



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

### FOR INFORMATION ONLY

**DATE:** OCTOBER 9, 2024  
**TO:** THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE  
**SUBJECT:** OCTOBER 2024 PROJECT DEVELOPMENT COMMITTEE REPORT

This report highlights the actions taken by the Project Development Committee (PDC) at its October 2024 meeting. On October 8, 2024, the PDC met to consider thirteen project items. The committee also reviewed standing reports regarding newly opened work orders, the status of the unallocated Capital Improvement Program (CIP) fund budget, completed CIP projects, the financial model and the GASB 49 project list. Attached for review are the meeting minutes (Transmittal 1), Unallocated CIP Fund Report FY 2024/2025 (Transmittal 2), and CIP Status Report – Completed Projects (Transmittal 3).

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

- 1) Schedule change – Four items were submitted and approved.
- 2) Budget/Schedule/Scope change – Four items were submitted and approved.
- 3) New project – Five items were submitted and approved.

The Board of Harbor Commissioners (Board) approved \$15,000,000 in the fiscal year 2024/2025 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 2024/2025:

- 4 PDC-approved projects totaling \$2,310,000
- 8 projects under \$100,000 totaling \$431,000

As of September 30, 2024, the remaining balance is \$12,259,000.

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.

*Erica M. Calhoun*

for

EUGENE D. SEROKA  
Executive Director

**Attachments:**

Transmittal 1: October 2024 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2024/2025

Transmittal 3: CIP Status Report – Completed Projects

EC

EC

EC/mz

**BUDGET CHANGE**

**SUBJECT** ORIGINAL PROJECT COST \$822,000  
**WILMINGTON WATERFRONT – SITE CHARACTERIZATION ASSESSMENTS – COST INCREASE**

**SUMMARY**

Staff requests approval for a cost increase to the Wilmington Waterfront – Site Characterization Assessments.

The proposed work continues support to the Waterfront & Commercial Real Estate Division (WCRED) for the property exchange with the Los Angeles Department of Water and Power (LADWP). The Environmental Management Division (EMD) has been performing additional sampling to delineate detected contamination. EMD will continue to coordinate with LADWP's environmental group on sampling plans for both Port-owned and LADWP-owned parcels and negotiate areas that require remediation in preparation for the property exchange. In addition, EMD will continue to support the Engineering and Construction Divisions on environmental considerations throughout the Wilmington Waterfront Development Project, including but not limited to oil pipeline removal, waste characterizations, import fill data confirmation, infiltration assessment, and National Environmental Policy Act (NEPA) support.

EMD recommends increasing the budget from \$822,000 to \$1,162,000 for additional waste characterization, negotiation with LADWP, oil pipeline abandonment oversight, and support for the WCRED, Engineering, and Construction Divisions.

The total project cost is \$1,162,000 and the project will be completed by August 31, 2028.

**PDC ACTION** Approved

**COMMENT** No comment.

**NEW PROJECT**

**SUBJECT** ORIGINAL PROJECT COST \$150,000  
**PORT-WIDE – HVL LOAD INTERRUPTER SWITCH REPLACEMENT – NEW PROJECT**

**SUMMARY**

Staff requests approval to initiate a new project to replace the High Voltage Load (HVL) interrupter switches Port-wide.

The proposed work includes the removal and replacement of 36 HVL pole assemblies that will cover six HVL switchgears across six terminals at the Port of Los Angeles. The HVL switchgear is a power distribution product that's used to connect and disconnect high-voltage power systems and is essential for the safe, uninterrupted operation of high-voltage power systems.

The total project budget is \$150,000 and the project will be completed by June 30, 2025.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$460,000**B. 93 WORLD CRUISE CENTER – PLC MODERNIZATION – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to upgrade the obsolete Programmable Logic Controller (PLC) on three AMP switch gears located at Berth 91 & 93 World Cruise Center with new M340 PLCs.

The proposed work includes the design, program, installation, and test of the three PLCs which will be completed by an outside contractor and supervised by C&M staff.

The total project budget is \$460,000 and the project will be completed by 1/31/2025.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$20,500,000**TERMINAL ISLAND RAIL INFRASTRUCTURE IMPROVEMENTS PROJECT -NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to design and construct additional rail trackage (primarily crossovers) on Terminal Island to improve overall Port of Los Angeles (POLA) rail operations.

The proposed work includes five new crossovers on POLA mainline tracks, fencing removal, demolition of existing track, light fixture conduit modification, grading and realignment of track, and rail signal system upgrades.

The total project cost is \$20,500,000. The Goods Movement Division will seek grant funds to reduce POLA costs. The State of California Department of Transportation (Caltrans) has agreed to submit a State Trade Corridor Enhancement Program (TCEP) application to the California Transportation Commission (CTC) in November 2024 on behalf of POLA and will request \$10,766,000 of grant funding.

The project completion date is December 31, 2028.

**PDC ACTION** Approved

**COMMENT** Committee approved moving forward with project design and environmental.

**SUBJECT****ORIGINAL PROJECT COST** \$294,000,000**BERTHS 126-129 WHARF REDEVELOPMENT – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to redevelop the wharf at Berths 126-129 .

The proposed work includes demolition of the existing wharf at Berths 126-129, construction of 1,260 linear feet of pile supported concrete wharf, dredging to -53 ft Mean Lower Low Water (MLLW), backland improvements and electrical improvements (including infrastructure for Alternative Maritime Power).

The total project cost is \$294,000,000 and the project completion date is December 31, 2028.

**PDC ACTION** Approved

**COMMENT** Committee approved moving forward with project design up to 40 percent. Financial's approval is based on the caveat that the project is presented to the Board and staff receives their approval to start the design on spec.

**SUBJECT****ORIGINAL PROJECT COST** \$300,000**CYBERSECURITY ARTIFICIAL INTELLIGENCE (AI) IMPLEMENTATION****SUMMARY**

The Information Technology Division (ITD) requests the Project Development Committee (PDC) approval to improve and mature security operations with a Cybersecurity AI solution implementation.

The proposed work will introduce an AI solution to improve cybersecurity operations and protect the digital infrastructure with significant risk reduction to the organization. Currently, Operational Technology (OT), Information Technology (IT) enterprise systems generate logs and are stored in the Security Information Event Management (SIEM) system for analysis, correlation, reporting, compliance and logs retention. The proposed solution will, at minimum, provide the following capabilities which includes ease-of-use platform with a graphical user interface, augment and/or replace redundant existing technologies to elevate visibility, improve awareness and mature operations from incidents/threats. Additionally, the AI solution will have the ability to analyze historical high-risk incidents and predict future attacks that may affects the Port's digital infrastructure.

**PDC ACTION** Approved

**COMMENT** No comment.

**SCHEDULE CHANGE**

**SUBJECT****ORIGINAL PROJECT COST** \$396,000**272 S. FRIES AVE. – CAPITAL PROJECTS BUILDING FIRE ALARM SYSTEM REPLACEMENT - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the 272 S. Fries Ave – Capital Projects Building Fire Alarm Replacement Project schedule by six months with no increase to the budget.

The Construction & Maintenance Division recommends adding six months to the schedule to allow for delays due to vendor labor delays and a new contract development.

The proposed completion date is April 30, 2025, with a total budget of \$396,000.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$161,672**PORT OF LOS ANGELES POLICE HEADQUARTERS – VERTIV/LIEBERT CONDENSERS REPLACEMENT - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Port of Los Angeles Police Headquarters – Vertiv/Liebert Condensers Replacement Project schedule by four months with no increase to the budget.

The Construction & Maintenance Division recommends adding four months to the schedule to allow for delays due to the bid and award process taking longer than expected. The bid has been awarded and a purchase order is being created for the equipment procurement.

The proposed completion date is December 31, 2024.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$530,000**PORT-WIDE – SKYLIGHT REPLACEMENT - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Port-Wide Skylight Replacement Project schedule by six months with no increase to the budget.

The Construction & Maintenance Division recommends adding 6 months to the schedule to allow for delays due to the fabrication of the skylights taking longer than expected.

The proposed completion date is February 28, 2025.

**PDC ACTION** Approved

**COMMENT** No comment.

**SCHEDULE CHANGE, BUDGET CHANGE**

**SUBJECT****ORIGINAL PROJECT COST** \$3,800,000**BADGER AVENUE BRIDGE – WIRE ROPES REPLACEMENT - BUDGET AND SCHEDULE CHANGE****SUMMARY**

Staff requests approval to increase the budget and change the schedule for the Badger Avenue Bridge Wire Ropes Replacement Project.

The Construction & Maintenance Division recommends increasing the current budget of \$3,800,000 by \$300,000 to account for the increased bid due to inflation.

The Construction & Maintenance Division recommends adding 12 months to the schedule to allow for delays due to the Bid & Award process taking longer than expected.

The total project budget is \$4,100,000 and the project will be completed by 12/31/2025.

**PDC ACTION** Approved

**COMMENT** No comment.

## SCHEDULE CHANGE, BUDGET CHANGE, SCOPE CHANGE

**SUBJECT****ORIGINAL PROJECT COST** \$11,100,000**BERTHS 121-131 WEST BASIN INTERMODAL CONTAINER TRANSFER FACILITY (WBICTF) EXPANSION PROJECT – SCOPE, BUDGET, AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval for additional and redefined scope, cost increase, and schedule change to expand the on-dock railyard at Berths 121-131 to improve overall Port of Los Angeles cargo movement.

The redefined work includes the addition of four (4) new loading tracks, extensions to the existing tracks, and infrastructure to accommodate rail-mounted gantry cranes in the railyard.

The revised budget is increased by \$105,900,000 from \$11,100,000 to a new project budget of \$117,000,000. The schedule is increased by 128 months to a new completion date of December 31, 2028.

**PDC ACTION** Approved

**COMMENT** Committee approved moving forward with project design until GeoTech work is complete. At that time, project will return to PDC for further review.

**SUBJECT****ORIGINAL PROJECT COST** \$240,000**BADGER AVENUE BRIDGE – GEARBOX REBUILD – SCOPE, BUDGET, AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval for additional scope, budget, and schedule for the Badger Avenue Bridge – Gearbox Rebuild Project.

The previously approved scope included the rebuilding of a single gearbox of the Badger Avenue Bridge synchronous motor. On-site visits with an outside contractor have identified two additional gearboxes that are past life expectancy and must be rebuilt.

The project was to be completed by December 2022, but the original gearbox manufacturer went out of business and the project was put on hold. A 30-month extension, along with a \$630,000 budget increase is requested to account for the new Bid & Award time and the two additional gearboxes.

The proposed total project budget is now \$870,000 and the project will be completed by June 30, 2025.

**PDC ACTION** Approved

**COMMENT** No comment.

## SCHEDULE CHANGE, TITLE CHANGE

**SUBJECT****ORIGINAL PROJECT COST** \$8,250,000**BERTH 161 FORMER ADMINISTRATION BUILDING RENOVATION - SCHEDULE AND TITLE****SUMMARY**

Staff requests approval to change the name of the project from “Berth 161 Former Administration Building Remodel” to “Berth 161 Former Administration Building Renovation” and extend the schedule by 30 months with no additional increase in the project budget of \$8,250,000.

The Engineering Division recommends adding 30 months to the schedule to allow for delays due to additional investigation, planning, coordination, and design efforts to evaluate required environmental mitigations, project programming, and in-house and consultant design scope of services for all project phases. In addition, due to significant industry cost escalations, additional time and efforts are required to conduct value engineering, sustainable design, and life cycle costing assessments to validate project scope and budget.

The new estimated construction completion date is June 30, 2029. Staff will report back to the Project Development Committee (PDC) after scope and budget are validated.

**PDC ACTION** Approved

**COMMENT** No comment.



**ADMINISTRATIVE ITEM**                      GASB 49 Report and Completed Projects CIP Report reviewed.  
**ACTION ITEM FOLLOW UP**  
**WORK ORDER REPORT**                      REVIEWED  
**UNALLOCATED BUDGET REPORT**      REVIEWED  
**ADDITIONAL DISCUSSION**

*Erica M. Calhoun*

Erica Calhoun  
Administration

*Michael DiBernardo*

Michael DiBernardo  
Marketing and Customer Relations

**Unallocated Capital Improvement Program Fund FY 24/25**

**(Budget set in July)** \$ **15,000,000**

**PDC Approved Projects**

Terminal Island Rail Infrastructure Improvement Project ( )	\$	(310,000)
B. 126-129 Wharf Redevelopment ( )	\$	(1,500,000)
Port-Wide - HVL Load Interrupter Switch Replacement ( )	\$	(100,000)
B. 93 World Cruise Center - Programmable Logic Controller (PLC) Modernization ( )	\$	(400,000)

***Subtotal PDC Approved Projects*** \$ ***(2,310,000)***

**Projects Under \$100,000**

Least Tern Nesting Site Improvements (2581300)	\$	(50,000)
San Pedro Waterfront - Harbor Blvd. Gateway (2581500)	\$	(50,000)
Wilmington Waterfront - California Costal Trail Promenade (2581600)	\$	(50,000)
Port-Wide - Tubular Barrier Gates Installation (2582100)	\$	(77,000)
B. 161 - Carpenter Shop - Roll Up Door Replacement (2582200)	\$	(16,000)
B. 90-92 - World Cruise Center - ADA Ramp Extension (2582300)	\$	(20,000)
B. 136 - Transformer Replacement (2582400)	\$	(98,000)
Digital Twin Pilot (2582500)	\$	(70,000)

***Subtotal Projects Under \$100,000*** \$ ***(431,000)***

***Balance as of September 30, 2024*** \$ ***12,259,000***

# CIP Status Report

## COMPLETED PROJECTS

Sorted By: Project Number

Actuals Thru: August 2024

Where Construction Finish Date is: > = 8/28/2024 < = 9/30/2024

Expend. Org.	Project No.	Project Title	Project Manager	Status	Projected Cost	Design			Construction			Percent Design Complete	Percent Const. Complete		
						Start Baseline	Projected	Finish Baseline	Projected	Start Baseline	Projected			Finish Baseline	Projected
1167	2504700	Front Street Beautification	Meas, Naven	Completed	\$11,200,000	11/10/11	11/10/11	04/25/22	04/25/22	02/13/23	02/13/23	09/30/24	09/30/24	100 %	100 %
1002	2555200	B. 58-60 Shed - Seismic Bracing Improvements	Hazelett, Phil	Completed	\$1,642,000	03/08/19	03/08/19	03/21/19	03/21/19	03/06/23	03/06/23	09/01/24	09/01/24	100 %	100 %
1207	2578000	FY 24/25 CIP Deferred Maintenance Projects	Hashimoto, Stacey	Completed	\$0	07/01/24	07/01/24	06/30/25	06/30/25	07/01/24	07/01/24	06/30/25	06/30/25	N/A	100 %

**Grand Total: \$12,842,000**









# Audit Committee Report Packet October 2024

Final Audit Report

2024-10-16

Created:	2024-10-15
By:	Karine Lurvey (klurvey@portla.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAA-95J-qA7tZx_3jTTTmi5nWB-_F17rWx0

## "Audit Committee Report Packet October 2024" History

-  Document created by Karine Lurvey (klurvey@portla.org)  
2024-10-15 - 5:44:37 PM GMT- IP address: 199.245.255.5
-  Document emailed to Michael DiBernardo (mdibernardo@portla.org) for signature  
2024-10-15 - 5:49:19 PM GMT
-  Email viewed by Michael DiBernardo (mdibernardo@portla.org)  
2024-10-15 - 7:26:01 PM GMT- IP address: 107.77.192.185
-  Document e-signed by Michael DiBernardo (mdibernardo@portla.org)  
Signature Date: 2024-10-16 - 6:21:50 AM GMT - Time Source: server- IP address: 174.67.247.76
-  Document emailed to Erica Calhoun (ecalhoun@portla.org) for signature  
2024-10-16 - 6:21:53 AM GMT
-  Email viewed by Erica Calhoun (ecalhoun@portla.org)  
2024-10-16 - 4:34:29 PM GMT- IP address: 104.28.111.148
-  Document e-signed by Erica Calhoun (ecalhoun@portla.org)  
Signature Date: 2024-10-16 - 4:35:42 PM GMT - Time Source: server- IP address: 174.243.147.191
-  Agreement completed.  
2024-10-16 - 4:35:42 PM GMT