

**RESOLUTION 2016-124**

**RESOLUTION AUTHORIZING AMENDMENT NO. 2  
TO AGREEMENT WITH MARINE GROUP BOAT  
WORKS, LLC, FOR AS-NEEDED IMPOUNDED  
VESSEL SERVICES, INCREASING THE MAXIMUM  
AMOUNT PAYABLE UNDER THE AGREEMENT BY  
\$100,000 FOR A NEW MAXIMUM AMOUNT OF  
\$275,000**

**WHEREAS**, the San Diego Unified Port District (District) is a public corporation created by the legislature in 1962 pursuant to Harbors and Navigation Code Appendix 1, (Port Act); and

**WHEREAS**, the Board of Port Commissioners (BPC) adopted BPC Policy No. 110 to establish a policy governing the processing and administration of public projects, consulting and service agreements, the purchasing of supplies, materials, and equipment, and grants; and

**WHEREAS**, on November 15, 2013, the District entered into a three and a half year agreement with Marine Group for As-Needed Impounded Vessel Services in an amount not to exceed \$175,000; and

**WHEREAS**, the agreement, which expires June 30, 2017, is used to provide impound services for vessels that have been abandoned or impounded by the Harbor Police; and

**WHEREAS**, impound services include dock-side storage at Marine Group's Chula Vista facility, transportation to the District's Impound Yard (891 G St., Chula Vista), facilitating Lien Sales, obtaining Junk Slips from the Department of Motor Vehicles, and vessel demolition and disposal, amongst other services; and

**WHEREAS**, Amendment No. 1 was to clarify agreement & fee schedule language and no changes were made to the value of the agreement; and

**WHEREAS**, this amendment is the result of a backlog of vessels to be demolished due to previous budget constraints, unanticipated numbers of vessels being impounded, and a SAVE grant requirement; and

**WHEREAS**, the District receives an average of 30 to 50 vessels per year, some of which are returned to their owners, others are sold at Lien Sale, and a majority is the District's responsibility to demolish; and

**WHEREAS**, since 2011, there have not been funds available under the agreement to demolish on a regular basis; and

**WHEREAS**, this has caused a backlog of vessels and the District now has 100 vessels that need action to be taken, with 14 ready to be demolished at this point; and

**WHEREAS**, currently, the Impound Yard has very limited space and the District will need to perform demolition before new vessels are impounded, and if the yard does not have room for new vessels, the District will have to pay for landside storage provided by Marine Group at inflated costs; and

**WHEREAS**, in October of 2015, the District was awarded a SAVE grant in the amount of \$44,900 to demolish vessels, with a requirement to match 10% of the funds (\$4,490); and

**WHEREAS**, all work under this grant must be completed by September 30, 2017; and

**WHEREAS**, thus far, the District has spent \$22,350 to demolish 10 vessels, and in order to comply with the grant requirements, this agreement must be well-funded so that demolition can continue; and

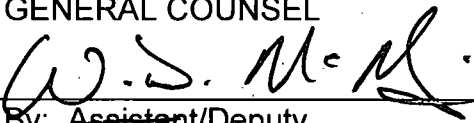
**WHEREAS**, over the past three years, the District has spent an average of \$45,000 per year on storage and transport costs; and

**WHEREAS**, as a result of this amendment request, \$50,000 will be budgeted for storage and transport costs, with the remaining \$50,000 for the demolition of 15 to 20 vessels, and will allow other vessels to proceed through the lien sale and junk slip process.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Port Commissioners of the San Diego Unified Port District, as follows:

That the Executive Director or her designated representative is hereby authorized on behalf of the San Diego Unified Port District to enter into Amendment No. 2 with Marine Group Boat Works, LLC for as-needed impounded vessel services, increasing the maximum amount payable under the agreement by \$100,000 for a new total maximum not-to-exceed amount of \$275,000.

APPROVED AS TO FORM AND LEGALITY:  
GENERAL COUNSEL

  
By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 9<sup>th</sup> day of August, 2016, by the following vote:

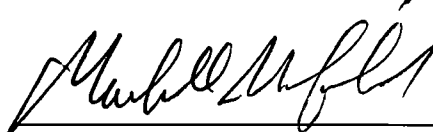
AYES: Bonelli, Castellanos, Malcolm, Merrifield, Moore, Nelson, and Valderrama.

NAYS: None.

EXCUSED: None.

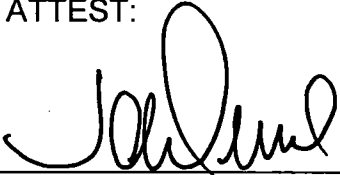
ABSENT: None.

ABSTAIN: None.



Marshall Merrifield, Chairman  
Board of Port Commissioners

ATTEST:



Timothy A. Deuel  
District Clerk

(Seal)