



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

### FOR INFORMATION ONLY

**DATE: OCTOBER 12, 2016**

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

**SUBJECT: OCTOBER 2016 PROJECT DEVELOPMENT COMMITTEE REPORT**

This report highlights the actions taken by the Project Development Committee (PDC) at its October meeting. On October 5, 2016, the PDC met at its regularly scheduled time to consider eight project items. On October 11, 2016, the PDC met ad hoc to consider two items, for a total of ten items since the previous PDC report. The committee also reviewed administrative reports related to grants, new work orders, and the status of the fiscal year 2016/2017 unallocated budget. The meeting minutes (Transmittal 1) and unallocated Capital Improvement Program (CIP) fund report (Transmittal 2) are attached for your review.

The following is a summary of the October PDC meeting minutes by category:

- 1) Budget change – Three items were submitted and approved.
- 2) Budget/Schedule change – One item was submitted and approved.
- 3) Budget/Schedule/Scope change – One item was submitted and approved.
- 4) New projects – Two items were submitted and approved.
- 5) Schedule change – Three items were submitted and approved.

The Board of Harbor Commissioners (Board) approved \$10,000,000 in the Fiscal Year 2016/2017 CIP budget for unallocated capital improvements. This budget is used 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. Projects under \$100,000 are reported to the PDC for information and discussion. The PDC meeting minutes are then transmitted to the Board for information.

Transmittal 2 lists the projects that have utilized the unallocated CIP budget for fiscal year 2016/2017 to date. The following summarizes these new projects:

- 10 PDC-approved projects for a total of \$4,123,295
- 8 projects under \$100,000 for a total of \$285,800

There are various Board-approved resources 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. All of these are approved by the Board either as part of the annual budget approval process or as multi-year contracts that have received separate Board approval.

  
EUGENE D. SEROKA  
Executive Director

**Attachment(s):**

Transmittal 1: October 2016 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report for FY 2016/2017

AVG/mz

## BUDGET CHANGE

## SUBJECT

ORIGINAL PROJECT COST \$275,000

PORTS O'CALL IMPROVEMENT – BERTH 80 FISHERMAN SEAFOOD BUILDING DEMOLITION – BUDGET CHANGE

## SUMMARY

The Berth 80 Fisherman Seafood Building Demolition was approved by the Project Development Committee (PDC) on June 3, 2015 and a time extension was approved by the PDC on August 3, 2016. With design complete and the lead and asbestos report prepared, quotes were requested from contractors on the Site Improvement Contract. The quotes came in higher than the estimated budgeted costs and a request is being made to the PDC to increase the approved Project total by \$65,000 to bring the total Project cost from \$275,000 to \$340,000. The \$65,000 includes the higher quote, lead and asbestos abatement and a 10% project contingency.

PDC ACTION Approved

## COMMENT

## SUBJECT

ORIGINAL PROJECT COST \$1,035,816

BERTHS 179-180 – PASHA WAREHOUSE RE-ROOF

## SUMMARY

Staff requests approval of additional funds to complete Berths 179-180 – Pasha Warehouse Re-roofing project, a Deferred Maintenance Capital Improvement Program (CIP) approved for Fiscal Year 2015-16.

PDC ACTION Approved

## COMMENT

## BUDGET CHANGE, SCHEDULE CHANGE

## SUBJECT

ORIGINAL PROJECT COST \$700,056

BERTH 181 – PASHA WAREHOUSE RE-ROOF

## SUMMARY

Staff requests approval of a revised project schedule and additional funds to complete Berths 181 – Pasha Warehouse Re-roofing project, a Deferred Maintenance Capital Improvement Program (CIP) approved for Fiscal Year 2016-17.

PDC ACTION Approved

**COMMENT** At its regular meeting on October 5, 2016, the PDC voted to approve a \$500,000 budget change, increasing the total budget from \$700,056 to \$1,200,056. After receiving a firm proposal identifying additional environmental remediation on October 10th, the PDC met on October 11th and voted to approve an additional budget increase of \$617,380, bringing the total budget to \$1,817,436.

**SUBJECT****ORIGINAL PROJECT COST \$460,500****BERTH 68 - PORT PILOT STATION BACK UP GENERATOR AND ELECTRICAL UPGRADE (PROJECT NO. 2524300)****SUMMARY**

The purpose of this project is to provide the Port Pilots with an operational backup generator to support all of the facility's electrical demands so they may continue with their operations during a utility power loss.

The project was approved by PDC on July 15, 2013.

The project has been delayed by nine months because of an extended Southern California Air Quality Management District permit review and sign off necessary for energization of the installed equipment. In addition, the Department of Building and Safety required code upgrades to the existing equipment that has increased costs by \$35,000.

Staff recommends a nine month time extension and \$ 35,000 budget increase for the project.

**PDC ACTION** Approved**COMMENT****BUDGET CHANGE, SCOPE CHANGE, SCHEDULE CHANGE****SUBJECT****ORIGINAL PROJECT COST \$99,200****HAB – IT HVAC EMERGENCY BACK-UP UNIT****SUMMARY**

Staff requests approval of a revised project schedule and additional funds to complete a project for the installation of an emergency back-up HVAC unit in the IT computer room located on the second floor of the Harbor Administration Building, a Deferred Maintenance Capital Improvement Program project approved for Fiscal Year 2015-16 and carried over to Fiscal Year 2016-17.

**PDC ACTION** Approved**COMMENT****NEW PROJECT**

**SUBJECT****ORIGINAL PROJECT COST** \$660,310**PORT POLICE RADIO SYSTEM – PHASE 1 OF 2****SUMMARY**

The Port Police Radio System must be re-banded (e.g. – change radio frequencies) in order to comply with the Middle Class Tax Relief and Jobs Creation Act of 2012 (Act). Title VI of the Act requires public safety entities to vacate the ultra-high frequency channels currently used for the Port Police radio system. Re-banding must be completed by February 21, 2021.

In order to comply with this requirement, the Information Technology Division (ITD) has been working with the Federal Communications Commission (FCC) to acquire new frequencies. ITD anticipates FCC approval of four new 700-Mhz frequencies in October 2016. When the new frequencies are approved, the FCC requires that they be put into service within one year.

The Port Police Radio System Re-Banding project is proposed to be completed in two phases. This PDC request is for Phase 1. Phase 1 will be an interim radio system to comply with the FCC requirement that the new frequencies be put into service within one year of approval. A separate PDC request will be submitted for Phase 2.

The Phase 1 project cost estimate is \$660,310. This includes \$600,000 for external costs, and \$60,310 for internal staff costs. Funding is requested in Fiscal Year 2016/17.

**PDC ACTION** Approved**COMMENT** These items were approved during an ad hoc meeting on October 11, 2016, in order for the CFO to be present for the discussion.**SUBJECT****ORIGINAL PROJECT COST** \$8,426,574**PORT POLICE RADIO SYSTEM RE-BANDING – PHASE 2 OF 2****SUMMARY**

The Port Police Radio System must be re-banded (e.g. – change radio frequencies) in order to comply with the Middle Class Tax Relief and Jobs Creation Act of 2012 (Act). Title VI of the Act requires public safety entities to vacate the ultra-high frequency channels currently used for the Port Police radio system. Re-banding must be completed by February 21, 2021.

In order to comply with this requirement, the Information Technology Division (ITD) has been working with the Federal Communications Commission (FCC) to acquire new frequencies. ITD anticipates FCC approval of four new 700-Mhz frequencies in October 2016.

The Port Police Radio System Re-Banding project is proposed to be completed in two phases. This request is for Phase 2, which builds upon Phase 1's interim solution, to implement a complete, permanent Port Police radio system. Phase 2 will also include necessary improvements to meet current and future Port Police needs.

The Phase 2 project cost estimate is \$8,426,574. This includes \$7,800,000 for external costs, and \$626,574 for internal staff costs. Funding is requested from Fiscal Year 2017/18 through Fiscal Year 2020/21.

**PDC ACTION** Approved**COMMENT** These items were approved during an ad hoc meeting on October 11, 2016, in order for the CFO to be present for the discussion.**SCHEDULE CHANGE**

**SUBJECT**

**ORIGINAL PROJECT COST** \$253,796

**BERTH 93 – REPLACEMENT OF ELEVATOR NO. 6**

**SUMMARY**

The Construction & Maintenance Division (C&M) is requesting a change to the schedule for the Berth 93 Replacement of Elevator No. 6 project, a Deferred Maintenance Capital Improvement Program project approved for Fiscal Year 2015-16.

**PDC ACTION** Approved

**COMMENT**

**SUBJECT**

**ORIGINAL PROJECT COST** \$370,000

**BERTH 161 – BOAT MAINTENANCE CRADLE MODIFICATIONS**

**SUMMARY**

Staff requests approval of a change to the schedule for the Berth 161 – Boat Maintenance Cradle Modifications project, a Deferred Maintenance Capital Improvement Program project approved for Fiscal Year 2015-16 and carried over to FY 2016-17. The original project schedule has been delayed due Department of Building and Safety (B&S) plan check requirements which were contested by staff and which are now being addressed by staff and the project contractor.

**PDC ACTION** Approved

**COMMENT**

**SUBJECT**

**ORIGINAL PROJECT COST** \$245,780

**BERTH 93 - ELEVATOR NO. 4 MODERNIZATION**

**SUMMARY**

The Construction & Maintenance Division (C&M) is requesting a change to the schedule for the Berth 93 Elevator No. 4 Modernization, a Deferred Maintenance Capital Improvement Program project approved for Fiscal Year 2015-16.

**PDC ACTION** Approved

**COMMENT**

**ADMINISTRATIVE ITEM**


**ACTION ITEM FOLLOW UP**

**WORK ORDER REPORT** REVIEWED

**UNALLOCATED BUDGET REPORT** REVIEWED

**ADDITIONAL DISCUSSION**

  
Antonio V. Gioiello  
Development

  
Michael DiBernardo  
Marketing and Customer Relations

**Unallocated Capital Improvement Program Fund FY 16/17**

**(Budget set in February)**

**\$ 10,000,000.00**

**PDC Approved Projects**

|   |    |                |
|---|----|----------------|
| B. 226-232 Everport Terminal Concrete Wharf Inspection and Reconstruction (25394) | \$ | (785,000.00)   |
| B. 148-149 (Phillips 66) Marine Oil Terminal Repairs (25398)                      | \$ | (250,000.00)   |
| B. 127-131 - Alternative Maritime Power (AMP) Caddy System (25401)                | \$ | (980,000.00)   |
| Pier 400 Rail Storage Yard - Light Fixture Replacement (25406)                    | \$ | (375,000.00)   |
| B. 73-90 Pipeline Support Hangers Replacement (25407)                             | \$ | (145,200.00)   |
| B. 200 Rail Yard and Track Connection Enhancement (25408)                         | \$ | (200,000.00)   |
| B. 270-271 - Seawall Repair (25409)   | \$ | (225,000.00)   |
| Metro Bike Share at the Port of Los Angeles - Site Preparation (25413)            | \$ | (155,000.00)   |
| B. 97-109 China Shipping Container Terminal Supplemental EIR (25353)              | \$ | (1,000,000.00) |
| Port Police Radio System Re-Banding - Phase 1 of 2 (_____)                        | \$ | (8,095.00)     |

***Subtotal PDC Approved Projects*** \$ ***(4,123,295.00)***

**Projects Under \$100,000**

|   |    |             |
|---|----|-------------|
| HAB - Fourth Floor Graphics Workstations Remodel (25402)                            | \$ | (39,000.00) |
| B. 72 - Municipal Fish Market - Chiller Unit Electrical Replacement (25403)         | \$ | (92,000.00) |
| B. 90-93 - Cruise Terminal Emergency Evacuation Plan Signs (25404)                  | \$ | (25,000.00) |
| 133 East Seaside Avenue Directional Signage (25405)                                 | \$ | (10,000.00) |
| Port of Los Angeles Police Headquarters - First Floor Kitchen Modifications (25411) | \$ | (36,800.00) |
| Port of Los Angeles Police Headquarters - Garage Entrance Safety Lighting (25416)   | \$ | (13,000.00) |
| B. 161 -C & M Admin. Bldg. Parking Lot Improvements (25417)                         | \$ | (41,000.00) |
| HAB - Office Cubicles Reconfiguration for Financial Control Section (25418)         | \$ | (29,000.00) |

***Subtotal Projects Under \$100,000*** \$ ***(285,800.00)***

***Balance as of October 4, 2016***

**\$ 5,590,905.00**