DATE: 1/14/2019

TO: Board of Harbor Commissioners

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

SUBJECT: Middle Harbor Terminal Redevelopment Program
Pier E Administration Building
Approve Withdrawal of Bid
Declare Two Bids Non-responsive
Conditional Award of a Construction Contract
Authorize Spending and Approve a Baseline Project Budget
Specification HD-S2381, CWO HA1326

Executive Summary
The Administration Building Project (Project) of the Middle Harbor Program will be a two-story 20,844 square foot office building located on the southern portion of the terminal. The Project was advertised for bids on September 27, 2018, and four bids were received on November 27, 2018. Staff has reviewed the bids received and is recommending approval for one bid to be withdrawn, declare two bids non-responsive, approve a conditional award of a construction contract to S. J. Amoroso Construction Co., Inc., and approve a Baseline Project Budget and spending authorization.

Key Points
- DeFrancesca Group, Inc. made a mistake in submitting its bid and have requested to withdraw it. They intended to submit a bid as a sub-contractor to one of the prime contractors, but instead inadvertently submitted a bid as a prime contractor.
- AWI Builders, Inc. failed to meet the Port’s mandatory SBE/VSBE participation requirement and failed to meet the Port’s Performance History requirement. Therefore, their bid is deemed non-responsive.
- Icon West, Inc. failed to meet the Port’s mandatory SBE/VSBE participation requirement, therefore their bid is deemed non-responsive.
- S.J. Amoroso Construction Co., Inc. submitted the lowest responsive and responsible bid.
- S.J. Amoroso submitted a commitment plan of 38.82% combined SBE/VSBE utilization with 9.89% VSBE, exceeding the mandatory SBE/VSBE goal of 35%, with 5% allocated to VSBEs.
- If approved, the Project is scheduled to be complete the third quarter of Fiscal Year 2020.
- The Project is included in the Middle Harbor Project Labor Agreement.

Recommendation
It is recommended the Board of Harbor Commissioners (Board):

- Approve bid withdrawal from DeFrancesca Group, Inc.
• Declare the bid submitted by AWI Builders, Inc. as non-responsive.
• Declare the bid submitted by Icon West, Inc. as non-responsive.
• Approve the conditional award and authorize the Executive Director to execute a construction contract with S.J. Amoroso in the amount of $19,497,000.
• Approve a Baseline Project Budget of $31,387,675, with substantial completion scheduled the third quarter of Fiscal Year 2020.
• Authorized spending in the amount of $28,088,583.

Financial Impact
Spending in the amount of $28,088,583 is requested to fund the construction contract, construction support and contingency. If approved, the total Board authorized spending will be $31,387,675. Approval of a Baseline Project Budget of $31,387,675 is also being requested. Funding for the Project is included in the Fiscal Year 2019 Capital Program Budget.

Background
The Middle Harbor Terminal Redevelopment Program consists of combining Piers D, E, and F to form a modern contiguous 311-acre terminal. Construction of this terminal includes new gates, buildings, wharf structures, rail-mounted gantry cranes, container and intermodal rail yards, landfill, paving and striping, and utility infrastructure. Phase 1, the northern half of the terminal, comprises 152 acres was completed and turned over to LBCT for operations in April 2016. Phase 2, which went live for operations in October 2017, added an additional 45 acres increasing the total area for terminal operations on Pier E to 197 acres. Phase 3 is under construction and scheduled to be completed in December 2020. The proposed Administration Building will serve as the primary building for terminal management functions.

Detailed Discussion of Current Issues
The Project was advertised for bids on September 27, 2018. A total of 151 companies and/or vendors viewed or downloaded bid documents through PlanetBids during the eight-week bid period.

As shown below and on the attached Analysis of Bids, four bids were received on November 27, 2018, ranging from a low bid of $200,000 from DeFrancesca Group, Inc. to a high bid of $20,238,852.00 from Icon West, Inc. The Engineer’s Estimate of Probable Construction Cost for this work was $18,800,000.

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Bid</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>DeFrancesca Group, Inc.</td>
<td>$200,000</td>
<td>Withdraw</td>
</tr>
<tr>
<td>S.J. Amoroso Construction Co., Inc.</td>
<td>$19,497,000</td>
<td>Lowest Responsive/Responsible</td>
</tr>
<tr>
<td>AWI Builders, Inc.</td>
<td>$19,591,911</td>
<td>Non-responsive</td>
</tr>
<tr>
<td>Icon West, Inc.</td>
<td>$20,238,852</td>
<td>Non-responsive</td>
</tr>
</tbody>
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Bidder DeFrancesca Group, Inc. from Santa Clarita, CA, requests to withdraw their bid. As a subcontractor, DeFrancesca made a mistake in filling out its bid, because it lacks the General Contractors License required to perform the work as a prime, and did not intend to bid the work as a prime. After consulting with the City Attorney’s Office, staff recommends approval of bid withdrawal from DeFrancesca Group, Inc. pursuant to Public Contract Code Section 5101.

Staff evaluated the bid submitted by AWI Builders, Inc. and determined AWI failed to meet the Port’s
mandatory SBE/VSBE participation requirement and failed to meet the Port’s Performance History requirement. The mandatory SBE/VSBE goal for this contract is 35%, with 5% allocated to VSBEs. AWI Builders submitted a commitment plan of 0% SBE with 8.16% allocated to VSBEs. In addition, AWI responded “Yes” to Question Nine of the Bidder Responsibility Questionnaire form CR1, Section C Performance History, indicating the firm’s Worker’s Compensation Experience Modification Factor (Ex-Mod) is greater than or equal to 1.25. As such, staff recommends that the bid from AWI Builders, Inc. be declared non-responsive. The bid submitted by Icon West, Inc. included a SBE/VSBE commitment plan of 25.51% of which 2.70% was allocated to VSBEs, which also failed to meet the Port’s mandatory SBE/VSBE participation requirement. As such, staff recommends that the bid from Icon West, Inc. be declared non-responsive.

S.J. Amoroso submitted the lowest responsive and responsible bid in the amount of $19,497,000. S.J. Amoroso submitted a commitment plan of 38.82% with 9.89% VSBE, slightly exceeding the Port’s commitment plan for the Project. There is sufficient contingency within the Middle Harbor Program Budget to accommodate the higher than anticipated bid amount. Therefore, staff is requesting the Board to approve conditional award of a construction contract for the Project with S.J. Amoroso. If approved, staff anticipates the Project will begin construction in the first quarter of 2019, with substantial completion scheduled for the third quarter of 2020.

Contract Compliance has reviewed the proposed action for conditional award of construction contract with S.J. Amoroso and any questions or concerns have been addressed to their satisfaction.

Attachment: Analysis of Bids
Project Location Map