



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

### FOR INFORMATION ONLY

**DATE: FEBRUARY 8, 2024**

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

**SUBJECT: FEBRUARY 2024 PROJECT DEVELOPMENT COMMITTEE REPORT**

This report highlights the actions taken by the Project Development Committee (PDC) at its February 2024 meeting. On February 7, 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 – Four items were submitted and approved.
- 2) Budget change – Three items were submitted and approved.
- 3) New project – Three 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:

- 13 PDC-approved projects totaling \$8,777,791
- 8 projects under \$100,000 totaling \$315,671

As of January 30, 2024, the remaining balance is \$5,906,538.

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 (Feb 8, 2024 17:14 PST)

EUGENE D. SEROKA  
Executive Director

**Attachments:**

Transmittal 1: February 2024 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2023/2024

Transmittal 3: CIP Status Report – Completed Projects

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## BUDGET CHANGE

**SUBJECT****ORIGINAL PROJECT COST** \$1,167,000**B. 58-60 – SEISMIC BRACING IMPROVEMENTS - BUDGET INCREASE****SUMMARY**

Staff requests approval to increase the approved project total for the B. 58-60 – Seismic Bracing Improvements.

The Construction & Maintenance Division recommends increasing the approved budget of \$1,167,000 by \$475,000 for a revised budget total of \$1,642,000, to account for 4 change orders per Los Angeles Department of Building and Safety (LABDS) and the tenant's, AltaSea, changes to the construction scope of work. Additional connections to the fire system are required by LABDS so that the inverter emergency power can be identified on the control panel. The high pile storage sprinkler system design has been resubmitted and accepted by LABDS.

There is no change to the project schedule.

The proposed total project budget is \$1,642,000 and will be completed by June 1, 2024.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$1,973,000**B. 91-93 PASSENGER TERMINAL MOBILE GANGWAYS HYDRAULIC CYLINDER REPLACEMENT - BUDGET INCREASE****SUMMARY**

Staff requests approval to increase the approved project total for the B. 91-93 Passenger Terminal Mobile Gangways Hydraulic Cylinder Replacement.

The Construction & Maintenance Division recommends increasing the budget of \$1,973,000 by \$300,000 for a revised total of \$2,273,000 to account for the restriction in work hours due to the shipping schedule.

There is no change to the project schedule.

The proposed project budget is \$2,273,000 and will be completed on schedule, December 31, 2024.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$1,325,000**BERTH 189 UNDERWHARF FIRE SPRINKLER SYSTEM REPLACEMENT - BUDGET INCREASE****SUMMARY**

Staff requests approval to increase the approved project total for the B. 189 Underwharf Fire Sprinkler System Replacement by \$700,000.

The Construction & Maintenance Division recommends increasing the budget from \$1,325,000 to \$2,025,000 to account for the material and fabrication price escalation and additional labor. The site conditions were verified to have piping connected to B. 193 which will have to be removed and capped.

There is no changes to the project schedule.

The new total project budget is \$2,025,000 and will be completed on June 30, 2024.

**PDC ACTION** Approved

**COMMENT** No comment.

**NEW PROJECT****SUBJECT****ORIGINAL PROJECT COST** \$850,000**BERTH 172-179 FIRE WATER LINE REPLACEMENT - NEW****SUMMARY**

Staff requests approval to initiate a new project for the Berth 172-179 fire water line replacement.

The proposed work includes replacing approximately 1,400 linear feet of fire water line at Berth 172-179. The existing water line has reached the end of its service life, and now requires frequent expensive repairs.

The total project cost is \$850,000 and the project completion date is June 30, 2026.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$1,200,000**CABRILLO MARINE AQUARIUM LIFE SUPPORT SYSTEM – PAIP - NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to partially fund the Cabrillo Marine Aquarium Life Support System. The Department of Recreation and Parks, the Port of Los Angeles' tenant of the Cabrillo Marine Aquarium is the lead agency and responsible for the design and construction of this project.

The total construction and design support during construction is estimated to be \$3,810,000. This cost is proposed to be shared between the Department of Recreation and Parks and the Port of Los Angeles. The Port's maximum share is \$1,200,000 as identified in the Public Access Investment Plan (PAIP) as approved on April 13, 2023 by the Board of Harbor Commissioners.

As the lead agency of this project, the Department of Recreation and Parks has completed design of the project and will oversee the construction. The project completion date is September 30, 2025.

**PDC ACTION** Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$1,000,000**BERTHS 97-109 – CHINA SHIPPING CONTAINER TERMINAL REVISED SUPPLEMENTAL EIR –NEW PROJECT****SUMMARY**

In 2019, the Port completed a Supplemental Environmental Impact Report (2019 SEIR) for the China Shipping container terminal to address the feasibility of certain mitigation measures. In 2020, the SEIR was challenged by several Petitioners. As a result of the trial court and Court of Appeal decisions, the 2019 SEIR has been set aside and the Port must prepare and certify a revised SEIR for the continued operation of the China Shipping Terminal under the revised mitigation measures.

Staff requests approval of a new scope of work, schedule, and budget to complete a revised SEIR, of which certain details are still being determined in consultation with the legal team. As such, staff is requesting a budget of \$1,000,000 and a 12-month schedule to begin work on the revised SEIR. The scope and budget may be adjusted in the future based on the final court ruling and legal circumstances.

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

**SUBJECT****ORIGINAL PROJECT COST** \$161,672**PORT OF LOS ANGELES POLICE HEADQUARTERS – VERTIV/LIEBERT CONDENSORS REPLACEMENT - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Port of Los Angeles Police Headquarters – Vertiv/Liebert Condensers Replacement schedule by 7 months with no increase to the budget.

The Construction & Maintenance Division recommends adding 7 months to the schedule to allow for the delays of the Bid & Award and equipment procurement process.

The project will be completed by August 25, 2024 with budget total of \$161,672.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$7,754,000**BERTHS 176-179 (PASHA) - ELECTRICAL INFRASTRUCTURE IMPROVEMENTS - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Berths 176-179 Electrical Infrastructure Improvements construction schedule by five months with no additional increase in the budget. The Engineering Division recommends adding five months to the construction schedule to allow for delays caused by the COVID-19 pandemic and LADWP construction changes.

Upon approval by the Project Development Committee (PDC), the new Construction Finish date would be April 30, 2024.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$2,000,000**ALTERNATIVE MARITIME POWER (AMP) CONTAINER SHIP EARTH SWITCHGEARS RETROFIT AT ALL PORT TERMINALS - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the schedule for the Alternative Maritime Power (AMP) Container Ship Earth Switchgears Retrofit at All Port Terminals project by an additional 12 months with no increase to the budget.

The Engineering Division recommends adding 12 months to the schedule to allow the vendor time to coordinate access, equipment modification, and commissioning amongst seven terminals.

If approved by the Project Development Committee (PDC), the new completion date would be December 31, 2024.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$544,442**BADGER AVENUE BRIDGE – GRATING REPLACEMENT - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Badger Avenue Bridge – Grating Replacement schedule by 6 months with no increase to the budget.

The Construction & Maintenance Division recommends adding 6 months to the schedule to allow for delays due to the Bid & Award and procurement processes.

The project will be completed by September 30, 2024 with total budget of \$544,442.

**PDC ACTION** Approved

**COMMENT** No comment.

**ADMINISTRATIVE ITEM** GASB 49 Report, Projects for Discussion, 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)
Cabrillo Marine Aquarium Life Support System ( )	\$	(50,000)
B. 172-179 Fire Waterline Replacement ( )	\$	(50,000)
B. 97-109 China Shipping Container Terminal Revised SEIR ( )	\$	(500,000)

***Subtotal PDC Approved Projects* \$ (8,777,791)****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)

***Subtotal Projects Under \$100,000* \$ (315,671)*****Balance as of January 30, 2024*****\$ 5,906,538**
















# Audit Committee Report Packet February 2024

Final Audit Report

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