



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

FOR INFORMATION ONLY

DATE: OCTOBER 5, 2018

TO: THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE

SUBJECT: OCTOBER 2018 PROJECT DEVELOPMENT COMMITTEE REPORT

This report highlights the actions taken by the Project Development Committee (PDC) at its October meeting. On October 3, 2018, the PDC met to consider nine project items. The committee also reviewed administrative reports regarding recently opened work orders and the status of the unallocated Capital Improvement Program (CIP) fund budget. The meeting minutes (Transmittal 1) and Unallocated CIP Fund Report FY 2018/2019 (Transmittal 2) are attached for your review.

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

- 1) Schedule change – One item was submitted and approved.
- 2) Budget/Schedule/Scope change – Three items were submitted and approved.
- 3) New project – Five items were submitted. Four were approved and one was deferred.

The Board of Harbor Commissioners (Board) approved \$15,000,000 in the fiscal year 2018/2019 CIP budget for unallocated capital improvements. This budget is used 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. Projects under \$100,000 are reported to the PDC for information. The PDC meeting minutes are then transmitted to the Board for information.

The following is a summary of projects that are expected to utilize the unallocated CIP budget for fiscal year 2018/2019 to date:

- Nine PDC-approved project totaling \$2,234,600
- Four projects under \$100,000 totaling \$213,500

There are various Board-approved resources 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. All of these are approved by the Board either as part of the annual budget approval process or as multi-year contracts that have received separate Board approval.

Mark Bleavin FOR

EUGENE D. SEROKA
Executive Director

Attachments:

Transmittal 1: October 2018 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2018/2019

AVG/mz

BUDGET CHANGE, SCHEDULE CHANGE

SUBJECT**ORIGINAL PROJECT COST** \$3,610,000**BERTH 93 INSTALL TWO NEW ELEVATORS AT CRUISE TERMINAL - COST AND SCHEDULE CHANGE****SUMMARY**

Staff requests approval to increase the cost and extend the schedule due to additional structural design requirements and construction of two new custom non-proprietary electric traction elevators in lieu of standard pre-engineered electric traction elevators at the Berth 93 Cruise Terminal as requested by the Construction and Maintenance Division.

Due to the unexpected lateral deflection of the elevator shafts, additional design time is needed to meet the deflection seismic design requirements for the custom non-proprietary electric traction elevators. Due to these structural design changes and additional lead and asbestos abatement required, the project budget needs to be increased by \$1,147,350 and the project schedule needs to be extended by six months.

The Engineering Division requests that the project budget be increased by \$1,147,350 and the project schedule extended six months to complete the work by June 30, 2020.

PDC ACTION Approved**COMMENT** No comment.

NEW PROJECT

SUBJECT**ORIGINAL PROJECT COST** \$3,100,000**WILMINGTON YOUTH SAILING AND AQUATIC CENTER – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new capital work order to provide \$3,100,000 additional in capital funding for construction of the Wilmington Youth Sailing and Aquatic Center - a 3,800 square foot (SF) community building with a roof deck and canopy. The scope of work also includes paving, fencing, striping, site lighting, signage, and installation of a boat hoist and gangway.

The Board of Harbor Commissioners (BOHC) approved the construction of a youth sailing center in Wilmington in 2006 and in 2010 approved a budget of \$3,100,000, including \$500,000 for the first three years' operating and \$2,600,000 for design and construction costs using China Shipping Mitigation Funds. The original funding approval and cost estimate was completed almost ten years ago and anticipated 2,600 square foot building with water access. Due to the prolonged process of identifying a feasible development site, this project was delayed and the initial cost estimate is no longer valid.

Inflation, construction cost increases, difficulties with site selection and remediation factors, have all added to the need for additional funding to complete this long overdue project for the community.

Staff requests approval to increase the design and construction budget by adding \$3,100,000 of capital funds to supplement the previously approved \$2,600,000 of China Shipping Mitigation Funds.

The project will be located within the new Wilmington Waterfront Promenade Park.

PDC ACTION On Hold

COMMENT Deferred.

SUBJECT**ORIGINAL PROJECT COST** \$420,000**LIBERTY PLAZA PARKING LOT SYSTEM PDC – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to install a parking access management system at the Liberty Hill Plaza parking lot. The proposed work includes driveway widening, communication and power installation, median installation, parking kiosks, and striping changes. The total cost for this project is \$420,000 and we anticipate completing construction by March 31, 2020.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST \$1,485,000****HARBOR ADMINISTRATION BUILDING - BOARD HEARING ROOM AND EXECUTIVE SESSION IMPROVEMENTS – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to replace the audio/visual (A/V) equipment for the Board Hearing Room and Executive Session Room located in the Harbor Administration Building (HAB). The Commission Office and Graphics Division have identified several necessary upgrades to the A/V systems due to the age of the equipment whereby loss of functionality of the A/V system is occurring more frequently.

The replacement of the existing A/V equipment also requires the construction of a secure A/V room, modifications to the stage area, and new lighting. In addition to replacing the A/V equipment, a larger conference table and functional kitchenette in the Executive Session Room would be installed.

If approved, the total project cost is estimated to cost \$1,485,000 and the project would be completed by September 15, 2021.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST \$9,148,155****REQUEST FOR UNAPPROPRIATE BALANCE FUNDS' FOR THE ACQUISITION OF JOINTLY OWNED PROPERTY****SUMMARY**

The Port of Los Angeles (POLA) together with the Port of Long Beach (POLB) formed a Joint Powers Authority known as the Alameda Corridor Transportation Authority (ACTA). ACTA was formed for the purpose of acquiring the necessary railroad and private properties needed to construct the Alameda Corridor project. The project has been completed and ACTA is in the process of transferring all of the rights it has acquired to both Ports as tenants in common. However, in order to expedite the original acquisitions, and as part of the agreements with the railroad companies, both Ports acquired certain railroad properties jointly that fall outside of the Alameda Corridor project footprint and were not necessary to complete the project. Both Ports are currently in negotiations to acquire full right and title to those properties within their respective City Boundaries. The remainder of the property will continue to be held jointly as "Tenants In Common". This project is in compliance with a Tolling Agreement between POLB and POLA in an effort to avoid litigation.

There are property interests in approximately 29 acres of land being transferred to POLA from POLB and property interests in approximately 14 acres of land being transferred to POLB from POLA. The value of the approximately 15 acre difference is \$9,148,155, to be paid by POLA to POLB.

The Cargo & Industrial, and Waterfront & Commercial Real Estate Divisions is requesting approval of a project budget in the amount of \$9,148,155 to fund the acquisition of the aforementioned jointly held property.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$287,000**PACIFIC MARITIME ASSOCIATION (PMA) LASHING TRAINING STATION PROJECT – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to construct a two-level, steel lashing platform to be used at the Pacific Maritime Association (PMA) training facility in Wilmington to train longshoremen to lash down containers above-decks on container ships.

The proposed work includes preparation of plans for modular steel lashing platforms, including a second level catwalk, which will be fabricated at the Construction & Maintenance (C&M) yard and transported to the PMA facility. The platforms will remain the property of the Port of Los Angeles (POLA).

The total project cost is \$287,000 and the project will be completed by February 27, 2019.

PDC ACTION Approved

COMMENT No comment.

SCHEDULE CHANGE

SUBJECT**ORIGINAL PROJECT COST** \$3,800,000**BERTHS 176-179 ELECTRICAL INFRASTRUCTURE IMPROVEMENTS PROJECT – SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Berths 176-179 Electrical Infrastructure Improvements Project schedule by nine months.

The Engineering Division recommends adding nine months to the schedule to allow for delays incurred due to the following:

-Coordination with the Los Angeles Department of Water and Power (LADWP) to implement LADWP requested design modifications to the Industrial Station to avoid existing underground substructures.

-Work on higher priority projects, staff resources were required for ongoing support and inspection of the two Pasha Green Omni Terminal projects in process (BYD Battery Storage Containers for E-Truck Charging and the Photovoltaic System) to comply with grant funding completion dates and commitments made to Pasha (tenant).

PDC ACTION Approved

COMMENT No comment.

SCHEDULE CHANGE, BUDGET CHANGE, SCOPE CHANGE

SUBJECT**ORIGINAL PROJECT COST \$500,000****WILMINGTON WATERFRONT – SITE CHARACTERIZATION ASSESSMENTS – SCOPE, COST, AND SCHEDULE CHANGE****SUMMARY**

Staff requests approval to increase cost and change the schedule for environmental site investigations of the Wilmington Waterfront – Site Characterization Assessments.

Environmental Management Division (EMD) received a memorandum from the Waterfront & Commercial Real Estate Division (WCRED) requesting an environmental assessment be conducted on the Los Angeles Department of Water and Power (LADWP) tank farm and a parcel north of the tank farm at the intersection of Avalon Boulevard and A Street. Both LADWP tank farm and the parcel will be incorporated into the Wilmington Waterfront Gateway/Pedestrian Bridge area. In addition, EMD will prepare a separate Human Health Risk Assessment and a Soil Management Plan for the Wilmington Waterfront Gateway/Pedestrian Bridge area as described in the Revised Mitigation Monitoring and Reporting Program (MMRP) for the Wilmington Waterfront Development Project/Wilmington Youth Sailing Center.

EMD recommends increasing the budget from \$500,000 to \$560,000 to account for investigation of additional parcels for potential Real Estate transactions that were not anticipated.

EMD recommends adding 18 additional months to the schedule to allow for demolition of LADWP tank and associated infrastructure.

The total project cost is \$560,000 and the project will be completed by March 2020.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST \$97,000****BERTH 93 ENGINEERING RECORDS VAULT RELOCATION AND IMPROVEMENTS – SCOPE, COST, AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval to add scope, increase cost, and extend the schedule for the Berth 93 Engineering Records Vault Relocation and Improvements Project.

The Construction & Maintenance (C&M) Division is performing this work and began the project on June 3, 2018. During the removal of the existing flooring at the proposed Engineering Records Vault location at Berth 93B. Cargo Mezzanine Level (CML) 101, asbestos material was discovered in the mastic material. The Environmental Management Division (EMD) had an environmental contractor provide a cost estimate to abate the asbestos material from the entire floor. This abatement work was not included in the original scope of the project. In addition, C&M has to perform additional demolition and repair work to the walls of the rooms due to unforeseen conditions. This additional scope has increased the project costs. Also, due to the delay of the Berth 93 Install Two New Elevators Project, this project schedule will need to be extended. The total project cost is \$187,000 and the project will be completed by June 30, 2019.

PDC ACTION Approved

COMMENT No comment.

ADMINISTRATIVE ITEM No Grants Report.
ACTION ITEM FOLLOW UP
WORK ORDER REPORT REVIEWED
UNALLOCATED BUDGET REPORT REVIEWED
ADDITIONAL DISCUSSION



Antonio V. Gioiello
Development



Marla Bleavins
Finance & Administration

Unallocated Capital Improvement Program Fund FY 18/19
(Budget set in February)

\$ 15,000,000.00

PDC Approved Projects

C&M Yard Wi-Fi Expansion (25503)	\$	(167,600.00)
B. 95 - Catalina Channel Express - Parking Improvements (25509)	\$	(30,000.00)
Harbor Administration Building - 2nd Floor Workspace Solutions (25510)	\$	(240,000.00)
Harbor Administration Building - 5th Floor Workspace Solutions (25511)	\$	(1,300,000.00)
San Pedro Waterfront - Town Square Public Restrooms (25513)	\$	(50,000.00)
Access Road Adjacent to Praxair Resurfacing (25514)	\$	(45,000.00)
Pacific Maritime Association - Lashing Training Station (_____)	\$	(287,000.00)
Liberty Plaza - Parking Lot System (_____)	\$	(40,000.00)
Harbor Department Building - Board Hearing Room and Executive Session Room Improvements (_____)	\$	(75,000.00)
<i>Subtotal PDC Approved Projects</i>	\$	<i>(2,234,600.00)</i>

Projects Under \$100,000

Pier 400 - Pavement Replacement (25504)	\$	(98,500.00)
B. 240X So Cal Ship Services - Parking Lot Design (25506)	\$	(40,000.00)
B. 84 - Port Police Marine Office -Two Workstation Installation - Phase II (25512)	\$	(25,000.00)
Henry Ford Avenue and Anchorage Road Improvements (25516)	\$	(50,000.00)
<i>Subtotal Projects Under \$100,000</i>	\$	<i>(213,500.00)</i>

Balance as of September 26, 2018

\$ 12,551,900.00