



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

FOR INFORMATION ONLY

DATE: SEPTEMBER 7, 2023

TO: THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE

SUBJECT: SEPTEMBER 2023 PROJECT DEVELOPMENT COMMITTEE REPORT

This report highlights the actions taken by the Project Development Committee (PDC) at its September 2023 meeting. On September 6, 2023, the PDC met to consider five project items. The committee also reviewed standing reports regarding newly opened work orders, the status of the unallocated Capital Improvement Program (CIP) fund budget, completed CIP projects, the financial model, the GASB 49 project list and projects for discussion. Attached for review are the meeting minutes (Transmittal 1), Unallocated CIP Fund Report FY 2023/2024 (Transmittal 2), and CIP Status Report – Completed Projects (Transmittal 3).

The following is a summary of the meeting minutes by category:

- 1) Schedule change – Three items were submitted and approved.
- 2) Budget/Schedule change – Two items were submitted and approved.

The Board of Harbor Commissioners (Board) approved \$15,000,000 in the fiscal year 2023/2024 CIP budget for unallocated capital improvements. The department uses this budget to fund new multi-year projects or fully fund projects within the current fiscal year. New projects at or in excess of \$100,000 are presented to the PDC for consideration. Staff presents projects under \$100,000 to the PDC for information and discussion. Staff then transmits the PDC meeting minutes to the Board for information.

The following is a summary of projects expected to utilize the unallocated CIP budget for fiscal year 2023/2024:

- 4 PDC-approved projects totaling \$489,317
- 2 projects under \$100,000 totaling \$51,150

As of August 29, 2023, the remaining balance is \$14,459,533.

Various resources are available to move these projects forward. These include in-house staff, on-call consultant contracts, on-call site and marine improvement contracts, and annual contracts for supplies and materials. The Board approves these resources either through the annual budget process or as contracts that receive separate Board approval.


Marla Bleavins (Sep 7, 2023 22:12 PDT)

EUGENE D. SEROKA
Executive Director

Attachments:

- Transmittal 1: September 2023 PDC Pandect
- Transmittal 2: Unallocated CIP Fund Report FY 2023/2024
- Transmittal 3: CIP Status Report – Completed Projects


MB

MB/mz

BUDGET CHANGE, SCHEDULE CHANGE

SUBJECT ORIGINAL PROJECT COST \$767,000

BERTH 58-60 SHED SEISMIC BRACING IMPROVEMENTS - BUDGET AND SCHEDULE CHANGE

SUMMARY

Staff requests approval to increase the budget and change the schedule for the Berth 58-60 Seismic Bracing Improvements.

The Construction & Maintenance Division recommends increasing the budget by \$400,000 to account for the replacement of fire sprinkler heads, cast iron fittings and associated piping that was unforeseen and came to light while installing the modifications necessary for hydrostatic approval from Los Angeles Department of Building and Safety (LADBS).

The Construction & Maintenance Division recommends adding 6 additional months to the schedule to allow for delays due to the work necessary as stated above. Furthermore, additional work needs to be performed to comply with the recommendations made by the LADBS Inspector, who cited corrections that included, adding flexible couplings at certain fire sprinkler risers and a trapeze-style support system for the main piping that exceeded spacing requirements. The LADBS Inspector also noted that fire protection devices must be installed in the restroom and the office areas to comply with National Fire Protection Association (NFPA) Standards 25 and 72.

The total project budget is \$1,167,000 and the project will be completed by June 1, 2024.

PDC ACTION Approved

COMMENT No comment.

SUBJECT ORIGINAL PROJECT COST \$600,000

BERTH 189 UNDERWHARF FIRE SPRINKLER SYSTEM REPLACEMENT - BUDGET AND SCHEDULE CHANGE

SUMMARY

Staff requests approval to increase the budget and change the schedule for the Berth 189 Underwharf Fire Sprinkler System Replacement.

The Construction & Maintenance Division recommends increasing the budget by \$725,000 to account for the replacement of 175 feet of deteriorated City of Los Angeles Fire Department 6-inch connection piping and which was previously unforeseen and came to light after several surveys were conducted.

The Construction & Maintenance Division recommends adding 3 additional months to the schedule to allow for the additional work to be done and potential delays to access the area due to terminal activity. The Los Angeles Department of Building Safety (LADBS) Inspector recommended that the deteriorated piping be replaced to comply with National Fire Protection Association (NFPA) Standards 25 and 307.

The total project budget is \$1,325,000 and the project will be completed by June 30, 2024.

PDC ACTION Approved

COMMENT No comment.

SCHEDULE CHANGE

SUBJECT**ORIGINAL PROJECT COST** \$256,000,000**BERTH 306 CONTAINER WHARF – SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Berth 306 Container Wharf schedule by seven months with no additional increase in the project budget of \$256,000,000.

The Engineering Division recommends adding seven months to the schedule to allow for on-going negotiations with the tenant, the Environmental Addendum, and continued design coordination with the tenant. The new completion date is March 31, 2026.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$400,000**B. 150-195 – UNDERWHARF PIPELINE HANGERS REPLACEMENT - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the B. 150-195 – Underwharf Pipeline Hangers Replacement schedule by 6 additional months with no additional increase in the budget.

The Construction & Maintenance Division recommends adding 6 additional months to the schedule to allow for delays due to plumbing staff shortages and because the vendor, providing the materials for the project, being unable to obtain Business Tax Registration Certificate clearance from the City of Los Angeles, Office of Finance, for a prolonged period of time.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$703,200**AIR QUALITY MONITORING STATIONS UPGRADE – SCHEDULE CHANGE****SUMMARY**

Staff requests approval to change the schedule for the Air Quality Monitoring Stations Upgrade project.

The project encompasses the upgrade of the Harbor Department’s four air monitoring stations with new equipment. The improvement to the monitoring stations requires the purchase and installation of equipment to monitor and collect data for particulate matter, black carbon, nitrogen dioxide, carbon monoxide, ozone, sulfur dioxide, wind speed, wind direction, temperature, and relative humidity.

EMD recommends adding six additional months to the schedule to allow for extended lead times and delays in instrument delivery due to supply chain disruptions.

The total project cost remains at \$703,200 and the project will be completed by March 31, 2024.

PDC ACTION Approved**COMMENT** No comment.

ADMINISTRATIVE ITEM GASB 49 Report, Completed Projects CIP Report, and Projects for Discussion Reviewed
ACTION ITEM FOLLOW UP
WORK ORDER REPORT REVIEWED
UNALLOCATED BUDGET REPORT REVIEWED
ADDITIONAL DISCUSSION


[Marla Bleavins \(Sep 7, 2023 22:12 PDT\)](#)

Marla Bleavins
Finance and Administration

Unallocated Capital Improvement Program Fund FY 23/24

(Budget set in July)

\$ 15,000,000

PDC Approved Projects

Portwide Power Monitoring System (2575700)	\$	(60,000)
B. 93 Vehicular Ramp Repair (2575800)	\$	(165,000)
Harbor Administrative Building - Fifth Floor Commissioner's Conference Rooms (2576000)	\$	(112,417)
Harbor Administrative Building - Fifth Floor Lobby Conference Rooms (2576400)	\$	(151,900)
<i>Subtotal PDC Approved Projects</i>	\$	<i>(489,317)</i>

Projects Under \$100,000

Avalon Blvd and Water Street - Logistics Swing Gate Installation (2575900)	\$	(8,400)
San Pedro Waterfront - Gateway Fanfare Fountain Water Treatment System (2576200)	\$	(42,750)
<i>Subtotal Projects Under \$100,000</i>	\$	<i>(51,150)</i>

Balance as of August 29, 2023

\$ 14,459,533

CIP Status Report

Completed Projects

Actuals Thru: July 2023

Where Construction Finish Date is: >= 7/27/2023 <= 8/29/2023

Expend. Org.	Project No.	Project Title	Project Manager	Status	Projected Cost	Design				Percent Design Complete	Construction				Percent Const. Complete
						Start Baseline	Projected	Finish Baseline	Projected		Start Baseline	Projected	Finish Baseline	Projected	
1134	2552900	B. 302-305 - Crane Switchgear Modernization	Basha, George	Completed	\$1,975,000	01/01/19	^ 01/01/19	02/28/19	^ 02/28/19	100 %	07/05/20	^ 07/05/20	07/31/23	^ 07/31/23	100 %
1029	2566300	B. 161 - Floating Dock Electrical Upgrades	Basha, George	Completed	\$147,000	03/01/21	^ 03/01/21	05/11/21	^ 05/11/21	100 %	02/01/22	^ 02/01/22	07/30/23	^ 07/30/23	100 %
1040	2575200	Wilmington Waterfront Park - Barrier Swing Gates	Hazelett, Phil	Completed	\$22,500	05/23/23	^ 05/23/23	05/23/23	^ 05/23/23	N/A	06/23/23	^ 07/06/23	07/06/23	^ 08/03/23	100 %

Grand Total: \$2,144,500

Audit Committee Report Packet September 2023

Final Audit Report

2023-09-08

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