



Legislation Details (With Text)

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Title: RESOLUTION SELECTING AND AUTHORIZING AN AGREEMENT WITH MARINE GROUP BOAT WORKS, LLC. FOR AS-NEEDED FULL-SERVICE IMPOUNDED VESSEL SERVICES FROM JULY 1, 2020 THROUGH JUNE 30, 2025 FOR A FIRST-YEAR COST OF \$455,400 WITH A MAXIMUM EXPENDITURE OF \$3,550,000. THIS SERVICE HAS BEEN DEEMED AN OPERATIONAL NECESSITY. THE AGREEMENT ALLOWS FOR A 30-DAY TERMINATION BY THE EXECUTIVE DIRECTOR. FUNDS REQUIRED FOR THE FIRST YEAR WILL BE INCLUDED IN THE STAFF RECOMMENDED PRELIMINARY FISCAL YEAR 2021 BUDGET.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 4. 2020-0142 Attachment A, 2. 4. 2020-0142 Draft Resolution

Date	Ver.	Action By	Action	Result
5/19/2020	1	Board of Port Commissioners	adopted	

DATE: May 19, 2020

SUBJECT:

RESOLUTION SELECTING AND AUTHORIZING AN AGREEMENT WITH MARINE GROUP BOAT WORKS, LLC. FOR AS-NEEDED FULL-SERVICE IMPOUNDED VESSEL SERVICES FROM JULY 1, 2020 THROUGH JUNE 30, 2025 FOR A FIRST-YEAR COST OF \$455,400 WITH A MAXIMUM EXPENDITURE OF \$3,550,000. THIS SERVICE HAS BEEN DEEMED AN OPERATIONAL NECESSITY. THE AGREEMENT ALLOWS FOR A 30-DAY TERMINATION BY THE EXECUTIVE DIRECTOR. FUNDS REQUIRED FOR THE FIRST YEAR WILL BE INCLUDED IN THE STAFF RECOMMENDED PRELIMINARY FISCAL YEAR 2021 BUDGET.

EXECUTIVE SUMMARY:

The San Diego Unified Port District (District) contracts for Full Service Impounded Vessel Services. This agreement provides for the acceptance, transportation, storage, and sale or demolition of vessels found by Harbor Police to be in violation of the California Harbors & Navigation Code. The current agreement with Marine Group Boat Works expires on June 30, 2020.

Pursuant to Board of Port Commissioners (BPC) Policy No. 110, Procedure for the Administration of Contracts, Agreement, the Purchasing of Supplies, Materials, and Equipment, and Grants, Section II.C, Request for Bid (RFB) No. 20-09MA was issued on March 17, 2020. The District received one (1) responsive bid from Marine Group Boat Works, LLC, which District staff determined to be fair and reasonable. The Executive Director (President/CEO) of the District, per Section 17 of this agreement, may terminate this Agreement at any time with or without cause by giving thirty (30) days written notice to the service provider. This is an as-needed agreement with no minimum expenditure per

term.

Staff recommends the Board select and authorize an agreement with Marine Group Boat Works, LLC for Full Service Impounded Vessel Services from July 1, 2020 through June 30, 2025, for an amount not to exceed \$3,550,000.

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Marine Group Boat Works, LLC, for Full Service Impounded Vessel Services from July 1, 2020 through June 30, 2025 for an amount not to exceed \$3,550,000.

FISCAL IMPACT:

Funds for Fiscal Year 2021 will be budgeted and included in the requested General Services As-Needed Maintenance budget. Staff estimates a cash requirement of approximately \$455,400 in the first year of the agreement and increasing annually resulting in a 5-year total cash requirement of \$3,550,000. This is an as-needed agreement with no minimum expenditure per term.

Funds required for future fiscal years will be budgeted in the appropriate fiscal year; subject to Board approval upon adoption of each fiscal year's budget.

COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goal(s).

- A thriving and modern maritime seaport.
- A vibrant waterfront destination where residents and visitors converge.
- A Port with a healthy and sustainable bay and its environment.
- A Port that is a safe place to visit, work and play.
- A financially sustainable Port that drives job creation and regional economic vitality.

DISCUSSION:

The District has historically contracted out for Impounded Vessel Services to process vessels that have been abandoned or impounded by Harbor Police. The agreement before the Board supports Harbor Police's activities to remove navigational hazards from the bay, and the Port's responsibility to keep the bay free from environmental hazards.

As required by BPC Policy 110, Request for Bid No. 20-09MA was solicited through Planet Bids on March 17, 2020. Electronic solicitation notifications were sent to 671 potential service providers.

On April 7, 2020, the District received one (1) bid, which was deemed responsive. Staff believes that one bidder is acceptable, as this is a specialized service that requires waterside storage sufficient to store up to 25 vessels, the ability to accept vessels anytime, vessel lifts, heavy equipment, knowledge of the California Harbors & Navigation Code and the Department of Motor Vehicle impounded vessel procedures, and a thorough understanding of the environmental regulations to support proper storage and disposal of vessels.

Marine Group Boat Works has the required equipment, personnel, and skill required to fulfill the scope of this agreement. Further, the District-owned lot used to store impounded vessels is adjacent to Marine Group's National City location. As such, vessels can be moved from water to land storage without using public roadways. This reduces the costs of transportation and mitigates potential safety and environmental hazards. There is no cost to the District to store vessels on the District-owned lot in National City, though lot capacity is approximately 40 vessels so demolition must be performed periodically.

Historically, approximately four (4) vessels per month are processed under the Impounded Vessel agreement, either through lien sale or demolition. The total cost of in-water storage, transportation to the District lot, and demolition and disposal ranges from \$11,700 to \$19,000 per vessel, depending on its size. This agreement allows for the receipt, storage, haul-out, transportation, and demolition of 55 vessels per year at an average cost over the life of the agreement at \$12,425 each. This is an as-needed agreement with no minimum expenditure per term.

<i>Assumes Average Vessel Length of 30'</i>			<i>Fee Schedule Has 3% Escalation Each Term</i>				
ITEM	Base Rate/Vessel	Maxium Anticipated # of Vessels	TERM 1 FY21	TERM 2 FY22	TERM 3 FY23	TERM 4 FY24	TERM 5 FY25
Vessel Acceptance and In-Water Storage	1,006.50	55	55,357.50	57,018.23	58,728.77	60,490.63	62,305.35
Inventory	452.00	55	24,860.00	25,605.80	26,373.97	27,165.19	27,980.15
Vessel Haul Out	3,193.14	55	175,622.70	180,891.38	186,318.12	191,907.67	197,664.90
Transportation Svc. One Way (District Lot)	2,369.34	55	130,313.70	134,223.11	138,249.80	142,397.30	146,669.22
Lay down	1,261.22	55	69,367.10	71,448.11	73,591.56	75,799.30	78,073.28
Vessel Demolition/Disposal	3,419.14	55	188,052.70	193,694.28	199,505.11	205,490.26	211,654.97
Additional As-Needed Services			25,000.00	25,750.00	26,522.50	27,318.18	28,589.15
Estimate/Term			668,573.70	688,630.91	709,289.84	730,568.53	752,937.02
Total Agreement			3,550,000.00				

The District is eligible for reimbursement of vessel demolition costs in the amount of \$200,000 through a California Department of Boating and Waterways grant, as approved by the Board on February 11, 2019. This grant commenced October 1, 2019 and expires on September 30, 2021. The District has agreed to provide matching funds in the amount of \$472,000 which will be satisfied by the expenditure of District funds on vessel demolition in fiscal years 2020 and 2021.

The Executive Director (President/CEO) of the District, per Section 17 of this agreement, may terminate this Agreement at any time with or without cause by giving thirty (30) days written notice to the service provider.

Staff recommends the Board authorize an agreement with Marine Group Boat Works, LLC, for Full Service Impounded Vessel Services from July 1, 2020 through June 30, 2025 for an amount not to exceed \$3,550,000.

General Counsel's Comments:

The Office of the General Counsel has reviewed and approved the proposed agreement, this agenda, and resolution, as presented, as to form and legality.

Environmental Review:

The proposed Board action, including without limitation, a resolution selecting and authorizing an agreement with Marine Group Boat Works for as-needed full service impounded vessel services, is Categorically Exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Sections 15301 (Existing Facilities) and Section 3.a. (6) of the District's Guidelines for Compliance with CEQA because the project in question proposes continued impounded vessel services. The District has determined none of the six exceptions to the use of a categorical exemption apply to this project (CEQA Guidelines Section 15300.2). No further action under CEQA is required.

The proposed Board action complies with sections 21, 35, 81, and 87 of the Port Act, which allow the Board to pass resolutions, to do all acts necessary and convenient for the exercise of its powers, to use District funds for expenses of conducting the District, and for the use of tidelands for the establishment, improvement, and conduct of small boat harbors, marinas, aquatic playgrounds, and similar recreational facilities, and for the construction, reconstruction, repair, maintenance, and operation of all works, buildings, facilities, utilities, structures, and appliances incidental, necessary, or convenient for the promotion and accommodation of any of those uses, including, but not limited to, snack bars, cafes, restaurants, motels, launching ramps, and hoists, storage sheds, boat repair facilities with cranes and marine ways, administration buildings, public restrooms, bait and tackle shops, chandleries, boat sales establishments, service stations and fuel docks, yacht club buildings, parking areas, roadways, pedestrian ways, and landscaped areas. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board action is considered "excluded development" pursuant to Sections 8.a. (9) (Existing Facilities) of the District's Coastal Development Permit Regulations because the project in question proposes continued impounded vessel services. No further action under the Coastal Act is required.

Equal Opportunity Program:

Due to limited known sub opportunities, no SBE goal was established for this opportunity.

PREPARED BY:

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Management Analyst, General Services

Attachment(s):

Attachment A: Agreement No. 50-2020 MA with Marine Group Boat Works, LLC