



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

### FOR INFORMATION ONLY

**DATE: FEBRUARY 12, 2025**

**TO: THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE**

**SUBJECT: FEBRUARY 2025 PROJECT DEVELOPMENT COMMITTEE REPORT**

This report highlights the actions taken by the Project Development Committee (PDC) at its February 2025 meeting. On February 11, 2025, 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 2024/2025 (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/Scope change – Five items were submitted and approved.
- 3) New project – Two items were submitted and approved.

The Board of Harbor Commissioners (Board) approved \$15,000,000 in the fiscal year 2024/2025 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 2024/2025:

- 15 PDC-approved projects totaling \$7,341,979
- 10 projects under \$100,000 totaling \$620,000

As of January 31, 2025, the remaining balance is \$7,038,021.

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: February 2025 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2024/2025

Transmittal 3: CIP Status Report – Completed Projects

*DAZ*

DAZ/mz

## BUDGET CHANGE, SCHEDULE CHANGE

**SUBJECT****ORIGINAL PROJECT COST** \$21,980,000**BERTHS 177-178 WHARF RESTORATION - BUDGET AND SCHEDULE CHANGE (PASHA STEVEDORING TERMINALS)****SUMMARY**

Staff requests approval for cost increase and schedule change for the Berths 177-178 Wharf Restoration Project.

The project was combined with the Berths 179-181 Wharf and Bollard Repair, Berth 182 Slope Erosion Repair, and Berth 168 Slope Improvements projects. The title for the combined projects as one construction contract is the Berths 177-182 Marine Improvements. The Engineering Division is requesting to increase the budget by \$3,175,000 from \$21,980,000 to \$25,155,000 to align the project cost with the Board approved actions on August 28, 2023 and March 12, 2024 adding contingency funds to the total Contract amount for unforeseen obstructions during construction. The Engineering Division requests to add four months to the schedule for rain delays and the previously mentioned unforeseen conditions. The revised completion date is May 31, 2025.

On August 28, 2023, the Board approved Resolution No. 23-102333 to award and approve Construction Contract No. 2333, which included approval of a 10% contingency of \$2,098,695. The Contract amount of \$20,986,950 plus a 10% contingency was \$23,085,645. On March 12, 2024, the Board approved an additional 10% for contingency funds, an increase of \$2,098,695 to the Contract amount totaling \$25,184,340. This increase authorized the allocation to perform unforeseen underwater obstruction and debris removal and disposal. In total, the Board approved a contingency fund of \$4,197,390. As this project is nearing the end of construction, Engineering does not anticipate utilizing all contingency funds and therefore requests \$3,175,000.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$2,273,000**B. 91-93 PASSENGER TERMINAL MOBILE GANGWAYS HYDRAULIC CYLINDER REPLACEMENT – BUDGET & SCHEDULE CHANGE****SUMMARY**

Staff requests approval to increase the budget and change the schedule for Berth 91-93 Passenger Terminal Mobile Gangway Hydraulic Cylinders Replacement Project.

The Construction & Maintenance Division recommends increasing the budget of \$2,273,000 by \$300,000 for a revised total of \$2,573,000 to account for a change order submitted by the vendor for the increased cost of materials. There are four gangways, each consisting of seven cylinders for a total of 28 hydraulic cylinders. Each hydraulic cylinder is manufactured to specification and delays from vessel traffic has caused an increase to the production of each cylinder.

Further, Construction & Maintenance Division recommends adding 24 months to the schedule to allow for unforeseen delays due to working around the volatile shipping schedule. The past two years have had a record number of ship traffic that contribute to scheduling conflicts and the trend will continue this year.

The total project budget is \$2,573,000 and the project will be completed by December 31, 2026.

**PDC ACTION** Approved

**COMMENT** No comment.

**BUDGET CHANGE, SCHEDULE CHANGE, SCOPE CHANGE****SUBJECT****ORIGINAL PROJECT COST** \$720,000**HARBOR ADMINISTRATION BUILDING (HAB) 1ST FLOOR MAILROOM RELOCATION – SCOPE, BUDGET AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval to extend the schedule for the Harbor Administration Building (HAB) 1st Floor Mailroom Relocation by ten months and increase the budget by \$1,380,000.

The Engineering Division (Engineering) was requested to study reprogramming the HAB 1st floor area to include a new mailroom suite and new office suite. On December 19, 2024, the conceptual study, scope, budget, and schedule were presented to Executive Management and received direction to move forward.

Engineering recommends increasing the budget by \$1,380,000 and adding ten additional months to the schedule to allow for additional investigation, planning, coordination, design and construction efforts for continued development of the new layout, fire alarm panel relocation, consultant design and support services and construction phasing.

The new estimated total project cost is \$2,100,000 and the new estimated completion date is October 31, 2027.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$53,000,000**BERTHS 49-51 OUTER HARBOR CRUISE DEVELOPMENT PROJECT-  
SCOPE, BUDGET, AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval for additional scope, cost increase, and schedule change to the Berths 49-51 Outer Harbor Cruise Development project.

The scope, budget, and schedule changes are related to design resources and scope modifications based on a new design analysis. Due to a lack of in-house resources for electrical and structural design disciplines, the Engineering Division is utilizing on-call consultant services for those disciplines and the other disciplines remain with in-house staff. In addition, as a result of a mooring analysis of the various classes of ships that would call at Berths 49-51, a change of scope is recommended to include mooring platforms. The new mooring platforms will allow the berth to accept all for seeable cruise ships and will not require further structural modification by the new operator.

As a result of these changes, the budget is increased by \$4,300,000 from \$53,000,000 to a new project budget of \$57,300,000. The schedule is increased by a total of nine months, including six months of design for a new completion date of June 30, 2025, and three months of construction for a project completion date of March 31, 2028.

**PDC ACTION** Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$84,500**22ND STREET PARK SURVEILLANCE – SCOPE, BUDGET, AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval for additional scope, budget increase, and schedule change to the 22nd Street Park Surveillance Project.

The original project scope included the installation of 14 cameras and electrical boxes along with wiring and all electrical infrastructure required for the surveillance system. Upon completion, Port Police noticed some blind spots and requested three additional cameras be installed to complete the security surveillance system. This increase in scope will require a budget increase of \$105,500 for a new project budget of \$190,000.

The Construction & Maintenance Division recommends adding 24 months to project schedule to allow for the procurement and installation of the added cameras requested by Port Police.

The total project budget is \$190,000 and the project will be completed by December 31, 2026.

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

**SUBJECT****ORIGINAL PROJECT COST** \$2,000,000**HARBOR ADMINISTRATION BUILDING (HAB) BASEMENT MEDIA CENTER RELOCATION – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to perform space planning and renovations to the Harbor Administration Building (HAB) Basement existing racquetball court for Media Center use.

The Engineering Division (Engineering) was requested to study reprogramming the HAB Basement for Media Center and storage use. On December 19, 2024, the conceptual study was presented to Executive Management and received direction to move forward for the Project Development Committee (PDC) review and approval.

If approved by the PDC, the estimated total project cost is \$2,000,000 and the estimated project completion date is August 31, 2027.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$2,626,000**BERTH 86 – FORMER CROWLEY MARINE BUILDING - TENANT IMPROVEMENT – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to perform first floor Tenant Improvements (TI) at the former Crowley Marine Building to accommodate usage and occupancy by the Port Police Security Unit. The existing building is a two-story office and warehouse (approximately 4,435 square feet) located at Berth 86 (300 South Harbor Boulevard, San Pedro, CA 90731).

Engineering was requested to value engineer and study the Crowley Marine Building TI in a phased approach. On December 19, 2024, Executive Management provided direction to move forward with Phase 1, which includes first floor building renovation for: data networking and security infrastructure, updates to wall, ceiling, and floor finishes, and reprogramming existing spaces to create locker rooms with new standardized lockers, storage, offices, a kitchenette and a roll-call area. The renovation also includes Heating, Ventilation, and Air Conditioning (HVAC) replacement, electrical and lighting upgrades, plumbing fixture replacements, plumbing water leak repairs, fire detection system, and parking lot restriping.

If approved by the Project Development Committee (PDC), the estimated total project cost is \$2,626,000 and the estimated project completion date is December 31, 2026.

**PDC ACTION** Approved

**COMMENT** No comment.

**SCHEDULE CHANGE**

**SUBJECT**

**ORIGINAL PROJECT COST** \$870,000

**BADGER AVENUE BRIDGE – GEARBOX REBUILD - SCHEDULE CHANGE**

**SUMMARY**

Staff requests approval to extend the Badger Avenue Bridge – Gearbox Rebuild Project schedule by 21 months with no increase to the budget.

The Construction & Maintenance Division recommends adding 21 months to the schedule to allow for delays due to scheduling conflicts with the rail operations and other ongoing projects at Badger Avenue Bridge which restricts the gearbox installation.

The proposed completion date is December 31, 2026.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT**

**ORIGINAL PROJECT COST** \$65,650,000

**NAVY WAY AND SEASIDE AVENUE INTERCHANGE IMPROVEMENTS – SCHEDULE CHANG**

**SUMMARY**

Staff requests approval to extend the Navy Way and Seaside Avenue Interchange Improvements schedule by 20 months with no additional increase in the project budget of \$65,650,000.

The Engineering Division recommends adding 20 months to the schedule to accommodate the additional time that was required to obtain design consultant services; and external agency permit approvals to perform field investigations necessary for design advancement. With this adjustment, the new project completion date is February 28, 2030.

**PDC ACTION** Approved

**COMMENT** No comment.

**SCHEDULE CHANGE, SCOPE CHANGE, NAME CHANGE**

**SUBJECT**

**ORIGINAL PROJECT COST** \$6,000,000

**BERTHS 57.5-60 – ALTASEA SOIL TESTING AND DISPOSAL – SCHEDULE, SCOPE, AND NAME CHANGE**

**SUMMARY**

Staff requests approval to change the name of the project, add scope, and extend the schedule with no additional increase in budget.

Staff requests to change the name of the project from Berths 58-60 – AltaSea Soil Testing and Disposal to Berths 57.5-60 – AltaSea Soil Testing and Disposal.

Staff requests approval to add Berth 57.5 to the scope of the project per Lease No. 904A.

Staff requests approval to extend the schedule by 12 months to allow time for AltaSea to conduct remediation work at Berth 57.5. The budget of \$6,000,000 remains the same with a new completion date of June 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**

**UNALLOCATED BUDGET REPORT** REVIEWED

**ADDITIONAL DISCUSSION**

*Dina Aryan-Zahlan*

Dina Aryan-Zahlan  
Development

*Michael DiBernardo*

Michael DiBernardo  
Marketing and Customer Relations

**Unallocated Capital Improvement Program Fund FY 24/25**

**(Budget set in July)**

**\$ 15,000,000**

**PDC Approved Projects**

Terminal Island Rail Infrastructure Improvement Project (65000027)	\$	(310,000)
B. 126-129 Wharf Redevelopment (65000023)	\$	(1,500,000)
Port-Wide - HVL Load Interrupter Switch Replacement (65000029)	\$	(100,000)
B. 93 World Cruise Center - Programmable Logic Controller (PLC) Modernization (65000028)	\$	(400,000)
S.P. Waterfront - West Harbor - Soil Testing, Removal and Unforeseen Conditions (2559600)	\$	(965,000)
West Harbor - City Improvements (65000034)	\$	(1,470,000)
B. 174-176 Wharf Repairs (65000030)	\$	(40,000)
North Gaffey Street Beautification - Phase II Supplemental Work (65000037)	\$	(1,375,447)
B. 200 - G&H Repairs (63000035)	\$	(246,532)
B. 100 Crane Breakers Replacement (65000043)	\$	(100,000)
B. 121-126 - AMP Switchgear Breaker Replacement (65000044)	\$	(100,000)
B. 400-405 - Crane Breaker Replacement (65000045)	\$	(100,000)
Terminal Way Solar Street Lighting Solution (65000047)	\$	(20,000)
B. 86 - Former Crowley Marine Building - Tenant Improvements ( )	\$	(415,000)
Harbor Administration Building - Basement Media Center Relocation ( )	\$	(200,000)

***Subtotal PDC Approved Projects* \$ (7,341,979)**

**Projects Under \$100,000**

Least Tern Nesting Site Improvements (2581300)	\$	(50,000)
San Pedro Waterfront - Harbor Blvd. Gateway (2581500)	\$	(50,000)
Wilmington Waterfront - California Coastal Trail Promenade (2581600)	\$	(50,000)
Port-Wide - Tubular Barrier Gates Installation (2582100)	\$	(77,000)
B. 161 - Carpenter Shop - Roll Up Door Replacement (2582200)	\$	(16,000)
B. 90-92 - World Cruise Center - ADA Ramp Extension (2582300)	\$	(20,000)
B. 136 - Transformer Replacement (2582400)	\$	(98,000)
Digital Twin Pilot (2582500)	\$	(70,000)
210 Whalers Walk - Long Dock House Demolition (65000039)	\$	(93,000)
Wilmington Waterfront Park - Oldcastle Flogard Storm Drain Filters (65000040)	\$	(96,000)

***Subtotal Projects Under \$100,000* \$ (620,000)**

***Balance as of January 31,2025***

**\$ 7,038,021**

# CIP Status Report COMPLETED PROJECTS

Sorted By: Project Number

Actuals Thru: November 2024

Where Construction Finish Date is: >= 12/31/2024 <= 1/31/2025

Expend. Org.	Project No.	Project Title	Project Manager	Status	Projected Cost	Design				Percent Design Complete	Construction				Percent Const. Complete
						Start	Projected	Baseline	Finish		Start	Projected	Baseline	Finish	
1002	2548200	R.B. 147-156 - Sanitary Sewer Rehabilitation	Kework, Sarkis	Completed	\$840,000	03/01/23	03/01/23	04/30/23	04/30/23	100 %	07/01/23	07/01/23	12/31/24	12/31/24	100 %
1169	2548400	San Pedro Waterfront - 34.5KV Electric Utility Service	Baird, Scott	Completed	\$4,000,000	02/01/18	02/01/18	01/31/21	01/31/21	100 %	03/01/21	03/01/21	12/31/24	01/15/25	100 %
1185	2552300	San Pedro Waterfront - B. 78 Chevron Clean Up - Phase II	Wooster, Carly	Completed	\$3,890,000	01/19/16	01/19/16	04/25/22	04/25/22	100 %	06/15/23	06/26/23	03/31/25	12/31/24	100 %
1185	2552600	San Pedro Waterfront - B. 74+83 Promenade - Phase II	Wooster, Carly	Completed	\$31,440,000	07/01/15	07/01/15	04/25/22	04/25/22	100 %	06/15/23	06/27/23	03/31/25	12/31/24	100 %
1162	2563700	B. 115 - Rail Crossing Replacement	Johnson, Nicholas	Completed	\$2,000,000	08/12/20	08/12/20	11/30/23	01/18/24	100 %	03/01/24	05/01/24	01/31/25	01/31/25	100 %
1179	2572700	Port Police - Fixed Automated License Plate Recognition (ALPR) System	Cummings, George	Completed	\$497,745	04/01/23	04/01/23	04/01/23	04/01/23	N/A	03/01/24	08/01/24	12/31/24	12/31/24	100 %

**Grand Total: \$42,667,745**












# Audit Committee Report Packet February 2025

Final Audit Report

2025-02-19

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