year has

been budgeted in Account No. 54225 (Construction Management Services), Work Order No. 1111, Center No. 1900, Program No. 000. The total revised contract funding is \$20 million. If, in any subsequent years, funds are not appropriated for work required by any contract, that contract will be terminated. The recommendations in this report comply with the Port's Financial Policies. There is no impact on the City General Fund.

MWS/PJH/JVW:JFH;10230069