



**THE PORT  
OF LOS ANGELES**  
Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: APRIL 24, 2008**

**FROM: ENGINEERING**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - PERSONAL SERVICES AGREEMENT  
BETWEEN THE CITY OF LOS ANGELES AND URS CORPORATION  
AMERICAS FOR DECOMMISSIONING AND DEMOLITION OF  
BERTHS 70-72 LIQUID BULK TERMINAL (WESTWAY TERMINAL  
CO.)**

### **SUMMARY**

The agreement with URS Corporation Americas, located in Huntington Beach, California, provides the Port of Los Angeles with planning and engineering design services for the Decommissioning and Demolition of Berths 70-72 Liquid Bulk Terminal (Westway Terminal Co.) located in San Pedro. This action will authorize a professional services agreement with URS Corporation for a 3 year term in the amount of \$3,537,000.

### **RECOMMENDATION**

It is recommended that the Board of Harbor Commissioners:

1. Find that in accordance with the City Charter Section 1022, work under the subject agreement is temporary in nature and can be performed more feasibly by an independent consultant rather than by City employees.
2. Approve the subject agreement with URS Corporation Americas in the amount of \$3,537,000 and that a 15% contingency not included in the original contract amount be applied for a total authorization of \$4,067,550.
3. Authorize the Executive Director and the Board Secretary to execute and attest to said agreement for and on behalf of the Board.
4. Adopt Resolution No. \_\_\_\_\_.

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**DISCUSSION**

1. Project Background

Berths 70–72 Liquid Bulk Terminal is currently operated by Westway Terminal Co. to load and unload tankers with chemicals, petrochemicals, petroleum products and vegetable oils. Berths 70-72 Liquid Bulk Terminal has both roadway and railroad access to distribute products across California and the United States.

The decommissioning and demolition of Berths 70-72 Liquid Bulk Terminal is a major element of the Port's efforts to deindustrialize and transform the San Pedro Waterfront by providing public access to the water's edge.

The Port will also conduct an Initial Audit for Berths 70-72 Liquid Bulk Terminal to comply with the Marine Oil Terminal Engineering Standards (MOTEMS) chapter 31F (Marine Oil Terminals), Title 24, California Code of Regulations, Part 2, California Building Code. Staff will limit the scope of the initial audit to that information necessary to decommission and demolish Berths 70-72 Liquid Bulk Terminal.

2. Decommissioning and Demolition Schedule

It is request that the Board allow staff to utilize the MOTEMS selection process for decommissioning and demolition of Berths 70-72 Liquid Bulk Terminal. Staff estimates utilization of the MOTEMS selection process for the decommissioning and demolition of the Berths 70-72 Liquid Bulk Terminal will advance the project schedule by approximately 6 to 8 months. This will allow the Port of Los Angeles to start the demolition of the facility within 1-2 months of the Vacate and Surrender date of February 23, 2009.

Staff originally requested proposals from consultants for Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) Audit and Design Support Services on August 20, 2007. The Port of Los Angeles entered into an agreement with Westway Terminal Co. for decommissioning and demolition of Berths 70-72 Liquid Bulk Terminal on August 21, 2007. Consultants submitted proposals for the requested work on September 18, 2007. The decommissioning and demolition of the Berths 70-72 Liquid Bulk Terminal will require a substantial amount of work that was originally requested in the MOTEMS RFP. This work will include investigation of

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the facility and necessary documentation remove the Berths 70-72 Liquid Bulk Facility as a permitted "Marine Oil Terminal" from the State Lands Commission jurisdiction.

The Engineering Division will begin design on the decommissioning and demolition of Berths 70 – 72 Liquid Bulk Terminal upon approval of this agreement. Staff anticipates the decommissioning and demolition plans for the facility will be substantially complete when Westway Terminal Co. vacates the facility on February 23, 2009. Staff will confirm the actual condition of the site, finalize plans and receive bids for the project when the facility is vacated. Staff is forecasting awarding a construction contract for the decommissioning and demolition of the facility March/April 2009. This project will remove all above ground buildings, tanks, utilities, and underground piping over an 8 – 12 month period. The Department will perform an environmental review and assessment of the site and develop work plans for final cleanup once the above ground structures, tanks, utilities, and underground piping are removed.

### 3. Agreement Scope of Work

The scope of work for this proposed agreement includes preparing plans, specifications, and estimates (PS&Es) for decommissioning and demolition of Berths 70-72 Liquid Bulk Terminal operated by Westway Terminal Co. The Port anticipates requiring consulting services for preliminary design, final design, bidding, and construction phases.

Staff and the consultant worked together to develop the scope of work for the decommissioning and demolition of Berths 70-72 Liquid Bulk Terminal. The scope of work includes funds for the decommissioning and demolition of the facility, work identified in the MOTEMS RFP (approximately \$2.1 million). Staff plans to evaluate the feasibility of reusing some of the structures and buildings on the site for the proposed City Dock 1 development. Staff has included contingency funds for evaluation of the existing wharf structure, wharf-dike system, adaptive reuse of historic buildings, and asbestos abatement for this purpose (approximately \$1.4 million). The consultant will only be compensated for work completed; any unused monies at the end of the contract term will remain with the Department.

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3. Consultant Selection

The MOTEMS selection process is summarized as follows:

On August 20, 2007 a Request for Proposals (RFP) was posted on the Department's Contracts Management database "e-DiversityXchange" and also on the Port's website. Five firms submitted proposals:

FIRM  
PBS&J  
Halcrow Inc.  
DMJM+Harris  
URS  
KPF Consulting Engineers

Staff reviewed the proposals and determined that it was in the best interest of the Port to interview all consultant teams. The interview panel consisted of Port staff from Planning, Real Estate, Environmental, and Engineering Divisions. Interviews were held on October 24, 2007.

During the interviews, each firm responded to a set of questions formulated by the selection committee. The presentations and proposals were then ranked independently by each committee member. The Consultant/Subconsultant listing and ranking is transmitted for information. The Board awarded consultant agreements to PBS&J, Halcrow Inc, and DMJM+Harris for MOTEMS for audit and design support services on February 21, 2008 (see transmittal No. 6).

URS Corporation Americas is qualified to perform the necessary work for decommissioning and demolition of Berths 70-72 Liquid Bulk Terminal for the following reasons:

- Background and experience in the design of Westway facility
- Familiarity with the California State Lands Commission MOTEMS (Marine Oil Terminal Engineering and Maintenance Standards)
- Understanding of the project scope of work and technical approach required

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- Project management approach demonstrating ability to control costs and schedule
- Subconsultant support team
- SBE requirements

Staff therefore recommends selection of URS Corporation Americas for this agreement with a final negotiated amount of \$3,537,000 see (Consultant Selection and Cost Summary transmittal No. 3).

#### 5. Agreement Requirements

Throughout the term of the agreement, the consultant will maintain compliance with the City's contracting requirements. The consultant's Small Business Enterprise (SBE) participation is 32.5% or \$1,147,953 of the total agreement price.

This approval includes a 15% contingency that is based on a qualitative review of project specific risks including schedule constraints and potential unforeseens that may arise during the project design phase.

This agreement is in conformance with both the City of Los Angeles Service Contract Worker Retention and Living Wage Ordinances.

#### **ENVIRONMENTAL ASSESSMENT**

The proposed action is a contract between the City of Los Angeles and URS Corporation Americas for Engineering design services. URS will provide design services including background reports and draft plans to support the decommissioning and demolition of Berths 70-72 Liquid Bulk Terminal (Westway). No physical modification of the facility will be conducted until the activity is assessed in accordance with the California Environmental Quality Act. As such, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA under Article II, Section 2(f) and 2(d) of the Los Angeles City CEQA guidelines.

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**ECONOMIC BENEFITS**

Peak demolition spending under this agreement in FY08/09 will support the equivalent of 41 one-year full time jobs in the 5-county region.

**FINANCIAL IMPACT**

Funds for the current fiscal year have been budgeted in Account No. 54220, Center No. 1182, Program No. 624, in the amount of \$500,000. It is anticipated that funds for this agreement will be expended as follows:

FY 2007/2008	\$ 500,000
FY 2008/2009	\$2,000,000
FY 2009/2010	\$ 500,000
FY 2010/2011	\$ 537,000
Total	\$3,537,000

Additionally, based on a previous Board action, the Port will conduct an initial audit of Berths 70-72 to ensure compliance with MOTEMS. The estimated cost for this is approximately \$325,000 - \$400,000.

Although the consultant is not obligated to perform any work under the agreement in any fiscal year in which no appropriation for the agreement has been made, the consultant agrees to resume performance of the work required by the agreement on the same terms and conditions for a period of 60-days after the end of the fiscal year if an appropriation therefore is approved by the Board within that 60-day period. The consultant is responsible for maintaining all insurance and bonds during this 60-day period. The time for performance shall be extended during this period until the appropriation is made; however, such extension of time is not compensable.

If in any subsequent fiscal year funds are not appropriated by the Board for the work required by the agreement, the agreement shall be terminated. However, such termination shall not relieve the parties of liability for any obligation previously incurred.

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**CITY ATTORNEY**

The Office of the City Attorney has reviewed and approved the transmitted draft agreement in substantial form.

**TRANSMITTALS**

1. Site Map of project(s)
2. Consultant Evaluation Criteria
3. Consultant Selection and Cost Summary
4. Consultant/Subconsultant Listing
5. Board of Harbor Commissioner Report date February 6, 2007 for MOTEMS agreements with PBS&J, Halcrow Inc, and DMJM+Harris
6. Agreement between the City of Los Angeles and URS Corporation Americas



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APPROVED:



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