



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

Board of Harbor Commissioners

**DATE: JUNE 13, 2023**

**FROM: CONSTRUCTION**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ -  
APPROVAL OF CHANGE ORDER NO. 18  
FOR ADDITIONAL UNFORESEEN WATERSIDE WORK  
CONTRACTOR: SULLY-MILLER CONTRACTING COMPANY  
WILMINGTON WATERFRONT PROMENADE  
AND BUILDING DEMOLITION  
SPECIFICATION NO. 2780 – CONTRACT NO. 2315**

**SUMMARY:**

Staff requests approval of Change Order No. 18 to Contract No. 2315 (Contract) for the Wilmington Waterfront Promenade and Building Demolition project (Project) with Sully-Miller Contracting Company (Contractor) for the not-to-exceed amount of \$1,750,000. Change Order No. 18 authorizes the Contractor to place 2,550 cubic yards of rip rap rock below the tidal step area to protect and stabilize the exposed slope, resolve the additional obstructions encountered during steel pile driving when constructing the sheet pile wall, procure Arizona Onyx stone in lieu of Mexican Onyx tidal steps stone material, and place the remaining tidal step stones utilizing floating marine equipment. The City of Los Angeles Harbor Department (Harbor Department) will be financially responsible for the payment of expenses incurred under the Contract and proposed Change Order.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(i) of the Los Angeles City CEQA Guidelines;
2. Find that in accordance with City Charter Section 1022, work covered under the Change Order can be performed more feasibly by an independent contractor rather than by City employees;

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3. Approve and authorize the Executive Director to execute Change Order No. 18 for a not-to-exceed amount of \$1,750,000; and
4. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background/Context – On August 20, 2020, the Board approved Resolution No. 20-9690 for the award of the Contract with a total authorization in the amount of \$57,090,022, inclusive of the \$5,190,002 in contingency (Transmittal 1). The scope of the Wilmington Waterfront Promenade and Building Demolition Project includes construction of a realigned Water Street, waterfront promenade, public pier, public dock, public restroom with green roof, playground, and parking lots. Work also includes utilities, street work, grading, paving, striping, lighting, landscaping, and other improvements. The Notice to Proceed for the Contract was issued on November 30, 2020, for a duration of 840 calendar days.

Change Order No. 18 (Transmittal 2) will authorize the Contractor to place 2,550 cubic yards of rip rap rock on the slope below the waterline at the tidal step area to protect and stabilize the exposed slope, compensate the Contractor for the additional work in resolving the obstructions encountered during steel pile driving, procure Arizona Onyx in lieu of Mexican Onyx for tidal stone material change, and place tidal steps utilizing marine floating equipment.

The largest change is related to the unforeseen deteriorated condition of the slope in front of the tidal stones at Berths 184-185. The original contract work includes constructing rock protection on the slope above elevation -4 feet. Prior to starting the tidal steps installation, staff performed a hydrographic survey and found the western half of the water's edge slope had eroded. The slope in this area is extremely steep and is unprotected from further tidal erosion.

Under the existing Army Corps of Engineers permit, a limited amount of rip rap rock could be placed to stabilize the rock slope. Staff utilized the on-call 2020-2022 Marine Improvements contract to place approximately 1,300 cubic yards of rip rap rock on the slope to provide erosion protection. Unfortunately, the existing steep condition of the slope caused the new rocks that were placed to slide down to the toe of the slope. After further investigation by hydrographic survey, additional rip rap rock would need to be installed to maintain the integrity of the slope and support the new tidal steps. It was determined that the poor condition of the slope would not be able to support the new large tidal stone feature and additional rock placement would be required. Staff determined

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that increasing the rip rap rock quantity to extend the rock revetment to the toe of the slope at elevation -35 will stabilize the slope and provide the support necessary for the tidal steps stone feature. Staff applied for a modification to the Army Corps of Engineers permit for an additional rip rap rock placement, which was approved on May 31, 2023 for an amount of 2,550 cubic yards.

The next change condition is regarding underground obstructions encountered when the Contractor attempted to drive the king pile-sheet pile combination wall, which retains the land behind the tidal stone feature. Per contract, the Contractor removed the large armor stone as shown in the contract drawings in preparation to drive the piles. However, there were additional obstructions at a deeper elevation than anticipated. After multiple failed attempts of spudding to break up the obstructions, staff engaged a method with larger equipment, which was not initially required per contract, to resolve the problem. This solution included installing temporary shoring sheet piles adjacent to the work zone to support the larger and heavier equipment to provide direct access to remove the buried obstructions and to successfully install the steel piles. Staff issued a \$120,000 authorization letter for the Contractor to perform the obstruction removal work, however, due to the extensive amount of unforeseen obstructions, the initial amount authorized was exceeded and this change order will pay for the additional work in excess of the previously authorized amount.

Another change item is regarding the material of the tidal stone. The contract specifies utilizing Mexican Onyx stone from Southwest Boulders. The Contractor contracted this company but then learned that, due to the rigidity of the product, the material could not be cut to create the required finish and was only available with natural finishes. This would have created an issue in placing stones adjacent to each other with a uniform gap.

The Contractor notified the Port in a letter dated April 20, 2022, that the procurement lead time for the specified stone, Mexican Onyx, would require 60 weeks, which would significantly impact the project completion schedule. After researching various alternative materials, Arizona Onyx was found to be comparable to the Mexican Onyx, durable in a marine environment, and could be cut into the required rectangular shapes to meet the uniform aesthetic required for the stone feature. The procurement lead time for Arizona Onyx stone is 27 weeks and would minimize the delay in completing the work.

Due to the time needed for permit approval from the Army Corps of Engineers, the tidal step installation has been on hold. This work suspension is having a cascading effect on the subsequent work items and is causing a projected 3-month delay. A portion of the tidal steps have been installed from the landside at locations where the existing slope can support the work. In addition to the changes described above, COVID-related delays as

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well as rain delays affected the critical path of the project schedule and resulted in delaying the project completion date. A time extension was previously issued to extend the contract time from March 19, 2023 to May 31, 2023. The additional time extension being authorized through Change Order No. 18 will result in a time extension of 3 months and a contract completion date of August 31, 2023.

The total cost to perform the work under Change Order No. 18 will not exceed \$1,750,000. The not-to-exceed amount for the Change Order includes contingency in anticipation of encountering unforeseen scope of work, such as additional slope stabilization and rock placement.

When the Contract was initially approved by the Board in August 2020, the total authorization of \$57,090,022 included a contingency of \$5,190,002. Subsequently, at the December 16, 2021 Board meeting, the Board authorized increasing the contingency by \$2,595,001 to \$7,785,003. Change Orders in excess of \$150,000 require Board approval. If the proposed Change Order is approved, then \$1,750,000 of the Board-approved contingency amount will be utilized to fund Change Order No. 18. The remaining contingency balance would then be \$1,396,923.70 after accounting for funding Change Order No. 18 as well as prior change orders and adjustments authorized to date. This change will not exceed the contingency amount previously authorized by the Board.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of a change order to Contract No. 2315 with Sully-Miller Contracting Company, which is an activity for which the underlying project has been previously assessed in the Wilmington Waterfront Development Project Final Environmental Impact Report (SCH# 2008031065), which was certified by the Board on June 18, 2009. Therefore, the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to the requirements of CEQA under Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

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**FINANCIAL IMPACT:**

Approval of the proposed Change Order No. 18 would authorize the utilization of \$1,750,000 in contingency to fund proposed changes to construction of the Wilmington Waterfront Promenade. Contract No. 2315 included a total contingency in the amount of \$7,785,003. To date, \$4,638,079.30 in contingency funds have been utilized in order to fund Change Orders Nos. 1-17 and Authority for Adjustment Nos. 1-31. If the proposed Change Order No. 18 is approved, then \$1,396,923.70 in contingency funds will be available for future use.

Fiscal Year (FY) 2023-24 funds for Change Order No. 18 in the amount of \$1,750,000 are available in Account No. 54510 (Capital Construction Services), Center No. 1040, and Program No. 624. Spending under this Contract has occurred and is expected to occur as follows:

FY 2020-2021	\$ 6,797,656.80
FY 2021-2022	\$ 20,189,152.94
FY 2022-2023	\$ 15,000,000.00
FY 2023-2024	\$ 17,698,213.26
<b>Total</b>	<b>\$ 59,685,023.00</b>

Funding for future years will be requested as part of the annual budget adoption process, upon Board Approval. If, in any subsequent fiscal year, funds are not appropriated by the Contract, then the Contract shall be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred.

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**CITY ATTORNEY:**

The Office of the City Attorney reviewed and approved Specification No. 2780 as to form and legality on January 30, 2020.

**TRANSMITTALS:**

1. Aerial Site Plan
2. Change Order No. 18

FIS Approval: MB

CA Approval: SO



Shaun Shahrestani  
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SHAUN SHAHRESTANI  
Chief Harbor Engineer



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

**APPROVED:**

*Marla Bleavins* For

EUGENE D. SEROKA  
Executive Director

CT:lh  
2780B03CO18  
APP NO. 160720-109  
File No. 8.4