



THE PORT
OF LOS ANGELES
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: JUNE 1, 2015

FROM: ENGINEERING

SUBJECT: RESOLUTION NO. _____ FIRST AMENDMENT TO UTILITY AGREEMENT NO. 13-3185 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER FOR THE INTERSTATE 110/ C STREET ACCESS RAMP IMPROVEMENTS PROJECT

SUMMARY:

On October 17, 2013, the Board of Harbor Commissioners (Board) approved Utility Agreement No. 13-3185 (Agreement) between the City of Los Angeles Harbor Department (Harbor Department) and the City of Los Angeles Department of Water and Power (LADWP) for the Harbor Department to pay LADWP to relocate LADWP's potable water facilities as part of the Harbor Department's Interstate 110/C Street Access Ramp Improvements Project (Project) in the amount of \$1,518,311.70.

On February 10, 2015, LADWP requested the Harbor Department provide additional funds for LADWP to complete their water facilities relocation work. LADWP has encountered a myriad of interfering underground utilities and unforeseen conditions that has increased LADWP's costs to complete the work. LADWP has requested an additional \$1,060,000 to complete their work (construction work of \$744,754.84, engineering design costs of \$102,282.81 and a contingency of \$212,962.35).

This First Amendment, if approved by the Board, will add \$1,060,000 in funding authority to the Agreement for an amended amount of \$2,578,311.70. These additional funds will be used on an as-needed basis to complete the water utility relocations within the Project footprint. The Harbor Department is responsible to pay for actual costs up to the total amended Agreement amount. These funds are budgeted in the Project's approved budget; therefore, additional Project funds are not being requested.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve the First Amendment to Utility Agreement 13-3185 between the City of Los Angeles Harbor Department and City of Los Angeles Department of Water and Power;

SUBJECT: FIRST AMENDMENT TO LADWP UTILITY AGREEMENT

2. Authorize the Executive Director to execute and Board Secretary to attest to said First Amendment to Utility Agreement 13-3185 for and on behalf of the Board; and
3. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – On October 17, 2013, the Board approved said Agreement (Transmittal 1) between Harbor Department and LADWP for the relocation of LADWP's potable water facilities as part of the Harbor Department's project in the amount of \$1,518,311.70.

LADWP's work under this agreement consists of installing 1520-linear feet of 20-inch ductile iron pipe. LADWP originally estimated a construction cost of \$575 per linear foot to install this water mainline. However, during construction, LADWP encountered unanticipated site conditions that required additional work and increased the construction cost of this work to \$1,104.84 per linear foot. Additional work consisted of addressing numerous undocumented substructures, unstable soil, unanticipated ground water while trenching, and removal and disposal of contaminated soil during construction. These unanticipated circumstances caused LADWP to incur additional expenses resulting in 620 linear feet of water mainline installed within the approved budget leaving 900 linear feet to be installed.

On February 10, 2015, LADWP requested additional funds to complete their work (Transmittal 2). These additional funds consist of construction work of \$744,754.84, engineering design costs of \$102,282.81 and a contingency of \$212,962.35. This First Amendment will add \$1,060,000 in funds to the Agreement for an amended amount of \$2,578,311.70. The Harbor Department seeks approval for this First Amendment (Transmittal 3).

The work to be authorized under this First Amendment will be performed during Fiscal Year 2015/2016.

As stated in the Agreement, Section IV Payment for Work, the Harbor Department, in its capacity as project sponsor, is responsible for its share of the actual work and will pay accordingly for actual costs up to the amended Agreement amount.

The Project is partially funded with a Federal Surface Transportation Program Grant Fund of \$5,927,000. Although we cannot use our grant funds to pay for LADWP's work, the use of federal grant funds for the project does require that the Harbor Department must enter into an Agreement with LADWP for the water facilities relocation work within the project area.

SUBJECT: FIRST AMENDMENT TO LADWP UTILITY AGREEMENT

ECONOMIC BENEFITS:

Approval of the proposed Amendment will support 21 direct and 17 secondary one-year equivalent jobs for the five-county region. The original Utility Agreement would have supported 12 direct and 10 secondary one-year equivalent jobs for the region.

ENVIRONMENTAL ASSESSMENT:

The proposed action is an approval of an Amendment to Utility Agreement 13-3185 with LADWP for relocation of water lines within the footprint of the Project. The Project was assessed in a joint Initial Study/Mitigated Negative Declaration (IS/MND) and Environmental Assessment/Finding of No Significant Impact (EA/FONSI) which was approved by the Board on June 21, 2012. At the time of Project approval, it was assumed that the utility corridors would be maintained in place and that Caltrans would grant a longitudinal encroachment permit to allow this. It was subsequently determined that Caltrans would not grant the encroachment permit and would require relocation of the utilities outside of Caltrans right-of-way. However, the minor alteration of utilities is exempt from the California Environmental Quality Act (CEQA). The current action is limited to an increase of funds for completion of the relocation. Therefore, as an administrative activity related to an activity involving the minor alteration of existing water utilities serving existing facilities, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2(f) and Article III Class 1 (2) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed First Amendment would commit the Harbor Department to expending \$2,578,311.70 for the cost of work completed by LADWP. This includes \$1,518,311.70 under the original Agreement and an additional \$1,060,000 under the proposed First Amendment.

Operating and maintenance costs for the relocated potable water facility will be borne by LADWP and no maintenance cost will be borne by the Harbor Department. The Harbor Department is obligated to fund the costs for the potable water facility relocation in accordance with this First Amendment.

The funds in the amount of \$1,060,000 for the First Amendment have been budgeted under Center No. 1172, Program No. 000, and Account No. 57060, and we anticipate funds will be expended as follows:

Fiscal Year 2015/2016 \$1,060,000

SUBJECT: FIRST AMENDMENT TO LADWP UTILITY AGREEMENT

CITY ATTORNEY:

The Office of City Attorney has reviewed the subject First Amendment and is prepared to approve it as to form and legality.

TRANSMITTAL:

- 1. Utility Agreement No. 13-3185
- 2. Letter from LADWP dated February 10, 2015
- 3. First Amendment to Utility Agreement No. 13-3185 between Los Angeles Harbor Department and Los Angeles Department of Water and Power

FIS Approval: MB (initials)

CA Approval: J (initials)




DAVID M. WALSH, P.E.
Chief Harbor Engineer



ANTONIO V. GIOIELLO, P.E.
Deputy Executive Director, Development

APPROVED:

for 
EUGENE D. SEROKA
Executive Director

Author: M. Gutierrez

MG:sc
24852b6