



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

### FOR INFORMATION ONLY

**DATE: AUGUST 3, 2022**

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

**SUBJECT: AUGUST 2022 PROJECT DEVELOPMENT COMMITTEE REPORT**

This report highlights the actions taken by the Project Development Committee (PDC) at its August 2022 meeting. On August 3, 2022, the PDC met to consider eight project items. The committee also reviewed standing reports regarding newly opened work orders, the status of the unallocated Capital Improvement Program (CIP) fund budget, the financial model, and the GASB 49 project list. Attached for review are the meeting minutes (Transmittal 1) and Unallocated CIP Fund Report FY 2022/2023 (Transmittal 2).

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 – Three items were submitted and approved.

The Board of Harbor Commissioners (Board) approved \$12,000,000 in the fiscal year 2022/2023 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 2022/2023:

- 2 PDC-approved projects totaling \$2,800,000

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 (Aug 10, 2022 12:14 PDT)

EUGENE D. SEROKA  
Executive Director

**Attachments:**

Transmittal 1: August 2022 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2022/2023

  
AVG

AVG/mz

## BUDGET CHANGE, SCHEDULE CHANGE

**SUBJECT****ORIGINAL PROJECT COST** \$6,800,000**BERTH 161 - FORMER ADMINISTRATION BUILDING REMODEL - BUDGET AND SCHEDULE CHANGE****SUMMARY**

Staff requests approval to increase the cost and extend the schedule to remodel Berth 161 – Former Administration Building in the Construction and Maintenance Division (C&M) Yard.

The Engineering Division recommends increasing the budget from \$6,800,000 to \$8,250,000 to account for increased escalation costs, increase to project delivery costs, and additional LEED requirements, including installing all new all-electric building systems in compliance with the City's Zero Carbon Buildings Plan.

The Engineering Division recommends adding 31 months to the schedule to account for change in project delivery method, time required to verify escalation costs, and time to incorporate compliance with LEED New Construction guidelines and City's new Zero Carbon Buildings Plan.

If approved by PDC, the total project cost would be \$8,250,000 and the project would be completed by January 31, 2027.

**PDC ACTION** Approved

**COMMENT** No comment.

## BUDGET CHANGE, SCOPE CHANGE

Transmittal 1

**SUBJECT****ORIGINAL PROJECT COST** \$190,000**EVERPORT MITIGATION CULTURAL RESOURCE INVESTIGATION – SCOPE AND COST CHANGES****SUMMARY**

Staff requests approval for a scope change and cost increase of \$150,000 for the Berths 226-236 (Everport) Container Terminal cultural resource investigation. This project is needed to comply with Mitigation Measures stipulated in the Everport Container Terminal Improvements EIR. The project is located on Terminal Island and consists of the Backlands Improvement areas and an additional parcel located at 198 Cannery Street (approximately 31 acres).

The scope change is for repair/patching of asphalt and additional removal and backfill of material at locations where trenching is proposed as part of the Phase II testing work. During the initial Phase I cultural resources survey, it was determined at the request of the Real Estate Division that parcels covered with asphalt or crushed miscellaneous base (CMB) would need to be restored with the same material rather than backfilled with soil as originally planned. The repair/patching of asphalt would be done in accordance with specifications provided by the Engineering Division. Based on initial quotes, the costs for asphalt repairs are extremely high due to inflation and oil prices. In addition, site access and coordination with the current tenants utilizing the parcels under space assignments and other permits will likely require additional mobilization of equipment and contractors beyond the original one-week timeframe as planned. As previously stated in the original scope, if cultural resources are found during the Phase II testing, there could be additional unknown costs associated with artifact curation and Phase III testing.

The total project cost is now \$340,000. At this time, there is no change to the project schedule completion date of February 5, 2023.

**PDC ACTION** Approved**COMMENT** No comment.**BUDGET CHANGE, SCOPE CHANGE, SCHEDULE CHANGE****SUBJECT****ORIGINAL PROJECT COST** \$5,336,770**BERTHS 121-131 CONTAINER TERMINAL REDEVELOPMENT PROJECT EIS/EIR-SCOPE, COST AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval for an additional scope and cost increase of \$50,000 for the Berths 121-131 Container Terminal Redevelopment Project (Project) Environmental Impact Statement/Environmental Impact Report (EIS/EIR). The scope change is to conduct technical sensitivity analysis of air quality and health impacts related to drayage trucks, cargo handling equipment and other sources as a result of pending regulations and the Ports Clean Air Action Plan goals. In addition, a schedule change of six months from December 31, 2022 through June 30, 2023 is needed for additional time to work on the Draft EIS/EIR and for completion of the Final document.

The total project cost with an increase of \$50,000 is now \$5,386,770 and the six month schedule change for completion of the project is now June 30, 2023.

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

**SUBJECT****ORIGINAL PROJECT COST** \$11,380,000**BERTHS 177-178 (PASHA STEVEDORING TERMINALS) WHARF RESTORATION – SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Berths 177-178 Wharf Restoration schedule by five months with no increase in the budget.

The Engineering Division recommends adding five months to the schedule to address and incorporate comments from 100% review and resolve laydown area issues with tenant for construction of the project.

**PDC ACTION** Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$1,530,000**BERTHS 179-181 WHARF AND BOLLARD REPAIR - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Berths 179-181 Wharf and Bollard Repairs project by five months with no increase in the budget.

The Engineering Division recommends adding five months to the schedule to align it with the schedule of the Berths 177-178 Wharf and Bollard Repair project, and the Berth 182 Slope Erosion Repair which will advertise as one bid package for construction. Advertising this project together with the other two projects is anticipated to result in a reduction in cost versus constructing the project through the Marine On-Call contract.

**PDC ACTION** Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$1,521,800**BERTH 182 - SLOPE EROSION REPAIR – SCHEDULE CHANGE****SUMMARY**

Staff is requesting approval to extend the schedule of Berth 182 Slope Erosion Repair by five months with no increase in the budget.

The Engineering Division recommends adding five months to the schedule to align it with the schedule of the Berths 179-181 Wharf and Bollard Repair project, and the Berths 177-178 Wharf Restoration which will advertise as one bid package for construction. Advertising this project together with the other two projects is anticipated to result in a reduction in cost versus constructing the project through the Marine On-Call contract.

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

**SUBJECT****ORIGINAL PROJECT COST** \$157,833**BERTH 161 – C&M YARD PLAN PARTIAL BLOCK WALL REMOVAL & ICE MACHINE INSTALLATION - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Berth 161 – C&M Yard Plan Partial Block Wall Removal & Ice Machine Installation schedule by 2 additional months with no additional increase in the budget.

The Construction & Maintenance Division recommends adding 2 additional months to the schedule to allow for delays due to Covid-19 related staff shortages and inability to process requests for purchases due to fiscal year end closing.

**PDC ACTION** Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$35,001,031**BERTHS 238-239 MARINE OIL TERMINAL ENGINEERING AND MAINTENANCE STANDARDS – PBF ENERGY – SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Berths 238-239 Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) – PBF Energy project schedule by three months with no additional increase in the budget.

The Engineering Division recommends adding three months to the schedule. The design schedule extension is to accommodate the extra time requested by the tenant to perform an additional review of the plans and specifications and the associated time required for the design consultant to incorporate their additional comments into the plans and specifications.

Port of Los Angeles will be responsible for \$7,500,000 of the project cost with the remainder the responsibility of the tenant.

The total project cost will be \$35,001,031 and the project will be completed by April 20, 2026.

**PDC ACTION** Approved**COMMENT** No comment.**ADMINISTRATIVE ITEM**

GASB 49 Report reviewed.

**ACTION ITEM FOLLOW UP****WORK ORDER REPORT**

REVIEWED

**UNALLOCATED BUDGET REPORT**

REVIEWED

**ADDITIONAL DISCUSSION**


Antonio V. Gioiello  
Development



Michael Keenan (for) (Aug 8, 2022 09:05 PDF)

Michael DiBernardo  
Marketing and Customer Relations

**Unallocated Capital Improvement Program Fund FY 22/23**

**(Budget set in July)**

**\$ 12,000,000**

**PDC Approved Projects**

B. 302-305 Rail Mounted Gantry (RMG) Crane Rail and Foundation (2571600) \$ (2,000,000)

B. 93 - Escalator Nos. 1 & 2 Renovation (2571700) \$ (800,000)

***Subtotal PDC Approved Projects*** \$ ***(2,800,000)***

**Projects Under \$100,000**

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

***Balance as of July 26, 2022***

**\$ 9,200,000**












# Audit Committee Report Packet August 2022

Final Audit Report

2022-08-10

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