



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

### FOR INFORMATION ONLY

**DATE: DECEMBER 3, 2020**

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

**SUBJECT: DECEMBER 2020 PROJECT DEVELOPMENT COMMITTEE REPORT**

This report highlights the actions taken by the Project Development Committee (PDC) at its December meeting. On December 2, 2020, the PDC met to consider nine project items. The committee also reviewed standing reports regarding newly opened work orders, the status of the unallocated Capital Improvement Program (CIP) fund budget, grants, the GASB 49 project list, and projects for discussion. Attached for review are the meeting minutes (Transmittal 1) and Unallocated CIP Fund Report FY 2020/2021 (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 – Two items were submitted and approved.
- 3) New project – Two items were submitted and approved.

The Board of Harbor Commissioners (Board) approved \$12,000,000 in the fiscal year 2020/2021 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 2020/2021 to date:

- 13 PDC-approved project totaling \$3,218,500
- 8 projects under \$100,000 totaling \$538,500

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.

A handwritten signature in cursive script that reads "Eugene D. Seroka". The signature is written in black ink and is positioned above the printed name.

EUGENE D. SEROKA  
Executive Director

**Attachments:**

Transmittal 1: December 2020 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2020/2021

AVG/mz

**BUDGET CHANGE, SCHEDULE CHANGE**

**SUBJECT** ORIGINAL PROJECT COST \$9,420,000  
**BERTHS 177-178 (PASHA STEVEDORING TERMINALS) WHARF RESTORATION - BUDGET AND SCHEDULE CHANGE**

**SUMMARY**

Staff requests approval to increase the cost and change the schedule for the Berths 177-178 Wharf Restoration.

The Engineering Division recommends increasing the budget from \$9,420,000 to \$11,380,000 to account for additional costs needed to perform site characterization, underwater wharf investigation, and independent cost estimating services; prepare a technical memorandum to the California Regional Water Quality Control Board (CRWQCB) to address comments for the 401-certificate application, and accommodating revisions to the construction cost estimate. The gross settlement received from the insurance carrier was \$14,523,722.89.

The Engineering Division recommends adding \$1,960,000 to the budget and six months to the schedule to accommodate this additional work.

The total project cost is \$11,380,000 and the project will be completed by August 31, 2022.

**PDC ACTION** Approved

**COMMENT** No comment.

**BUDGET CHANGE, SCHEDULE CHANGE, SCOPE CHANGE**

**Transmittal 1**

**SUBJECT**

**ORIGINAL PROJECT COST \$8,200,000**

**SAN PEDRO WATERFRONT BERTHS 74-83 PROMENADE PHASE II – SCOPE, BUDGET, AND SCHEDULE CHANGES**

**SUMMARY**

Staff requests approval for additional scope, cost increase, and schedule change to San Pedro Waterfront Berths 74-83 Promenade Phase II.

The current project includes approximately 1,100 linear feet of a 30-ft wide public promenade at Berth 74 and Berths 78-79 to match Phase I which is currently under construction. The promenade, along the former Ports O’ Call site, will be part of the West Harbor Development. Phase II current scope includes: demolition including buildings (San Pedro Fish Market, Crusty Crab, Café International, and LA Harbor Sport Fishing), site furnishings, hardscape, landscape, trees, lighting, two balcony structures over the water, and a wooden deck structure in the mudflat area.

Staff requests approval to add the following scope: a promenade pier structure at Berth 74, at the southern terminus of the project. This will modify the current scope’s promenade alignment and will create a continuous promenade along the water’s edge requiring the addition of a pier structure.

The current approved budget of \$8,200,000 was a rough “placeholder” when the project was established in 2018. Staff requests an increase in budget for the added scope, design modifications to meet the recent updates in seismic requirements (2019 California Building Code and 2020 Los Angeles Building Code), and updated costs including labor charges, current bid item costs, escalation, and contingency.

Staff requests a schedule change to align construction start and completion dates to coordinate with the West Harbor developer’s schedule. When the West Harbor schedule is better defined, modifications to schedule may be requested in the future.

The total project cost is \$16,500,000 which is an increase of \$8,300,000. The project schedule will add 15 months and be completed by December 31, 2023.

**PDC ACTION** Approved

**COMMENT** No comment.

**NEW PROJECT**

**SUBJECT**

**ORIGINAL PROJECT COST \$146,000**

**REAR BERTH 301 PAVEMENT IMPROVEMENTS – NEW PROJECT**

**SUMMARY**

Staff requests approval to initiate a new project to design and construct pavement improvements at Rear Berth 301 for the testing of a zero-emission hybrid hydrogen fuel cell/battery electric top pick.

The proposed work includes stormwater management, grading, and paving.

The total project cost is \$146,000 and the project will be completed by May 17, 2021.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT**

**ORIGINAL PROJECT COST** \$10,341,766

**ORACLE ERP CLOUD MIGRATION - NEW PROJECT**

**SUMMARY**

Staff requests approval to initiate a new project for an Oracle Enterprise Resource Planning (ERP) Cloud financial system. The Oracle ERP Cloud will replace the Harbor Department's existing on-premise ERP system. The Oracle ERP Cloud will upgrade the department's finance and procurement technology platform, providing a modern experience to users; streamlining procurement processes with simplified approvals and standardized workflows; and automating invoice processing as well as reporting and analytic dashboards for more insights and strategic planning. The Oracle ERP Cloud will reduce manual processes, enhance Travel Expense Authorization via a mobile application, and streamlining processes for software updates and overall system maintenance.

The total project cost is \$14,310,641, of which \$10,341,766 will be capitalized while \$3,968,875 will be included as operating expenses within the annual operating budget. The capitalized portions of the project are anticipated to be completed by October 2022.

**PDC ACTION** Approved

**COMMENT** No comment.

## SCHEDULE CHANGE

**SUBJECT**

**ORIGINAL PROJECT COST** \$812,000

**SOUTHERN CALIFORNIA INTERNATIONAL GATEWAY (SCIG) PROJECT ENVIRONMENTAL ASSESSMENT – SCHEDULE CHANGE**

**SUMMARY**

Staff requests approval of a 12-month schedule extension for the Southern California International Gateway (SCIG) Project environmental assessment required pursuant to a Court Order. The schedule extension is needed to finish the Draft environmental assessment and to reset the schedule for the Final environmental assessment. There is no change to the project budget at this time.

The cost of the environmental assessment is 100% reimbursable through the Harbor Department's Reimbursement Agreement with BNSF Railway that was approved by the Board on October 11, 2018. Pursuant to the Agreement, BNSF Railway has agreed to the schedule change that is being requested by staff under legal direction.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST \$265,000****WILMINGTON WATERFRONT PARK STREET VACATIONS - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Wilmington Waterfront Park Street Vacations schedule by three additional years with no additional increase in the budget. The re-application to the City has not been accepted to date, due to outstanding requirements for reestablishment of roadway centerlines. The work to comply with these requirements is underway, therefore the three year schedule extension will allow for completion of the vacation process. The streets and alleys to be vacated remain closed under a revocable permit.

**PDC ACTION** Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST \$700,000****PIER 400 – ELECTRICAL INFRASTRUCTURE FOR ELECTRICAL CONTAINER HANDLING EQUIPMENT - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the schedule for the Pier 400 – Electrical Infrastructure for Electrical Container Handling Equipment project by twelve (12) additional months with no increase in the budget or scope.

The Engineering Division recommends adding twelve additional months to the schedule to account for delays incurred by the third party equipment developers of the proposed Electric Cargo Handling Equipment (eCHE) – Hyster-Yale and WAVE. Hyster-Yale is developing the Electric Container Top Handler, and WAVE is developing the associated inductive charging system which are now scheduled to be available in June 2021.

The Harbor Department will complete installation of the inductive charger by December 2020, however we need to wait for Hyster-Yale and WAVE to deliver their equipment to make the final electrical connections.

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

**SUBJECT****ORIGINAL PROJECT COST** \$1,500,000**SAN PEDRO WATERFRONT – BERTH 78 CHEVRON CLEAN UP PHASE II – SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the San Pedro Waterfront – Berth 78 Chevron Clean Up Phase II schedule by fifteen months with no increase to the budget.

The Engineering Division recommends adding fifteen months to the project schedule to allow for a delay of the West Harbor developer in initiating the relocation of existing utilities for their future buildings.

The proposed work includes soil remediation at Berth 78, which includes the area adjacent to the mudflat and Nagoya Way, and under the Fish Market restaurant after the demolition of the restaurant building.

The total project cost is \$1,500,000 and will be completed by December 31, 2023. This work will be bid as part of the San Pedro Waterfront Promenade Phase II improvement project.

The remediation construction costs at Berth 78 will be reimbursed by Chevron.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$25,675,000**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 six months with no additional increase in the budget.

The Engineering Division recommends adding six months to the schedule to address the California State Lands Commission (CSLC) comments on the design reports, which will require substantial work and modifications to complete, and additional time is needed by the tenant to provide the Port design related information to complete the design.

The total project cost is \$25,675,000 and will be completed by January 13, 2025.

**PDC ACTION** Approved

**COMMENT** No comment.

**ADMINISTRATIVE ITEM**

Projects for Discussion reviewed. GASB49 reviewed. Grants Report reviewed.

**ACTION ITEM FOLLOW UP**

**WORK ORDER REPORT**

REVIEWED

**UNALLOCATED BUDGET REPORT**

REVIEWED

**ADDITIONAL DISCUSSION**



Antonio V. Gioiello  
Development



Marla Bleavins  
Finance & Administration



**Unallocated Capital Improvement Program Fund FY 20/21**  
**(Budget set in February)**

**\$ 12,000,000**

**PDC Approved Projects**

B. 84 - Maritime Museum - Fire Sprinkler (25625)	\$	(540,000)
B. 84 - Maritime Museum - Fire Alarm and Mass Notification System (25629)	\$	(490,000)
B. 54-55 - Building Cover Replacement (25630)	\$	(650,000)
B. 161 - Construction & Maintenance - Natural Gas Line Replacement (25631)	\$	(192,500)
B. 186-191 - MOTEMS - Vopak Environmental Assessment (24633)	\$	(250,000)
22nd Street, Via Cabrillo Marina, & Shoshonean Road - Lighting Upgrade (25636)	\$	(70,000)
B. 115 - Rail Crossing Replacement (25637)	\$	(100,000)
Harbor Administrative Building - 1st Floor Garage LED Lighting Upgrade (25639)	\$	(150,000)
B. 95 - Barge Landing Ramp Upgrade at Catalina Express (25640)	\$	(100,000)
B. 200 - Marine Improvements Contractor Laydown Area (25643)	\$	(200,000)
B. 161 - Former Administration Building Remodel (25644)	\$	(300,000)
Terminal Way and Barracuda Street - Removal of Abandoned Railroad Track (25645)	\$	(30,000)
Rear Berths 301 - Pavement Improvements (_____)	\$	(146,000)
Oracle ERP Cloud Migration (_____)	\$	-

***Subtotal PDC Approved Projects*** \$ ***(3,218,500)***

**Projects Under \$100,000**

Harbor Administrative Building - Patio Lighting Solution (25632)	\$	(60,000)
Port of Los Angeles Police Headquarters - Roll Up Doors Replacement (25634)	\$	(86,800)
272 S Fries Avenue - Overflow Parking Lot (25635)	\$	(72,500)
1410 S. Barracuda Street - Fire Alarm System (25638)	\$	(55,200)
Anchorage Road Lighting Upgrade (24641)	\$	(98,000)
B. 91-92 - Passenger Terminal - Emergency Lighting Inverter Replacement (25642)	\$	(99,000)
Port Of Los Angeles Police Headquarters - Handwashing Station(24646)	\$	(23,000)
South Access Road Speed Caliming Improvements (25647)	\$	(44,000)

***Subtotal Projects Under \$100,000*** \$ ***(538,500)***

***Balance as of November 25, 2020***

**\$ 8,243,000**