



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

FOR INFORMATION ONLY

DATE: APRIL 7, 2017
TO: THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE
SUBJECT: APRIL 2017 PROJECT DEVELOPMENT COMMITTEE REPORT

This report highlights the actions taken by the Project Development Committee (PDC) at its April meeting. On April 5, 2017, the PDC met to consider eight project items. The committee also reviewed administrative reports regarding grants, recently opened work orders, and the status of the unallocated Capital Improvement Program (CIP) fund budget. The meeting minutes (Transmittal 1), Unallocated CIP Fund Report FY 2016/2017 (Transmittal 2), and Unallocated CIP Fund Report FY 2017/2018 (Transmittal 3) are attached for your review.

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

- 1) Schedule change – Two items were submitted and approved.
- 2) Budget/Schedule change – One item was submitted and approved.
- 3) Budget/Schedule/Scope change – Three items were submitted. Two were approved and one was deferred pending the release of the Topaz Building report.
- 4) New Project – Two items were submitted and approved.

The Board of Harbor Commissioners (Board) approved \$10,000,000 in the fiscal year 2016/2017 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 and discussion. The PDC meeting minutes are then transmitted to the Board for information.

The following is a summary of the projects that have utilized the unallocated CIP budget for fiscal year 2016/2017 to date:

- 16 PDC-approved projects for a total of \$4,670,295
- 14 projects under \$100,000 for a total of \$591,300

As the close of fiscal year 2016/2017 approaches, projects are being earmarked for the proposed 2017/2018 unallocated CIP budget of \$15,000,000. The following summarizes these new projects:

- One PDC-approved project for a total of \$500,000

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.



EUGENE D. SEROKA
Executive Director

Attachments:

Transmittal 1: April 2017 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2016/2017

Transmittal 3: Unallocated CIP Fund Report FY 2017/2018

AVG/mz

NEW PROJECT

SUBJECT

ORIGINAL PROJECT COST \$1,000,000

WILMINGTON WATERFRONT DEVELOPMENT PROGRAM – REQUEST FOR CAPITAL IMPROVEMENT FUNDS FOR THE ACQUISITION OF PRIVATE PROPERTY

SUMMARY

The Wilmington Waterfront Development Project EIR, which was approved by the Board of Harbor Commissioners (Board) in June 2009, included the Avalon Promenade and Gateway project. This project creates a community amenity that connects Wilmington with its historic waterfront, provides regional linkages, and increases economic opportunities in the Wilmington Waterfront area. The project provides a gateway to Wilmington's waterfront at Avalon Boulevard and Harry Bridges Boulevard, featuring a park, plazas, parking and signage. Avalon Boulevard connects Wilmington's major commercial area several blocks north to the community's waterfront. The project will also include a pedestrian bridge along Avalon Boulevard from the vicinity of Harry Bridges Boulevard and Avalon Triangle to the Wilmington Waterfront Promenade and Banning's Landing.

Within the planned Avalon Promenade project area there is a privately owned parcel located at 115 North Avalon Boulevard, Wilmington that is approximately 12,360 square feet (SF) with 5,578 SF of improvements.

The Waterfront & Commercial Real Estate Division is requesting approval of a project budget of \$1,000,000 to fund the acquisition of the aforementioned privately held property. A rendering of the property is included as Transmittal No. 1.

PDC ACTION Approved

COMMENT

SUBJECT

ORIGINAL PROJECT COST \$3,800,000

BERTHS 174-181 (PASHA) TERMINAL IMPROVEMENTS PROJECT – NEW PROJECT

SUMMARY

As part of the Port of Los Angeles Harbor Department (POLA) Infrastructure Maintenance Program, the existing 4160 V switchgear, two transformers and three 480V switchboards were inspected and evaluated by our Engineering and Construction and Maintenance Divisions. The existing electrical equipment was deemed to have reached the end of its useful life, after more than 30 years of service, and therefore, equipment should be replaced for continued operation at the terminal.

This project will replace the electrical switchgear, transformers and switchboards with new same size electrical power distribution equipment.

PDC ACTION Approved

COMMENT

SCHEDULE CHANGE

SUBJECT
BANNING'S LANDING HVAC SYSTEM UPGRADE

ORIGINAL PROJECT COST \$400,000

SUMMARY

Staff requests approval of a revised schedule for a project to upgrade the HVAC system serving Banning's Landing, a deferred maintenance capital improvement program project approved for Fiscal Year 2016-17.

PDC ACTION Approved

COMMENT

SUBJECT
BERTH 161 - ELEVATOR MODERNIZATION

ORIGINAL PROJECT COST \$146,000

SUMMARY

Staff requests approval of a revised project schedule for the modernization of the sole elevator serving the old C&M Administration Building at Berth 161. The Berth 161 Elevator Modernization project is a Deferred Maintenance Capital Improvement Program project approved for Fiscal Year 2016-17.

PDC ACTION Approved

COMMENT

SCHEDULE CHANGE, BUDGET CHANGE

SUBJECT
BADGER AVENUE BRIDGE ELEVATOR CARS MODERNIZATION

ORIGINAL PROJECT COST \$515,000

SUMMARY

Staff requests approval of a revised project budget and schedule for the Badger Avenue Bridge Elevator Cars Modernization project, a Deferred Maintenance Capital Improvement Program (CIP) project approved for Fiscal Year 2016-17.

PDC ACTION Approved

COMMENT

SCHEDULE CHANGE, BUDGET CHANGE, SCOPE CHANGE

SUBJECT
300 E. WATER STREET – OFFICE BUILDING RE-ROOF

ORIGINAL PROJECT COST \$231,500

SUMMARY

Staff requests approval to restart this project with a revised scope of work, project schedule, and additional funds to complete a project for the Office Building Re-Roof at 300 E. Water Street, a Deferred Maintenance Capital Improvement Program project approved for Fiscal Year 2014-15.

PDC ACTION Approved

COMMENT

SUBJECT**ORIGINAL PROJECT COST** \$5,100,000**HAB HVAC REPLACEMENT - SCOPE, COST, AND TIME INCREASE****SUMMARY**

The project consists of the design and replacement of the Heating, Ventilation, and Air Conditioning (HVAC) system of the Harbor Administration Building (HAB).

On September 3, 2014, the Project Development Committee (PDC) approved a seven-month time extension to delay the start of construction until after the summer months, moving the construction start to September 2015 and completing in September 2016. Then on March 4, 2015, the PDC approved a one-year extension to defer the HVAC replacement to September 2017. This provided staff the additional time to assess the Information Technology Division's (ITD) HVAC needs as part of the project. On May 4, 2016, the PDC denied the request for additional scope, cost, and schedule and recommended re-evaluation after the Topaz Building report was released. And most recently on August 3, 2016, the PDC put the project on hold, requesting that the HVAC air quality and potential relocation to the Topaz Building be analyzed in aggregate. The Construction & Maintenance Division (C&M) has tested and verified the air quality is safe.

Staff requests PDC approval of the additional scope and changes in the cost and schedule for the HAB HVAC system. In addition to the replacement of the main HVAC system, staff recommends the Harbor Department install a dedicated 24/7 HVAC system for critical Information Technology Division (ITD) facilities on the 1st and 2nd floors which includes:

- Replacement of the 24-hour air conditioning units located in the Data Center (2nd floor), which are over 20 years old and have exceeded their service life
- Addition of 24-hour air conditioning to the Security Operations Center (2nd floor), staffed on and off-hours and on weekends
- Addition of 24-hour air conditioning to the UPS Battery Backup Room (1st floor garage), currently ventilated using only outside air, gravely affecting the battery life

The Engineering Division recommends increasing the budget by \$4,200,000 based on the revised cost estimate due to the additional scope.

The Engineering Division recommends a change in the schedule to allow ten months to design the additional scope and for construction to start after the summer months.

PDC ACTION On Hold**COMMENT****SUBJECT****ORIGINAL PROJECT COST** \$60,000**WAREHOUSE NO. 1 – INSTALLATION OF CONCRETE MASONRY UNIT (CMU) WALLS IN ELEVATOR****SUMMARY**

Staff requests approval of a revised project schedule and additional funds for the Warehouse No. 1 Installation of Concrete Masonry Unit (CMU) Walls in Elevator project, a Deferred Maintenance Capital Improvement Program (CIP) project approved for Fiscal Year 2016-17.

PDC ACTION Approved**COMMENT**

ADMINISTRATIVE ITEM

Department Grants Update reviewed.

ACTION ITEM FOLLOW UP

WORK ORDER REPORT

REVIEWED

UNALLOCATED BUDGET REPORT

REVIEWED

ADDITIONAL DISCUSSION



Antonio V. Gioiello
Development



Michael DiBernardo
Marketing and Customer Relations

Unallocated Capital Improvement Program Fund FY 16/17

(Budget set in February)

\$ 10,000,000.00

PDC Approved Projects

B. 226-232 Everport Terminal Concrete Wharf Inspection and Reconstruction (25394)	\$	(785,000.00)
B. 148-149 (Phillips 66) Marine Oil Terminal Repairs (25398)	\$	(250,000.00)
B. 127-131 - Alternative Maritime Power (AMP) Caddy System (25401)	\$	(980,000.00)
Pier 400 Rail Storage Yard - Light Fixture Replacement (25406)	\$	(375,000.00)
B. 73-90 Pipeline Support Hangers Replacement (25407)	\$	(145,200.00)
B. 200 Rail Yard and Track Connection Enhancement (25408)	\$	(200,000.00)
B. 270-271 - Seawall Repair (25409)	\$	(225,000.00)
Metro Bike Share at the Port of Los Angeles - Site Preparation (25413)	\$	(155,000.00)
B. 97-109 China Shipping Container Terminal Supplemental EIR (25353)	\$	(1,000,000.00)
Port Police 700 MHz Radio System - Phase 1 (25420)	\$	(8,095.00)
Port Police 700 MHz Radio System - Phase 2 (25421)	\$	-
San Pedro Waterfront - Harbor Boulevard From Miner Street to SP Slip Roadway Improvements (25430)	\$	(250,000.00)
Berths 179-181 - Wharf and Bollard Repair (25433)	\$	(70,000.00)
Berth 72 - Municipal Fish Market Door Replacement (25438)	\$	(100,000.00)
Berth 93 Cruise Terminal - Two New Elevators (25439)	\$	(77,000.00)
Berth 174-181 - Pasha Terminal Improvements (_____)	\$	(50,000.00)
Subtotal PDC Approved Projects	\$	(4,670,295.00)

Projects Under \$100,000

HAB - Fourth Floor Graphics Workstations Remodel (25402)	\$	(39,000.00)
B. 72 - Municipal Fish Market - Chiller Unit Electrical Replacement (25403)	\$	(92,000.00)
B. 90-93 - Cruise Terminal Emergency Evacuation Plan Signs (25404)	\$	(25,000.00)
133 East Seaside Avenue Directional Signage (25405)	\$	(10,000.00)
Port of Los Angeles Police Headquarters - First Floor Kitchen Modifications (25411)	\$	(36,800.00)
Port of Los Angeles Police Headquarters - Garage Entrance Safety Lighting (25416)	\$	(13,000.00)
B. 161 -C & M Admin. Bldg. Parking Lot Improvements (25417)	\$	(41,000.00)
HAB - Office Cubicles Reconfiguration for Financial Control Section (25418)	\$	(29,000.00)
B. 214-220 - Driveway Access (25422)	\$	(48,500.00)
Waterside Emergency Access - Various Locations (25424)	\$	(70,000.00)
B. 210-211 - Access Road Improvements (25434)	\$	(85,000.00)
Pier 400 - Storage Tracks Expansion (25435)	\$	(25,000.00)
HAB - First Floor Lobby Security Sunshade Installation (25436)	\$	(17,000.00)
Warehouse No. 1 - Installation of Concrete Masonry Walls in Elevator (25437)	\$	(60,000.00)
Subtotal Projects Under \$100,000	\$	(591,300.00)

Balance as of March 29, 2017

\$ 4,738,405.00

Unallocated Capital Improvement Program Fund FY 17/18
(Budget set in February)

\$ 15,000,000.00

PDC Approved Projects

Berth 174-181 - Pasha Terminal Improvements (_____)

\$ (500,000.00)

***Subtotal PDC Approved Projects* \$ (500,000.00)**

Projects Under \$100,000

***Subtotal Projects Under \$100,000* \$ -**

Balance as of March 29, 2017

\$ 14,500,000.00