



Legislation Text

File #: 2018-0434, Version: 1

DATE: January 16, 2019

SUBJECT:

RESOLUTION AUTHORIZING AN AGREEMENT WITH MARINE GROUP BOAT WORKS LLC., FOR REPOWERING HARBOR POLICE DEPARTMENT MARINE VESSELS #2 AND #5, AND PURCHASING A SPARE VESSEL ENGINE AND TRANSMISSION PACKAGE UNIT FOR AN AMOUNT NOT TO EXCEED \$398,000. FUNDS FOR FISCAL YEAR 2019 HAVE BEEN BUDGETED. ALL 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.

EXECUTIVE SUMMARY:

In April 2011, the Board approved purchase of two Marine Fireboats in support of Harbor Police fire and patrol operations: Marine 2 (equipment number 9162) and Marine 5 (equipment number 9163) were acquired utilizing grant funding under Department of Homeland Security (DHS) Port Security Grant Round 10 in Nov 2012.

The current 5.9-liter vessel engines have a lifecycle span of approximately six (6) years or 6,000 hours. Harbor Police fireboats have been experiencing engine failures in their original 5.9 Cummings diesel powered engines. Oil samples on the starboard engines on Fireboats Marine 2 and Marine 5 indicate excessive wear, which necessitates engine replacement per industry standards.

Pursuant to BPC Policy 110, Section II C, Request for Bid (RFB) No. RFB 18-26MA-R was solicited on August 30, 2018 and closed on September 13, 2018. A total of thirteen (13) service providers were notified. The District received four (4) responsive bids. Breakwater International California, LLC (Breakwater) bid \$358,405.74, but rescinded their proposal because they could not honor the price they bid. South Coast Shipyard, Inc. (South Coast) submitted a proposal for \$393,350 and also rescinded their bid for the same reason. Marine Group Boat Works (MGBW) was the third lowest bid at \$398,000 which was deemed a responsive and responsible bid.

Staff recommends that the Board of Port Commissioners (Board) select and authorize an agreement with MGBW to provide services to repower the Harbor Police Department Fireboat vessels, and supply a new vessel spare engine and transmission package unit in the amount not to exceed amount of \$398,000.

RECOMMENDATION:

Adopt a Resolution selecting and authorizing an agreement with Marine Group Boat Works LLC., to repower Harbor Police Department Marine Vessel #2 and #5 as well as supply a new spare vessel

engine and transmission package unit, effective January 20, 2019 through June 15, 2020, in amount not to exceed \$398,000.

FISCAL IMPACT:

Funding for these expenditures is budgeted in the FY 2019 General Services Department Equipment Outlay appropriation for \$370,000. Staff plans to fund the difference of \$27,117 from favorable variances in the department's Equipment Outlay budget. All 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.

The District applied for and received grant funding from the DHS-Federal Emergency Management Agency for purchase of and repairs to public safety vessels. Grant No.EMW-2017-PU-00621 will reimburse the District seventy-five percent (75%) of the purchase of the vessel engines, transmissions, jet drives, spare engine and transmission, and will include a twenty-five percent (25%) matching requirement that will have to be paid by the District.

COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goal by ensuring Harbor Police fire-fighting vessels are operational.

- A Port that is a safe place to visit, work and play.

DISCUSSION:

The repowering of the Harbor Police Department Fireboat Vessels #2 and #5 require replacement of the engines, transmissions and jet drive impellers. The Service Provider will provide the new parts, perform the replacement of the components and supply a complete spare engine, transmission and jet drive impeller unit. The spare components will be used for future vessel engine, transmission and jet drive impeller repair and/or replacement, if necessary. A spare kit will enable reduced downtime associated with the repair and/or replacement of Harbor Police Fireboat engines.

The Harbor Police Department purchased Fireboat Vessels # 2 and # 5 in November 2012, for \$957,780.00 each. A combination of Port Security Grant Programs and State of California Proposition 1B funded 100% of this purchase. The current 5.9-liter vessel engines have shown to have current lifecycle span of approximately six (6) years or 6,000 hours. The new replacement upgraded 6.7-liter vessel engines are anticipated to have a lifecycle span of nine (9) years or 9,000 hours.

Pursuant to BPC Policy 110, Section II C, RFB No. RFB 18-26MA-R was solicited on August 30, 2018 and closed on September 13, 2018. A total of thirteen (13) service providers were notified.

The four (4) the lowest responsive and responsible bids accepted are summarized below from the lowest to the highest:

- Breakwater International California, LLC. \$358,405.74 Rescinded

▪ South Coast Shipyard, Inc.	\$393,350.00 Rescinded
▪ Marine Group Boat Works, LLC	\$397,117.00
▪ Adept Process Services, Inc.	\$440,762.00

Breakwater rescinded their proposal because they could not honor the price they bid and South Coast also rescinded their bid for the same reason. Marine Group Boat Works (MGBW) was the third lowest bid at \$398,000 which was deemed a responsive and responsible bid.

MGBW 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 (in addition to 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.

Staff recommends the Board select and authorize an agreement with MGBW to replace the Harbor Police Department Fireboat Vessels #2 and #5 engines, transmissions, jet drive impellers, as well as supply a new vessel spare engine and transmission package unit, effective January 20, 2019 - June 15, 2020, in an amount not to exceed \$397,117.

General Counsel's Comments:

The Office of the General Counsel has reviewed the agreement with Marine Group Boat Works LLC and approves as to form and legality.

Environmental Review:

The proposed Board direction or action, including without limitation, a resolution authorizing an agreement for repowering Harbor Police vessels and purchase of additional equipment is Categorically Exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Sections 15301 (Existing Facilities), 15303 (New Construction or Conversion of Small Structures), and 15304 (Minor Alterations to Land) and/or Sections 3.a. (7), 3.c. (3), and 3.d. (7) of the District's Guidelines for Compliance with CEQA because the project in question would involve a negligible expansion of use beyond that previously existing, would have no permanent effects on the environment, and would not involve the removal of mature, scenic trees. In addition, all surface areas disturbed by the proposed project would be restored. 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). A CEQA Exemption was previously issued for this project on November 8, 2018. The proposed project is consistent with the project analyzed in the Categorical Determination. The proposed Board action is not a separate "project" for CEQA purposes but is a subsequent discretionary approval related to a previously approved project. (CEQA Guidelines § 15378(c); Van de Kamps Coalition v. Board of Trustees of Los Angeles Comm. College Dist. (2012) 206 Cal.App.4th

1036.) Accordingly, the proposed Board action is merely a step-in furtherance of the original project for which environmental review was performed, and no further environmental review is required.

In addition, the proposed Board direction or action complies with sections 21, 35, 81, and 87 of the Port Act, which allow for 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 construction, reconstruction, repair, and maintenance of highways, streets, roadways, bridges, belt line railroads, parking facilities, power, telephone, telegraph or cable lines or landings, water and gas pipelines, and all other transportation and utility facilities or betterments incidental, necessary, or convenient for the promotion and accommodation of any of the uses set forth in Section 87. 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 direction or action is considered “excluded development” pursuant to Sections 8.a (Existing Facilities), 8.c (New Construction or Conversion of Small Structures), and 8.d (Minor Alternations to Land) of the District’s Coastal Development Permit Regulations because the project in question would involve a negligible expansion of use beyond that previously existing, would have no permanent effects on the environment, and would not involve the removal of mature, scenic trees. A “Coastal Act Categorical Determination of Exclusion” was previously issued for this project on November 8, 2018; therefore, issuance of a Coastal Development Permit or subsequent Exclusion is not required for the proposed Board action.

Equal Opportunity Program:

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

PREPARED BY:

Jacquelyn Atkinson
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Attachment(s):

Attachment A: Agreement No. 201-2018MA Port District and Marine Group Boat Works.

Attachment B: EHP Grant No.: **EMW-2017-PU-00621**