



DATE: JUNE 12, 2013

FROM: ENGINEERING

**SUBJECT: RESOLUTION NO. _____ FUNDING INCREASE FOR THE PORT OF
LOS ANGELES CHANNEL DEEPENING PROJECT- AGREEMENT NO.
2236**

SUMMARY:

Additional funding in the amount of \$2.5 million is requested to maintain the Port of Los Angeles (Port) Main Channel at -53 feet mean lower low water. Total funding for the Channel Deepening Project is requested to increase from \$305.5 million to \$308 million. The funds will be forwarded to the Department of the Army, US Army Corps of Engineers (Corps), as requested, to fund future maintenance dredging in accordance with the amended Project Cooperation Agreement (PCA).

RECOMMENDATION:

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

1. Authorize the increase of funding for the PCA from \$305.5 million to \$308 million and authorize the Executive Director to transfer funds as requested by the Department of the Army, US Army Corps of Engineers; and
2. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The Channel Deepening Project consists of deepening the existing 45-foot deep Main Channel, West Basin Channel, East Basin Channel, and turning basins to a 53-foot depth. The Project started in 2003 and was completed April 2013; however, certain areas have experienced sediment build-up since achieving the authorized 53-foot depth and require maintenance dredging. The corps has not formally accepted the contract as complete so this work may be completed by the existing contractor.

SUBJECT: PORT OF LOS ANGELES CHANNEL DEEPENING PROJECT

Project Cooperation Agreement – The PCA defines the contractual and financial obligations of the federal government and the City of Los Angeles (City). The PCA allows for maintenance dredging of the Main Channel at a 50/50 cost share of the Deep Draft portion.

This funding increase will allow the Harbor Department to contract with the Corps for maintenance dredging of the main channel. Utilizing the Corp's existing contract will take advantage of existing favorable contract prices and avoid mobilization costs thereby, reducing the cost of this work. Maintenance dredging of the main channel using the Channel Deepening contractor is estimated to save \$1,600,000 compared to using the Harbor Department's On-Call Marine Improvements contract. These savings are a result of the contractor already being mobilized and having permit authority for ocean disposal of clean dredge material.

In 2003, the Board authorized the Project Cooperative Agreement for construction of the Channel Deepening Project in the amount of \$202,000,000. In 2009, the Board authorized Amendment No. 1 increasing the funding for the Channel Deepening Projects by \$96,000,000 for continuation of the construction activities of the Project. On September 20, 2012, the Board added \$7,500,000 for a total authority of \$305,500,000 for completing all capital construction work on the project.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval to increase funding for future maintenance dredging of the Main Channel as part of the Channel Deepening Project (Project). The Project was assessed under the Port of Los Angeles Channel Deepening Project Supplemental Environmental Impact Statement/Environmental Impact Report which was certified by the Board on April 29, 2009. As an activity for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA), the Director of Environmental Management has determined that the proposed action is exempt from requirements of CEQA in accordance with Article II, Section 2(i) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Spending on Channel Deepening Project construction activities under this Amendment will support approximately 35 one-year-equivalent construction jobs in the five-county region.

DATE: JUNE 11, 2013

PAGE 3 OF 3

SUBJECT: PORT OF LOS ANGELES CHANNEL DEEPENING PROJECT

FINANCIAL IMPACT:

It is anticipated that the additional funding will be expended in Account 54060, Center No. 0311, Program No. 308, as follows:

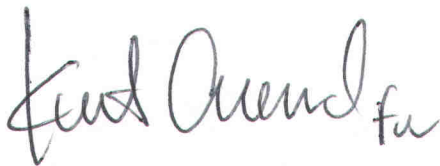
Budget	FY 13/14	FY 14/15
CIP	\$ 0	\$ 0
MIP	\$100,000	\$2,400,000
Total	\$100,000	\$2,400,000

CITY ATTORNEY:

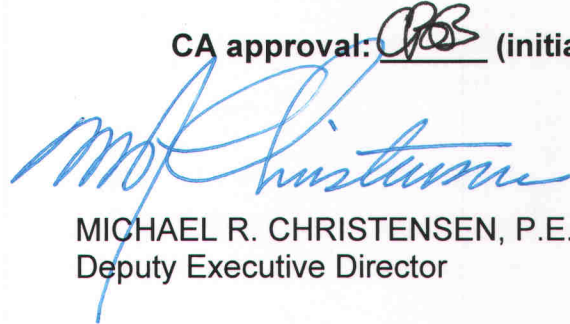
This resolution raises no legal issues at this time.

FIS approval: WR (initials)

CA approval: CRB (initials)



ANTONIO V. GIOIELLO
Chief Harbor Engineer



MICHAEL R. CHRISTENSEN, P.E.
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

24247b11
KLA:sc

Author: Kurt Arend