



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

FOR INFORMATION ONLY

DATE: MAY 4, 2023

TO: THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE

SUBJECT: MAY 2023 PROJECT DEVELOPMENT COMMITTEE REPORT

This report highlights the actions taken by the Project Development Committee (PDC) at its May 2023 meeting. On May 3, 2023, 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, grants, and the GASB 49 project list. Attached for review are the meeting minutes (Transmittal 1), Unallocated CIP Fund Report FY 2022/2023 (Transmittal 2), and CIP Status Report – Completed Projects (Transmittal 3).

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 – Six items were submitted and approved.
- 3) New project – None.

The Board of Harbor Commissioners (Board) approved \$12,000,000 in the fiscal year 2022/2023 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 2022/2023:

- 19 PDC-approved projects totaling \$7,134,782
- 7 projects under \$100,000 totaling \$225,674

As of April 25, 2023, the remaining balance is \$4,639,544.

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.


Marla Bleavins (May 9, 2023 16:24 PDT)

EUGENE D. SEROKA
Executive Director

Attachments:

Transmittal 1: May 2023 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2022/2023

Transmittal 3: CIP Status Report – Completed Projects

AVG

AG/mz

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

Staff requests approval to increase the budget and change the schedule for the San Pedro Waterfront Berth 78 Chevron Clean Up Phase II.

The Engineering Division recommends increasing the budget by \$2,390,000 from \$1,500,000 to \$3,890,000 to account for the actual construction bid amount and costs required for the duration of construction and project closeout. This increase includes extended labor charges, inflation, an accelerated construction schedule, and construction cost escalation.

The Engineering Division recommends adding 12 months to the schedule to allow for delays due to existing tenants occupying the project site and additional construction duration to cover risks with third-party work.

The total project cost is \$3,890,000 and the project completion date is March 31, 2025.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$16,500,000**SAN PEDRO WATERFRONT BERTHS 74-83 PROMENADE PHASE II –
BUDGET AND SCHEDULE CHANGE****SUMMARY**

Staff requests approval to increase the budget and change the schedule for the San Pedro Waterfront Berths 74-83 Promenade Phase II project.

The Engineering Division recommends increasing the budget by \$14,940,000 from \$16,500,000 to \$31,440,000 to account for the actual construction bid amount and costs required for the duration of construction and project closeout. This increase includes extended labor charges, inflation, changes in scope for seawall repair, an accelerated construction schedule, and construction cost escalation.

The Engineering Division recommends adding 12 months to the schedule to allow for delays due to existing tenants occupying the project site and additional construction duration to cover risks with third-party work.

The total project cost is \$31,440,000 and the project completion date is March 31, 2025.

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

SUBJECT**ORIGINAL PROJECT COST** \$2,500,000**1025 S. SEASIDE AVE. DEMOLITION AND LOT CONVERSION - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the 1025 S. Seaside Ave. Demolition and Lot Conversion Project schedule by four months with no additional increase in the budget.

The Engineering Division recommends adding four months to the schedule to allow for delays due to combining four projects into one construction contract for the following projects: 1) 1025 S. Seaside Ave. Demolition and Lot Conversion, 2) Southwest Marine Administration Building Demolition and Pavement Improvements, 3) 1025 S. Seaside Ave. Demolition and Lot Conversion, 4) 1050 S. Ways Street (Starkist) Demolition and Storage Lot Conversion, and 4) South Seaside Ave. Storm Drain Restoration projects into one bid and award contract. In addition, delays are due to Building & Safety permitting and staff resources. Engineering's goal is to advertise the projects by May 31, 2023, however in anticipation of any Building and Safety delays we are requesting one additional month.

The title for the combined projects as one bid construction contract is Terminal Island Facilities Demolition and Improvements.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$13,154,445**1050 S. WAYS STREET- (STARKIST) DEMOLITION AND STORAGE LOT CONVERSION - SCHEDULE CHANG****SUMMARY**

Staff requests approval to extend the 1050 S. Ways Street (Starkist) Demolition and Storage Lot Conversion Project schedule by four months with no additional increase in the budget.

The Engineering Division recommends adding four months to the schedule to allow for delays due to combining four projects into one construction contract for the following projects: 1) 1050 S. Ways Street (Starkist) Demolition and Storage Lot Conversion, 2) 1025 S. Seaside Ave. Demolition and Lot Conversion, 3) Southwest Marine Administration Building Demolition and Pavement Improvements, and 4) South Seaside Ave. Storm Drain Restoration. In addition, delays are due to Building & Safety permitting and staff resources. Engineering's goal is to advertise the projects by May 31, 2023, however in anticipation of any Building and Safety delays we are requesting one additional month.

The title for the combined projects as one bid construction contract is Terminal Island Facilities Demolition and Improvements.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$1,090,000**SOUTHWEST MARINE ADMINISTRATION BUILDING DEMOLITION AND PAVEMENT IMPROVEMENTS - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Southwest Marine Administration Building Demolition and Pavement Improvements Project schedule by four months with no additional increase in the budget.

The Engineering Division recommends adding four months to the schedule to allow for delays due to combining four projects into one construction contract for the following projects: 1) Southwest Marine Administration Building Demolition and Pavement Improvements, 2) 1025 S. Seaside Ave. Demolition and Lot Conversion, 3) 1050 S. Ways Street {Starkist} Demolition and Storage Lot Conversion, and 4) South Seaside Ave. Storm Drain Restoration projects into one bid and award contract. In addition, delays are due to Building & Safety permitting and staff resources. Engineering's goal is to advertise the projects by May 31, 2023, however in anticipation of any Building and Safety delays we are requesting one additional month.

The title for the combined projects as one bid construction contract is Terminal Island Facilities Demolition and Improvements.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$1,425,000**SOUTH SEASIDE AVENUE STORM DRAIN RESTORATION - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the South Seaside Avenue Storm Drain Restoration project schedule by four months with no additional increase in the project budget.

The Engineering Division recommends adding four months to the schedule to allow for delays due to combining four projects into one construction contract for the following projects: 1) South Seaside Ave. Storm Drain Restoration Improvements, 2) 1025 S. Seaside Ave. Demolition and Lot Conversion, 3) 1050 S. Ways Street {Starkist} Demolition and Storage Lot Conversion, and 4) Southwest Marine Administration Building Demolition and Pavement Improvements projects into one bid and award contract. In addition, delays are due to Building & Safety permitting and staff resources. Engineering's goal is to advertise the projects by May 31, 2023, however in anticipation of any Building and Safety delays we are requesting one additional month.

The title for the combined projects as one bid construction contract is Terminal Island Facilities Demolition and Improvements.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$179,000**PMA/ILWU LOCAL 13 DISPATCH HALL SURPLUS PARKING LOT IMPROVEMENTS - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the PMA/ILWU Local 13 Dispatch Hall Surplus Parking Lot Improvements project schedule by 14 months with no additional increase in the project budget of \$179,000.

The Engineering Division recommends adding 14 months to the schedule to account for delays due to permitting and long lead times to secure materials. If approved, the new completion date would be November 30, 2024.

PDC ACTION Approved**COMMENT** Committee approved increasing the project budget by \$110,000 to \$289,000.**SUBJECT****ORIGINAL PROJECT COST** \$6,610,000**HARBOR ADMINISTRATION BUILDING THIRD FLOOR WORKSPACE IMPROVEMENTS- SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Harbor Administration Building (HAB) Third (3rd) Floor workspace solutions project schedule by 14 months with no additional increase in the project budget of \$6,610,000.

The Engineering Division recommends adding 14 months to the schedule to allow for delays due to prioritizing the HAB 2nd Floor workspace solutions project. If approved, the new completion date would be September 30, 2027.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$720,000**HARBOR ADMINISTRATION BUILDING (HAB) 1ST FLOOR MAILROOM RELOCATION - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Harbor Administration Building's (HAB) First (1st) Floor Mailroom relocation schedule by seven months with no additional increase to the project budget of \$720,000.

The Engineering Division recommends adding seven months to the schedule to allow for delays due to prioritizing the HAB 2nd Floor workspace solutions project. If approved, the new completion date would be January 3, 2026.

PDC ACTION Approved**COMMENT** No comment.**SCOPE CHANGE, BUDGET CHANGE, SCHEDULE CHANGE**

SUBJECT**ORIGINAL PROJECT COST** \$300,000**TERMINAL WAY AND BARRACUDA STREET REMOVAL OF ABANDONED RAILROAD TRACKS PROJECT – SCOPE, BUDGET, AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval for additional project scope, cost increase, and schedule change to Terminal Way and Barracuda Street Removal of Abandoned Railroad Tracks project.

The additional work includes striping improvements which will eliminate an unwarranted stop at the intersection of Ways Street and Terminal Way. The additional scope will utilize the traffic control implemented for the removal of the abandoned railroad tracks.

The revised budget is increased by \$100,000 from \$300,000 to a new project budget of \$400,000 to account for the design and construction of the additional striping improvements. The revised schedule is increased by eight months to a new completion date of December 31, 2023.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$2,100,000**HARBOR ADMINISTRATION BUILDING (HAB) 2ND FLOOR WORKSPACE SOLUTIONS – SCOPE, BUDGET, AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval for additional scope, cost increase, and schedule change to Harbor Administration Building's (HAB) 2nd Floor Workspace Solutions Project.

The additional scope of work includes expanding the HAB 2nd Floor North Information Technology (IT) Workspace into a portion of the existing Server Room to create three (3) new workspaces for IT personnel currently located at Berth 93.

If approved, the scope would include converting a portion of existing Server Room into Office Workspace, the budget would be increased by \$400,000 (from \$ 2,100,000 to a new project budget of \$ 2,500,000),and the schedule would be accelerated by nine months for a new completion date of March 31, 2026.

PDC ACTION Approved**COMMENT** No comment.

SUBJECT**ORIGINAL PROJECT COST** \$15,978,720**ORACLE ERP CLOUD MIGRATION - SCOPE, BUDGET, AND SCHEDULE CHANGE 2023****SUMMARY**

The Information Technology (IT) Division is requesting Project Development Committee (PDC) approval to amend Work Order No. 2564800 to extend the Oracle Enterprise Resource Planning (ERP) Cloud project schedule that is currently in the Construction Phase. After a thorough review of the project's Integrated Project Plan (IPP), the ERP Project Team recommends extending the project schedule to allow for additional time and resources necessary to complete technical and functional tasks and testing required for a successful system implementation.

If approved by PDC, the implementation phase that originally was to be completed on June 30, 2023 will be extended for an additional 12 months with the revised construction finish date of June 30, 2024. The total project changes will increase the overall capital budget from \$15,978,720 to \$28,595,134.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$35,000,000**BERTHS 49-51 OUTER HARBOR CRUISE DEVELOPMENT PROJECT-
SCOPE, BUDGET, AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval for additional scope, cost increase, and schedule change for the Berths 49-51 Outer Harbor Cruise Development project. The scope of this project is moving the improvements from Berth 46 to Berths 49-51.

The increase in project budget and schedule is a result of changing the project berth location, incorporating long lead times for project elements, coordinating with LADWP, updating costs for inflation and escalation, and adding scope items for the future development of a comprehensive cruise terminal that accommodates today's larger vessels. Scope still includes providing Alternative Marine Power (AMP) and adds the following items:

- Structural improvements
- Fendering system
- Civil improvements
- Low impact development and drainage improvements
- Potable water lines
- Sanitary sewer improvements

The revised budget is increased by \$18,000,000 from \$35,000,000 to a new project budget of \$53,000,000. The revised schedule is increased by 23 months to a new completion date of June 30, 2027.

Due to the changes in project location and addition of scope that will be utilized as part of a future comprehensive cruise terminal project, the Berth 46 Outer Harbor Cruise Terminal Alternative Maritime Power (AMP) Project has been renamed to the Berths 49-51 Outer Harbor Cruise Development Project.

PDC ACTION Approved**COMMENT** No comment.

ADMINISTRATIVE ITEM GASB 49 Report, Grants Update, and Completed Projects CIP Report Reviewed
ACTION ITEM FOLLOW UP
WORK ORDER REPORT REVIEWED
UNALLOCATED BUDGET REPORT REVIEWED
ADDITIONAL DISCUSSION



Antonio V. Gioiello
Development


Marla Bleavins (May 9, 2023 16:24 PDT)

Marla Bleavins
Finance and Administration

Unallocated Capital Improvement Program Fund FY 22/23

(Budget set in July)

\$ 12,000,000

PDC Approved Projects

| | | |
|--|----|-------------|
| B. 302-305 Rail Mounted Gantry (RMG) Crane Rail and Foundation (2571600) | \$ | (2,000,000) |
| B. 93 - Escalator Nos. 1 & 2 Renovation (2571700) | \$ | (800,000) |
| Portwide Leak Detection Expansion Program (2572300) | \$ | (140,000) |
| Portwide Skylights Replacement (2572200) | \$ | (415,193) |
| B. 208-209 - CFS Building Demolition (2572400) | \$ | (1,000,000) |
| Fixed Automated License Plate Recognition (ALPR) System to Supplement Port Police Existing ALPR Systems (2572700) | \$ | (497,745) |
| B. 72 Parking Lot Lights Replacement (2572900) | \$ | (30,000) |
| Knoll Drive Street Lighting (2573100) | \$ | (63,000) |
| Navy Way & Seaside Ave. Interchange Improvements (2573200) | \$ | (400,000) |
| PMA/ILWU Local 13 Dispatch Hall Surplus Parking Lot Improvements (2573300) | \$ | (50,000) |
| Terminal Island Maritime Support Facility (2573500) | \$ | (200,000) |
| B.93 - Vehicular Ramp Fire Sprinkler System Upgrade (2573600) | \$ | (160,000) |
| B. 212 - Yusen Administration Building Fire Suppression System Replacement (2573700) | \$ | (180,000) |
| 208 East 22nd St. Parking Lot Improvements (2573900) | \$ | (200,000) |
| Badger Aveue Bridge Grading Replacement (2574000) | \$ | (109,000) |
| Badger Aveue Bridge Wire Ropes Replacement (2574100) | \$ | (289,844) |
| Electrical Infrastructure Improvement Program (2574200) | \$ | (500,000) |
| HAB - 1st Floor Mailroom Relocation (2574600) | \$ | (50,000) |
| HAB - 2nd Floor Workspace Solutions (2574700) | \$ | (50,000) |

Subtotal PDC Approved Projects \$ ***(7,134,782)***

Projects Under \$100,000

| | | |
|---|----|----------|
| B. 212-223 - YTI East Gate Rail Signal Improvements (25719) | \$ | (39,805) |
| B. 161 - Marine Ways Gate Modifications (25725) | \$ | (11,746) |
| Harbor Administration Building - Conference Room Teleconference Solutions (2572800) | \$ | (35,933) |
| Harbor Administration Building - Fifth Floor Office Enclosure (2573400) | \$ | (24,000) |
| 22nd Street Park Surveillance (2573800) | \$ | (84,500) |
| B. 58-60 - AltaSea Soil Testing and Disposal (2574800) | \$ | (13,103) |
| Archives Horizontal Re-Pipe (2575000) | \$ | (16,587) |

Subtotal Projects Under \$100,000 \$ ***(225,674)***

Balance as of April 25, 2023

\$ 4,639,544

CIP Status Report

Completed Projects

Actuals Thru February 2023

Where Construction Finish Date is: >= 3/30/2023 <= 4/25/2023

| Project No. | Project Title | Status | Projected Cost | Design | | | | Construction | | | | Close Out |
|-------------|--|--------------|----------------|----------------|------------|-----------------|------------|----------------|------------|-----------------|------------|-----------|
| | | | | Start Baseline | Projected | Finish Baseline | Projected | Start Baseline | Projected | Finish Baseline | Projected | |
| 2564700 | South Access Road Speed Calming Improvements | Construction | \$91,000 | 01/01/21 | ^ 01/04/21 | 03/31/21 | ^ 12/15/21 | 08/01/21 | ^ 01/03/23 | 09/30/21 | ^ 04/03/23 | 10/31/23 |

Grand Total: \$91,000










Audit Committee Report Packet May 2023

Final Audit Report

2023-05-09

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