



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

FOR INFORMATION ONLY

DATE: DECEMBER 10, 2019

TO: THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE

SUBJECT: DECEMBER 2019 PROJECT DEVELOPMENT COMMITTEE REPORT

This report highlights the actions taken by the Project Development Committee (PDC) at its December meeting. On December 4, 2019, the PDC met to consider eighteen project items. The committee also reviewed administrative reports regarding recently opened work orders, the status of the unallocated Capital Improvement Program (CIP) fund budget, and the GASB 49 project list. The meeting minutes (Transmittal 1) and Unallocated CIP Fund Report FY 2019/2020 (Transmittal 2) are attached for your review.

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

- 1) Schedule change – Seven items were submitted and approved.
- 2) Budget/Schedule/Scope change – Nine items were submitted and approved.
- 3) New project – Two items were submitted and approved.

The Board of Harbor Commissioners (Board) approved \$14,000,000 in the fiscal year 2019/2020 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. The PDC meeting minutes are then transmitted to the Board for information.

The following is a summary of projects that are expected to utilize the unallocated CIP budget for fiscal year 2019/2020 to date:

- 14 PDC-approved project totaling \$7,336,000
- 21 projects under \$100,000 totaling \$1,180,995

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.

A handwritten signature in black ink, appearing to read 'E. Seroka', with a long horizontal stroke extending to the right.

EUGENE D. SEROKA
Executive Director

Attachments:

Transmittal 1: December 2019 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2019/2020

AVG/mz

BUDGET CHANGE

SUBJECT ORIGINAL PROJECT COST \$4,218,660
SAN PEDRO WATERFRONT – BERTHS 80-83 – WATERSIDE IMPROVEMENTS - BUDGET CHANGE

SUMMARY

Staff requests approval to increase the cost BY \$603,340 for the San Pedro Waterfront – Berths 80-83 – Waterside Improvements project.

The Engineering Division recommends increasing the budget from \$4,218,660 to \$4,822,000 to account for the bids received for this contract work.

PDC ACTION Approved

COMMENT No comment.

SUBJECT ORIGINAL PROJECT COST \$3,310,000
REAR BERTH 206-209 - DEMOLITION PROJECT – BUDGET CHANGE

SUMMARY

Staff request approved for increased the budget from \$3,310,000 to \$4,610,000 to account for electrical work and escalating construction costs on the Rear Berth 206 209-Demolition Project.

On September 17, 2019, the Construction Division, issued a Request for Quote for this work. In response, four contractors submitted quotes: Pacific Equipment, World Wide Construction, International Engineering, and National Demo Contractors, Inc. The bids ranged from a high of \$3,954,334, to a low of \$2,890,450. National Demo Contractors, Inc., was the lowest bidder at \$2,890,450.

The Engineering Division estimated a cost of \$2,300,000 for this project. However, recent construction bids, especially demolition, have been higher than normal. The lowest bid for this project is approximately \$600,000 over the estimated cost. Additional electrical work consisting of separating one meter into five meters, is estimated at an additional \$200,000. The Engineering Division is therefore requesting an additional \$1,300,000 for the difference of the project cost, electrical work, and a 15% contingency.

PDC ACTION Approved

COMMENT No comment.

Transmittal 1

SUBJECT**ORIGINAL PROJECT COST** \$22,000,000**SAN PEDRO WATERFRONT - HARBOR BOULEVARD (SP SLIP TO 22ND ST.) ROADWAY IMPROVEMENTS – BUDGET CHANGE AND PROJECT NAME CHANGE****SUMMARY**

Staff requests approval to decrease the project total for the San Pedro Waterfront – Harbor Boulevard (SP Slip to 22nd St.) Roadway Improvements project and change the title to San Pedro Waterfront – Harbor Boulevard from Berth 73C to 22nd Street Roadway Improvements.

The Engineering Division recommends decreasing the budget from \$22,000,000 to \$10,500,000 and transferring \$11,500,000 to a new project “San Pedro Waterfront – Harbor Boulevard from SP Slip to Berth 73C Roadway Improvements”.

PDC ACTION Approved**COMMENT** No comment.**BUDGET CHANGE, SCHEDULE CHANGE****SUBJECT****ORIGINAL PROJECT COST** \$958,400**SAN PEDRO WATERFRONT – TOWN SQUARE PUBLIC RESTROOMS - BUDGET AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval to increase the cost and change the schedule for the San Pedro Waterfront Town Square Public Restrooms.

The Engineering Division recommends increasing the budget from \$958,400 to \$1,763,069 to account for Construction bid cost and In-House labor.

The Engineering Division recommends adding nine additional months to the schedule to allow for delays due to aligning with the San Pedro Waterfront Promenade and Town Square schedule.

The total project cost is \$1,763,069 and the project will be completed by July 31, 2021.

PDC ACTION Approved**COMMENT** No comment.

SUBJECT**ORIGINAL PROJECT COST \$8,810,000****1050S WAYS STREET (STARKIST)-DEMOLITION AND STORAGE LOT CONVERSION-SCHEDULE AND BUDGET CHANGE****SUMMARY**

Staff requests approval for a five months schedule extension and a \$2,680,000 budget increase to the Star-Kist Demolition and Storage Lot Conversion Project.

The proposed work includes the demolition of the building structures and timber dock associated with the former Star-Kist Cannery. The buildings were constructed of a combination of various construction materials including wood, masonry, steel framing with stucco exterior and metal siding. The additional five months will allow both Environmental Management and Engineering Divisions enough time to finish a Mitigated Negative Declaration and to finish design, secure a contractor, complete demolition, and construct necessary site improvements. In addition, Engineering requests a \$2,680,000 budget increase to capture the increase in construction costs. The cost increase is the result of a re-analysis of the cost estimate in light of recent demolition projects, that where the contractor bids exceeded the estimates by approximately 50%.

The new total project cost is \$11,490,000 and the project will be completed by August 5, 2021.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST \$9,500,000****HAB HVAC REPLACEMENT – BUDGET AND SCHEDULE CHANGE****SUMMARY**

Staff requests approval to increase the cost and change the schedule for the HAB HVAC Replacement Project.

The Engineering Division recommends increasing the budget from \$9,500,000 to \$13,100,000 to account for fan technology upgrade, replacing all variable air volume (VAV) terminal air units, and cost escalation for both material and labor costs.

The Engineering Division recommends adding three months to the schedule to allow for delays due to the Southern California Gas service modification request's approval and the Los Angeles Department of Building and Safety's permit approval process.

The total project cost is \$13,100,000 and the project will be complete by January 7, 2022.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$10,056,000**ALAMEDA CORRIDOR SOUTHERN TERMINUS GAP CLOSURE- BUDGET AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval to increase the cost and change the schedule for the Alameda Corridor Southern Terminus Gap Closure Project.

The Engineering Division recommends increasing the budget from \$10,056,000 to \$14,050,000. The cost increase is due to the unanticipated handling of chemically impacted and hazardous soil for removal and disposal, additional requirements for protection of existing underground utilities, and additional in-house and consultant design and construction support.

The Engineering Division recommends adding 10 months to the schedule for increased efforts to comply with Caltrans requirements for National Environmental Policy Act (NEPA) review and approval. The proposed Construction completion date is November 30, 2021.

PDC ACTION Approved

COMMENT No comment.

BUDGET CHANGE, SCHEDULE CHANGE, SCOPE CHANGE, TITLE CHANGE**SUBJECT****ORIGINAL PROJECT COST** \$100,000**HARBOR ADMINISTRATION BUILDING – EXTERIOR LANDSCAPING – SCOPE, BUDGET, SCHEDULE, AND TITLE CHANGE****SUMMARY**

Staff requests approval for additional scope, cost increase, schedule change, and project title change to Harbor Administration Building – Irrigation Retrofit and Planting Project.

The Engineering Division recommends additional scope to restore the irrigation system in the planters located on the perimeter of the Harbor Administration Building (HAB) and some additional landscaping. This proposed work increases the project cost from \$100,000 to \$250,000 with and add five months to the schedule for an overall project duration of 32 months.

The proposed project cost is \$250,000 and the completion date will be June 20, 2020.

PDC ACTION Approved

COMMENT No comment.

BUDGET CHANGE, SCOPE CHANGE

SUBJECT**ORIGINAL PROJECT COST** \$52,700,000**WILMINGTON WATERFRONT BUILDING DEMOLITION AND WILMINGTON WATERFRONT PROMENADE – SCOPE AND BUDGET TRANSFER****SUMMARY**

Staff requests approval to transfer the entire scope and budget from Wilmington Waterfront Building Demolition (Building Demo), Project Number 25570, into Wilmington Waterfront Promenade (Promenade), Project Number 25330. This consolidation includes the transfer of \$700,000 for an overall project budget of \$53,400,000 for Project Number 25330 (Promenade). Project Number 25570 (Building Demo) will be closed.

PDC ACTION Approved**COMMENT** No comment.**NEW PROJECT****SUBJECT****ORIGINAL PROJECT COST** \$11,500,000**SAN PEDRO WATERFRONT - HARBOR BOULEVARD FROM SP SLIP TO BERTH 73C ROADWAY IMPROVEMENTS – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to realign and expand Harbor Boulevard (formerly known as Sampson Way) starting at SP Slip and ending at Berth 73C and transform it into a scenic boulevard. This project will improve public access throughout the waterfront area to better connect the waterfront with downtown San Pedro and the surrounding community.

The proposed work includes design and construction of a reconfigured Harbor Boulevard to include two travel lanes in each direction, a scenic pedestrian walkway, and pedestrian access from Harbor Boulevard to Miner Street.

The total project cost is \$11,500,000 and the project will be completed by January 2, 2023.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$1,400,000**ALTERNATIVE ENERGY PROGRAM – BERTH 153 CARGO SHED AND BERTHS 154-155 CARGO SHEDS ROOF REPLACEMENT****SUMMARY**

The Engineering Division is seeking approval for the reroofing of the Berth 153 Cargo Shed and the Berths 154-155 Cargo Sheds. Reroofing these buildings will provide a new 25-year roof in preparation for the installation of solar power systems at these two sheds. The solar power systems are being installed under an Operating Agreement approved by the Board of Harbor Commissioners with Hecate Energy Harborside LLC (Hecate) on October 15, 2015.

PDC ACTION Approved**COMMENT** Action - Regner to follow up with Marla to see if any other work related to the AEP/solar project in regards to the other 11 sites or Hecate Consultants is going to be coming up.

DED Finance abstained from vote. Item approved based on majority vote of those voting members in attendance. The ED is to review and will have final determination on project approval.

SUBJECT

ORIGINAL PROJECT COST \$30,000,000

BERTH 46-OUTER HARBOR CRUISE TERMINAL ALTERNATIVE MARITIME POWER (AMP) NEW PROJECT

SUMMARY

Staff requests approval to initiate a new project to install a new 11 KV Alternative Maritime Power (AMP) system for Cruise Ships at Berth 46. This project is required to retain 20 annual calls currently scheduled for the 2022/2023 cruise season which cannot be accommodated at the inner harbor cruise terminal. Without these proposed AMP project call losses are expected to continue and increase on an annual basis as additional 3,500 plus passenger ships are deployed into the US West Coast market with an estimated annual revenue loss exceeding \$2,000,000 based on a minimum of 20 calls per year

The project requires the construction of a new Los Angeles Department of Water and Power (LADWP) 34.5KV Industrial Station, new 34.5KV switchgear, new 18MVA transformer equipped with Automatic Load Tap Change (ALTC) to automatically adjust the necessary transformer tap changes under load, new 11KV AMP switchgear, (2) new 11KV wharf AMP outlets, and a 11KV AMP mobile cable management for cruise ships connections. In addition, this project requires the extension of a new LADWP 34.5KV circuit through existing LADWP underground conduit (from 22nd Street to Berth 46 along Miner Street).

The total project cost is \$30,000,000 and the project would be completed by August 31, 2022.

PDC ACTION Approved

COMMENT No comment.

SCHEDULE CHANGE

SUBJECT

ORIGINAL PROJECT COST \$313,200

BADGER AVENUE BRIDGE - MITER JOINTS PURCHASE - SCHEDULE CHANGE

SUMMARY

Staff requests approval to extend the schedule for the purchase of miter joints for the Badger Avenue Bridge by three additional months with no additional increase in the budget.

The Construction & Maintenance Division (C&M) recommends adding three additional months to the schedule to allow for delays in manufacturing the joints.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$147,000**FIRE STATION 112 – FLOATING DOCK AREA IMPROVEMENTS - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the improvements at the floating dock area of Fire Station 112, located near the Harbor Cut, schedule by two additional months with no additional increase in the budget.

The Construction & Maintenance Division (C&M) recommends adding two additional months to the schedule to allow for delays due to procuring materials.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$220,300**FIRE STATION 49 – FLOATING DOCK AREA IMPROVEMENTS - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the improvements at the floating dock area at Fire Station 49, located near the East Basin, schedule by two additional months with no additional increase in the budget.

The Construction & Maintenance Division (C&M) recommends adding two additional months to the schedule to allow for delays due to procuring materials.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$7,140,000**PILOT BOATS REPLACEMENT - SCHEDULE CHANGE****SUMMARY**

The Port Pilot Division requests approval to extend the Pilot Boat Replacement project schedule by five additional months with no additional increase in the budget.

The five-month extension to the schedule is needed due to delays encountered during the Request for Bid (RFB) development and Board of Harbor Commissioners (BOHC) approval processes, and to align the estimated schedule with the eighteen-month construction timeline of the contract.

PDC ACTION Approved**COMMENT** No comment.

SUBJECT**ORIGINAL PROJECT COST** \$23,800,000**WILMINGTON WATERFRONT – AVALON PROMENADE AND GATEWAY - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Avalon Promenade and Gateway schedule by 13 months with no additional increase in the budget.

The Engineering Division recommends adding 13 months to the schedule to allow for delays attributed to the Los Angeles Department of Water and Power (LADWP) tanks and community resolution of the gateway feature concept.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$9,420,000**BERTHS 177-178 (PASHA STEVEDORING TERMINALS) WHARF RESTORATION - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Berths 177-178 Wharf Restoration schedule by six additional months with no additional increase in the budget. The additional time is needed to complete the berthing and mooring analysis of the proposed wharf. The analysis includes gathering vessel data, review of existing fender and mooring drawing details, and preparation of the report. Delays in gathering vessel data caused a delay in the completion of the final report.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$47,160,000**SAN PEDRO WATERFRONT PORTS O' CALL PROMENADE AND TOWN SQUARE - PHASE I SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the San Pedro Waterfront Promenade and Town Square schedule by four months with no additional increase in the budget.

The Engineering Division recommends adding four months to the schedule to account for the delay due to rebidding the construction contract.

PDC ACTION Approved**COMMENT** No comment.

ADMINISTRATIVE ITEM

No Grants Report. GASB49 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 19/20**(Budget set in February)****\$ 14,000,000.00****PDC Approved Projects**

Port Cyber Resilience Center (25555)	\$	(1,600,000.00)
B. 84 - Maritime Museum - Plumbing Upgrades (25560)	\$	(745,000.00)
Port of Los Angeles Police Headquarters - Mass Notification System (25561)	\$	(388,000.00)
Harbor Department Administration Building - 1st Floor Employee Restrooms and Showers Remodel (25562)	\$	(200,000.00)
Wilmington Waterfront - Building Demolition (25570)	\$	(688,000.00)
Harbor Administration Bldg. - Lower Deck Patio (25572)	\$	(905,000.00)
B. 195-196 - Underwharf Backflow Work Platforms (25573)	\$	(185,000.00)
B. 91-93 - Passenger Terminal Gangways - Sheet Metal Replacement (25575)	\$	(50,000.00)
B. 100 - West Basin Container Terminal (WBCT) - Advanced Infrastructure Demonstration (25576)	\$	(250,000.00)
Pier 400 (APM) Terminal - Electrical Infrastructure for Electrical Container Handling Equipment (25587)	\$	(400,000.00)
Liberty Hill Plaza Atrium Skylights Replacement (25591)	\$	(600,000.00)
Banning's Landing Water Leaks and Damage Repair (25595)	\$	(75,000.00)
San Pedro Waterfront - Harbor Boulevard from SP Slip to Berth 73C Roadway Imps (_____)	\$	(250,000.00)
Berth 46 - Outer Harbor Cruise Terminal AMP (_____)	\$	(1,000,000.00)
Subtotal PDC Approved Projects	\$	(7,336,000.00)

Projects Under \$100,000

B. 302-305 - Fenix Marine Services - Transportation Improvements Project (25564)	\$	(95,000.00)
B. 121 - Position Indicator Valve Replacement (25565)	\$	(90,000.00)
B. 300 - Rail Yard Control Switches Replacement (25566)	\$	(85,000.00)
B. 90-91 - Baggage Handling Building Fire Alarm Notification System (25567)	\$	(40,000.00)
Port of Los Angeles Police Headquarters - Furniture Reconfiguration (25569)	\$	(25,000.00)
300 Water Street - Electrical Upgrades (25574)	\$	(53,000.00)
B. 91-92 - Passenger Terminal - Check-In Counter Outlets (25577)	\$	(42,500.00)
B. 93 - Passenger Terminal - Workstation Outlets (25578)	\$	(12,000.00)
POLA Facilities - Front Entrance Public Safety (25581)	\$	(60,000.00)
Port of Los Angeles Police Headquarters - 9-1-1 Public Safety Answering Point (PSAP) System (25582)	\$	(33,000.00)
Liberty Hill Plaza - Change of Use Improvements (25583)	\$	(65,000.00)
Wilmington Waterfront Park Barbeque Grill Replacement (25584)	\$	(34,000.00)
B. 161 - HVAC Shop Re-Roof (25586)	\$	(90,000.00)
B. 59 - Fire Protection System (25588)	\$	(95,506.00)
B. 60 - Fire Protection System (25589)	\$	(98,989.00)
B. 73 - Utro Building HVAC Unit Replacement (25590)	\$	(40,000.00)
B. 58 - Underwharf Sanitary Sewer Line Replacement (25592)	\$	(30,000.00)
300 Water Street - Maritime Law Enforcement Training Center Gym Facility (25593)	\$	(60,000.00)
B. 87 - Parking Lot Improvements (25594)	\$	(55,000.00)
B. 161 - Warehouse Heater Replacement (25597)	\$	(30,000.00)
Liberty Hill Plaza Light Inverter Replacement (25598)	\$	(47,000.00)
Subtotal Projects Under \$100,000	\$	(1,180,995.00)

Balance as of November 27, 2019**\$ 5,483,005.00**