



Legislation Text

File #: 2017-0164, **Version:** 1

DATE: June 20, 2017

SUBJECT:

RESOLUTION AUTHORIZING AN AGREEMENT WITH MARINE GROUP BOAT WORKS, LLC FOR REPOWERING THE DISTRICT CORAL REEF VESSEL FOR AN AMOUNT NOT TO EXCEED 225,220

EXECUTIVE SUMMARY:

The District's 40' Coral Reef vessel was purchased on April 23, 2002 for the amount of \$406,350.00. The Coral Reef is used to support maintenance performed on buoys, navigational aids, docks, piers, and the removal of sunken or partially submerged vessels.

On November 15, 2007, the California Air Resources Board (ARB) approved a regulation to reduce emissions from diesel engines on commercial harbor craft vessels operating in California Regulated Waters. To comply with this ARB regulation, the engines on the Coral Reef must be replaced prior to December 31, 2017.

Pursuant to BPC Policy 110, Section II C, Request for Proposals (RFP) No. 16-50SN was issued on January 30, 2017 and closed on February 23, 2017. The District notified two-hundred and eleven (211) potential vendors of the RFP and received two (2) proposal responses: Driscoll Quality Marine Services and Marine Group Boat Works, LLC. Driscoll Quality Marine Services was determined to be non-responsive. Staff recommends that the Board of Port Commissioners (Board) select and authorize an agreement with Marine Group Boat Works, LLC to provide services to repower the Coral Reef for a not-to-exceed amount of \$225,220.00.

Adopt a Resolution authorizing an agreement with Marine Group Boat Works, LLC to repower the District's Coral Reef vessel for an amount not-to-exceed \$225,220.00.

FISCAL IMPACT:

Funding for the expenditures is budgeted in the General Service Department Equipment outlay for FY 16/17.

COMPASS STRATEGIC GOALS:

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

- A Port that the public understands and trusts.
- A thriving and modern maritime seaport.
- A Port with a healthy and sustainable bay and its environment.
- A Port with an innovative and motivated workforce.

- A financially sustainable Port that drives job creation and regional economic vitality.

DISCUSSION:

The District's 40' Coral Reef vessel was purchased on April 23, 2002 for \$406,350.00. The vessel is used to support maintenance performed on buoys, navigational aids, docks, piers, and the removal of sunken or partially submerged vessels. In addition, the vessel is used to haul and load debris; tow large heavy objects; tow vessels; carry up to 5,000 pounds of concrete block buoys, camels, and Yokohama fenders; and to drag heavy objects off beaches.

Staff is requesting approval to award an agreement with Marine Group Boat Works, LLC (MGBW) to repower the Coral Reef in order to comply with a California Air Resources Board (ARB) regulation adopted in 2007 to reduce emissions of diesel particulate matter (Diesel PM) and oxides of nitrogen (NOx) from diesel engines used on commercial harbor craft operating in California Regulated Waters. The repowering of the Coral Reef must occur prior to the compliance date of December 31, 2017.

The repowering of the Coral Reef includes replacing two existing inboard diesel engines with engines that utilize the best available emissions technology, and comply with current local, state and federal emission standards; replacing the transmission; updating electronic engine controls and fuel systems; and modifying engine mounts, cooling systems, exhaust systems and vent systems to accommodate the new engines. It will take approximately 34-weeks to complete the repowering of the Coral Reef.

On November 15, 2007, the ARB approved a regulation to reduce emissions from diesel engines on commercial harbor craft vessels. The regulation required all owners and operators of commercial harbor craft operating in California regulated waters to replace the engines on their existing harbor craft vessels with engines that are in compliance with the U.S. EPA standards in effect at the time of engine acquisition.

The compliance date for the Coral Reef was based on engine model year and annual operating hours (greater than 300 hours of operation per year). The Coral Reef currently has 6,367 hours on the port engine and 6,395 hours on the starboard engine. Accordingly, the engines must be replaced prior to a compliance date of December 31, 2017.

Pursuant to BPC Policy 110, Section II C, Request for Proposals (RFP) No. 16-50SN was issued on January 30, 2017 and closed on February 23, 2017. The District notified two-hundred eleven (211) potential vendors of the proposal. A total of thirteen (13) vendors down loaded the solicitation with two (2) vendors submitting a proposal. Driscoll Quality Marine Services submitted an incomplete proposal for \$174,569.80 that was deemed to be non-responsive. MGBW submitted a detailed proposal for \$268,298.00 that was deemed to be responsive. The District and MGBW negotiated the proposal and agreed to a reduced price of \$225,220.00.

Staff performed a survey of the market by phone and contacted six (6) vendors who did not submit a proposal. The vendor's responses were as follows:

- Vendor only provides outboard motors;
- Vendor was too busy to take on additional work;
- Vendor only provides new engines for purchase;

- Vendor is a general contractor and will require subcontracting the repowering work;
- Vendor only submits RFB, not comfortable submitting RFP proposals; and
- Vendor out on vacation and didn't have time to submit a proposal.

MGBW is the original prime contractor for the construction of the Coral Reef. The company is a Port tenant and a family-owned business that has been serving the greater San Diego Maritime Industry as a boat builder and repair facility for over 35 years. They provide full-service boat and super yacht refit and repair occupying over 15 acres of land and water within the Port jurisdiction area, located at the southern part of the San Diego Bay (and a second location in San Jose Del Cabo).

MGBW specializes in refits, repairs and new construction of boats up to 220 feet long and is recognized worldwide for its 665-ton travel lift. Its specialties include haul-outs, bottom paints, Lloyds' and ABS-class surveys, vessel engine repowering, mechanical repairs, propeller service and custom fabrications. Specific to the commercial and government sectors, MGBW also provides highly specialized services including new construction, custom metal fabrications and emergent work repairs for vessels ranging from range training support crafts, workboats, tugboats and barges.

Staffs recommend that the Board select and authorize an agreement with Marine Group Boat Works, LLC to provide services for repowering the District vessel for an amount not-to-exceed \$225,220.00.

General Counsel's Comments:

The Office of the General Counsel has reviewed the issues set forth in this agenda and found no legal concerns as presented, and has reviewed and approved the agreement as to form and legality.

Environmental Review:

The proposed Board action does not constitute a "project" under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because it will not have a potential to result in a direct or indirect physical change in the environment and is, therefore, not subject to CEQA. No further action under CEQA is required.

In addition, the proposed Board action allows for the District to implement its obligations under the Port Act and/or other laws. 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.

Finally, the proposed Board action does not allow for "development," as defined in Section 30106 of the California Coastal Act, or "new development," pursuant to Section 1.a. of the District's Coastal Development Permit Regulations. Therefore, issuance of a Coastal Development Permit or exclusion is not required.

Equal Opportunity Program:

Due to limited know subcontracting opportunities, no SBE goal was established for this agreement.

PREPARED BY:

Pete Cruz
Department Business Manager, General Services

Attachment(s):

Attachment A: Agreement 71-2017SN with Marine Group Boat Works, LLC for Repower
Workboat