File #: HD-19-018, Version: 1

DATE: 1/14/2019

TO: Board of Harbor Commissioners

FROM: Thomas Z. Baldwin, P.E., Director of Program Management

SUBJECT: On-Call Services for Underground Wet Utilities

Conditional Award of an On-Call Construction Contract
Specification HD-S3015

Executive Summary
In order to maintain our business continuity and service to customers and tenants in the Harbor District, there is need for on-call services for underground wet utilities. This proposed contract will enable the Port of Long Beach (Port) to respond quickly and perform underground utility repair and maintenance work as needed. Staff is recommending conditional award of an on-call construction contract in the amount of $5,333,400 to Charles King Company, Inc. (Charles King).

Key Points
- The specification was advertised on September 6, 2018 and three bids were received on October 9, 2018.
- Contract term will be two years from Notice to Proceed.
- The low bidder, Charles King, is a Small Business Enterprise.

Recommendation
It is recommended that the Board of Harbor Commissioners (Board) approve the Conditional Award and authorize the Executive Director to execute an On-Call Construction Contract in the amount of $5,333,400 under Specification HD-S3015 to Charles King Company, Inc. of Signal Hill to provide On-Call Services for Underground Wet Utilities.

Financial Impact
All work to be performed under this contract will be funded from approved projects and budgets for which the work is requested. The City may terminate the contract at any time and the contractor will be paid only for work performed based on unit costs and as authorized by task order.

The City does not warrant that each bid item will be used or that a minimum amount of the contract will be used. The City reserves the right to utilize any quantity of any bid item up to 150% of the contract amount with no change in unit price for that item and no change in the terms of the contract. Changes to the contract amount up to a cumulative amount of $200,000 may be approved by the Executive Director, and changes in excess of $200,000 require prior approval by the Board. Changes in excess of 50% of the contract amount require a contract amendment and prior approval by the Board.
Background
The Port owns and operates over 210 miles of potable water, sanitary sewer, and storm drain pipelines which together are referred to as “underground wet utilities”. These utilities are essential services necessary for the Port and its tenants operations. Portions of the underground wet utilities have been in service since the late 1920’s and many others are reaching the end of their useful life. To address ongoing needs, the Port has maintained an on-call construction contract to provide a wide variety of wet utility services.

This contract is intended for small non-emergency repairs, rehabilitation and/or replacement of deficient and/or failing wet utility infrastructure. Having this on-call contract will give the Port additional capacity and ability to quickly respond and coordinate preventative maintenance measures to underground wet utilities before they become emergencies. Work anticipated for this contract includes:

- Remove, install or repair potable water pipes, valves, hydrants, sewer pipes, manholes, storm drain lines, catch basins, and other appurtenances.
- Trench and excavate to repair, rehabilitate and/or replace wet utilities.
- Perform trench and pavement restoration.
- Exercise water system valves as required.
- Perform CCTV at various locations for sewer and storm drain pipes.
- Clean and remove debris from sewer and storm drain lines.
- Remove, haul and dispose of non-hazardous materials as necessary from underground utilities.

Detailed Discussion of Current Issues
In order to perform miscellaneous underground wet utility functions identified above and to support business continuity, a new construction specification to provide On-Call Underground Wet Utilities Construction Services was prepared. The bid package solicits bids for hourly rates on a variety of equipment, materials, labor classifications, and task-specific unit price bid items.

Bid documents were advertised on September 6, 2018. A total of forty vendors downloaded bid documents from PlanetBids during the five-week period and nine attended the mandatory pre-bid meeting on September 18, 2018. As shown on the attached Analysis of Bids, three contractors submitted bids ranging from $5,333,400.00 to $7,919,387.60. The Engineer’s Estimate of Probable Construction Cost for this contract was $6,500,000 based on estimated quantities and services associated with the known and estimated needs for the scope of work and anticipated unit prices. The lowest bid is eighteen percent under the Engineer’s Estimate of Probable Construction Cost. Staff reviewed the bid submitted by Charles King and has been determined it to be fair and reasonable.

Under this type of on-call contract, the Port will issue task orders to the contractor to perform the work utilizing the various bid items. The proposed contract period is two years from the date of the Notice to Proceed.

Based on the type and amount of work anticipated, the combined SBE/VSBE participation goal for this contract was 27% SBE/VSBE with 5% allocated to VSBEs. The lowest bidder, Charles King, is a Small Business Enterprise firm and will therefore exceed the combined SBE/VSBE goal with 100% SBE participation. Charles King did not provide any VSBE commitment, and initially received a failing score on the Good Faith Effort submitted in support of their efforts to solicit VSBE subcontractors. A reconsideration hearing was held at Charles King’s request and in accordance with the SBE/VSBE ordinance. Based on the facts presented by the contractor and further investigation by staff, the Port’s Reconsideration Official revised the GFE score to passing after determining Charles King engaged in a good faith effort to solicit VSBE subcontractors for the
contract. This is an on-call contract and the goal achieved is dependent upon the actual work performed.

Attachment: Bid Analysis HD-S3015