



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

FOR INFORMATION ONLY

DATE: MAY 9, 2024

TO: THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE

SUBJECT: MAY 2024 PROJECT DEVELOPMENT COMMITTEE REPORT

This report highlights the actions taken by the Project Development Committee (PDC) at its May 2024 meeting. On May 9, 2024, the PDC met to consider ten 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, and the GASB 49 project list. 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 – Five items were submitted and approved.
- 2) Budget/Schedule/Scope change – Four items were submitted and approved.
- 3) Project consolidation – One item was 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:

- 23 PDC-approved projects totaling \$12,659,838
- 15 projects under \$100,000 totaling \$797,123

As of April 24, 2024, the remaining balance is \$1,543,039.

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.

Erica M. Calhoun for

EUGENE D. SEROKA
Executive Director

Attachments:

Transmittal 1: May 2024 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2023/2024

Transmittal 3: CIP Status Report – Completed Projects

DAZ

DAZ/mz

BUDGET CHANGE**SUBJECT****ORIGINAL PROJECT COST** \$4,500,000**PORT POLICE DIVE BOAT REPLACEMENT – BUDGET INCREASE****SUMMARY**

Port Police request an increase in the budgeted amount for this purchase from \$4,500,000 to \$4,927,412.40.

PDC ACTION Approved**COMMENT** No comment.**BUDGET CHANGE, SCHEDULE CHANGE****SUBJECT****ORIGINAL PROJECT COST** \$680,000**WILMINGTON WATERFRONT – SITE CHARACTERIZATION ASSESSMENTS – COST AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval for a cost increase and schedule change to the Wilmington Waterfront – Site Characterization Assessments.

The proposed work continues support to the Waterfront & Commercial Real Estate Division (WCRED) for the property exchange with the Los Angeles Department of Water and Power (LADWP). The Environmental Management Division (EMD) has been performing additional sampling to delineate detected contamination. EMD will continue to coordinate with LADWP's environmental group on sampling plans for both Port-owned and LADWP-owned parcels and negotiate areas that require remediation in preparation for the property exchange. In addition, EMD will continue to support the Engineering and Construction Divisions on environmental considerations throughout the Wilmington Waterfront Development Project, including but not limited to oil pipeline removal, waste characterizations, import fill data confirmation, and infiltration assessment.

EMD recommends increasing the budget from \$680,000 to \$822,000 for additional delineation of subsurface contamination, negotiation with LADWP, and support for the WCRED, Engineering, and Construction Divisions.

EMD recommends extending the project end date to August 31, 2028, matching the Wilmington Waterfront Development Project end date for Avalon Pedestrian Bridge and Promenade Gateway (WO 2537700) construction, to provide as-needed support to Engineering and Construction Divisions through the end of project completion.

The total project cost is \$822,000 and the project will be completed by August 31, 2028.

PDC ACTION Approved**COMMENT** No comment.**PROJECT CONSOLIDATION**

SUBJECT**ORIGINAL PROJECT COST** \$3,300,000**B. 93 – ESCALATORS 1-5 MODERNIZATION – PROJECT CONSOLIDATION****SUMMARY**

Staff requests approval to consolidate the three B. 93 – Escalator Modernization projects (2572100, 2569100, & 2571700) into a single project number, 2572100, to streamline the material procurement and installation.

The proposed work for Project No. 2572100 included the modernization of Escalators 4 & 5 at Berth 93 which will be amended to include the modernization of Escalators 1-2 & 3, from Projects 2571700 & 2569100, respectively. The single project number allows for one complete invoice (KONE Agreement No. F-1159,3), which will significantly reduce the procurement process and will simplify the accounting and project management.

The Construction & Maintenance Division recommends consolidating the three B. 93 – Escalator Modernization budgets: 2572100 - \$1,410,000, 2571700 - \$1,400,000, 2569100 - \$520,000, for a new budget total of \$3,300,000.

The total project budget is \$3,330,000 and the project will be completed by December 31, 2024.

PDC ACTION Approved

COMMENT No comment.

SCHEDULE CHANGE

SUBJECT**ORIGINAL PROJECT COST** \$7,000,000**WILMINGTON WATERFRONT – AVALON PEDESTRIAN BRIDGE – DWP MARINE TANK FARM COORDINATION – SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Los Angeles Department of Water and Power (LADWP) Marine Tank Farm Coordination work order schedule by 16 months with no additional increase in the project budget of \$7,000,000.

The Engineering Division recommends adding 16 months to align the project schedule with the Avalon Pedestrian Bridge and Promenade Gateway (W.O. 2537700) which accounts for time required to obtain additional environmental assessments to meet the National Environmental Policy Act (NEPA) required to comply with federal funding guidelines as a result of a recently awarded federal grant.

The new completion date is August 31, 2028.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$4,600,000**WILMINGTON YOUTH AQUATIC CENTER - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Wilmington Youth Aquatic Center (WYAC) schedule by 51 months with no additional increase in the project budget of \$4,600,000.

The Engineering Division recommends adding 51 months to the schedule to allow for delays incurred by restarting this project from the Planning phase. If approved by PDC, the new completion date would be December 31, 2029.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$700,000**BERTHS 57-60 WHARF RECONSTRUCTION ASSESSMENT AND PRELIMINARY ENGINEERING - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Berths 57-60 Wharf Reconstruction Assessment and Preliminary Engineering project schedule by six months with no additional increase in the project budget of \$700,000.

The Engineering Division recommends adding six months to the schedule to allow for delays due to refinement of the scope and negotiations with the consultant, unavailability of specialized consultant staff, and mechanical issues with the dive boat. No change to the project of budget of \$700,000 is requested

The new completion date is November 30, 2024.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$2,500,000**HARBOR ADMINISTRATION BUILDING (HAB) 2ND FLOOR WORKSPACE SOLUTIONS - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Harbor Administration Building's (HAB) 2nd Floor workspace Solutions Project schedule by nine months with no additional increase in the project budget of \$2,500,000.

The Engineering Division recommends adding nine months to the schedule to allow for delays incurred studying whether we could convert a portion of the Information Technology (IT) Server room into office workspace. Staff ultimately found a more cost effective solution. The new completion date is April 1, 2027.

PDC ACTION Approved**COMMENT** No comment.**SCHEDULE CHANGE, BUDGET CHANGE, SCOPE CHANGE**

SUBJECT**ORIGINAL PROJECT COST** \$65,000,000**WILMINGTON WATERFRONT-AVALON PEDESTRIAN BRIDGE AND PROMENADE GATEWAY – SCOPE, BUDGET, AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval for additional and redefined scope, cost increase, and schedule change to the Avalon Pedestrian Bridge and Promenade Gateway. The scope of work for this project includes a pedestrian bridge, street vacations, and development of approximately 12 acres of visitor serving open space with amenities such as landscaping, parking, restroom, lighting and site furnishings.

The additional and redefined work leading to additional costs includes the design and construction of a sundial as the entry monument, hardscape material changes, additional site furnishings, new electrical service to the site, addition of site water, Wi-Fi and communication infrastructure, addition of a public art feature, and reconstruction/restoration costs resulting from connecting the bridge to the Wilmington Waterfront Promenade. These changes are a result of incorporating elements that worked well in other projects and items that have evolved in design since early milestones. The schedule change includes time to obtain additional environmental assessments required to meet the National Environmental Policy Act (NEPA) in compliance with federal funding guidelines as a result of a recently awarded federal grant.

The revised budget is increased by \$11,600,000 from \$65,000,000 to a new project budget of \$76,600,000. The revised schedule is increased by 16 months to a new completion date of August 31, 2028.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$13,950,000**HAB HVAC REPLACEMENT – SCOPE, BUDGET, AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval to add scope, increase cost, and add twelve months to schedule for the Harbor Administration Building (HAB) HVAC Replacement Project.

The additional scope includes designing and installing a new electrical heat pump system to replace the existing gas fired boiler for heating the hot water system in HAB. This change will allow HAB to comply with City of LA’s Green Building Code, and LA’s Green New Deal. Staff also request approval to add \$5,535,000 to budget for increased scope and escalation costs.

If approved by PDC, the revised budget would be increased by \$ 5,535,000 from \$ 13,950,000 for a new project budget of \$ 19,485,000. The revised schedule would increase by twelve months for a new completion date of September 5, 2026.

PDC ACTION Approved**COMMENT** No comment.**SCHEDULE CHANGE, SCOPE CHANGE**

SUBJECT

ORIGINAL PROJECT COST \$5,000,000

POLA ELECTRIC VEHICLE CHARGING STATIONS – PHASE 1 – SCOPE AND SCHEDULE CHANGES

SUMMARY

Staff requests approval to change the scope and schedule for the POLA Electric Vehicle (EV) Charging Stations – Phase 1 project by adding six months to design and construction schedules with no additional increase to the budget.

The Engineering Division recommends adding six months to the design schedule to perform value engineering and incorporate resulting design changes. As requested by Executive Team, staff will start construction in August 2024 at following sites: Liberty Hill Plaza, Construction & Maintenance (C&M) Employee Parking Lot, and C&M Administration Building Parking Lot.

Staff also recommends changing project scope to design and construct electric vehicle (EV) charging stations at additional locations, including C&M Yard, C&M Archives Building, and Port Pilots parking lots; and to install basic Level II EV Chargers instead of smart Level II EV chargers.

If approved by PDC, the revised schedule would be increased by six months with a new completion date September 30, 2026.

PDC ACTION Approved

COMMENT No comment.

ADMINISTRATIVE ITEM GASB 49 Report and Completed Projects CIP Report reviewed.

ACTION ITEM FOLLOW UP

WORK ORDER REPORT REVIEWED

UNALLOCATED BUDGET REPORT REVIEWED

ADDITIONAL DISCUSSION

Dina Aryan-Zahlan

Michael DiBernardo

Dina Aryan-Zahlan
Development

Michael DiBernardo
Marketing and Customer Relations

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)
514 Pier A Street - Soils Lab Chiller Replacement (2576900)	\$	(167,386)
272 S. Fries Ave. - Capital Projects Bldg. Fire Alarm System Replacement (2576800)	\$	(300,000)
B. 58-60 Alta Sea Warehouse & Site Improvements (2577000)	\$	(4,000,000)
Port Police Dive Boat Purchase (2577100)	\$	(2,761,088)
New Dock Street Transportation Improvements (2577400)	\$	(65,000)
Port-Wide Fire Alarm Mass Notification System Upgrade (2577600)	\$	(395,000)
B. 172-179 Fire Waterline Replacement (2578500)	\$	(850,000)
Cabrillo Marine Aquarium Life Support System (2578600)	\$	(1,200,000)
B. 97-109 China Shipping Container Terminal Revised SEIR (2578700)	\$	(1,000,000)
B. 161 - Plumbing Shop Workspace Solution (2578800)	\$	(900,000)
New Dock Street Pump Station - Stormwater Disinfection System (2579500)	\$	(6,568)
B. 302-305 Panzerbelt Improvements (2579700)	\$	(10,724)
Pier 400 Roadability Canopy Improvements (2579800)	\$	(22,755)
Port-Wide - HMP Light Fixture LED Upgrade (2580300)	\$	(150,000)
42 Inch Storm Drain Force Main Replacement (2580800)	\$	(22,000)
B. 93 - Amp Vault (2580700)	\$	(15,000)
B. 91-93 - World Cruise Center - Purchase Mobile AMP Cart (2580600)	\$	(5,000)
B. 161 - Manitowoc Crane Repower (2580200)	\$	(100,000)
S.P. Waterfront - Harbor Gateway Fanfare Fountain Water Feature Upgrade (2580400)	\$	(200,000)

Subtotal PDC Approved Projects* \$ (12,659,838)*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)
C&M Admin Building Boiler Replacement (2576600)	\$	(34,700)
801 Reeves Avenue - Design of New Fire Alarm System per POLA Specifications (2576700)	\$	(32,750)
B. 91 Security Access Installation (2577800)	\$	(17,900)
B.93 World Cruise Center - Exit Sign Replacement (2577700)	\$	(57,351)
B. 191 Badger Avenue Bridge - Motor Brake Replacement (2577900)	\$	(99,713)
Harbor Administrative Building - Small Conference Rooms to Private Offices (2578300)	\$	(22,107)
900 Ways Street Lot Improvements (2578400)	\$	(99,520)
Port of Los Angeles Police Headquarters - Flagpole Uplight LED Retrofit (2578900)	\$	(8,500)
B.161 - Boat Shop 10 Ton Jib Crane Replacement (2579000)	\$	(57,000)
Cruise Terminal Parking Lot Improvements (2579200)	\$	(50,000)
Pier 500 Project Needs Statement (2579300)	\$	(96,432)
B.68 _ Port Pilots Living Quarters Buildings (2580000)	\$	(80,000)
RB 143-144 - Storm Drain Improvements (2580100)	\$	(90,000)

Subtotal Projects Under \$100,000* \$ (797,123)**Balance as of April 24, 2024*****\$ 1,543,039**

CIP Status Report

COMPLETED PROJECTS

Sorted By: Project Number

Actuals Thru: March 2024

Where Construction Finish Date is: >= 3/28/2024 <= 4/24/2024

Expend. Org.	Project Title	Project Manager	Status	Projected Cost	Design			Construction			Percent Design Complete	Percent Const. Complete	Pre-A500	
					Start Baseline	Projected	Finish Projected	Start Baseline	Projected	Finish Projected				
1002	(2574400) B. 179-181 - Transit Shed and Administration Building Fire Alarm & Mass Notification System	Hazelett, Phil	Completed	\$960,000	03/01/23	^ 03/01/23	03/31/23	^ 03/31/23	03/01/23	^ 06/01/23	03/31/24	^ 03/31/24	100 %	

Grand Total: \$960,000









Audit Committee Report Packet May 2024

Final Audit Report

2024-05-10

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