



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

FOR INFORMATION ONLY

DATE: AUGUST 9, 2017

TO: THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE

SUBJECT: AUGUST 2017 PROJECT DEVELOPMENT COMMITTEE REPORT

This report highlights the actions taken by the Project Development Committee (PDC) at its August meeting. On August 2, 2017, the PDC met at its regularly scheduled time to consider nine project items. The committee also reviewed administrative reports regarding grants, recently opened work orders and the status of the unallocated Capital Improvement Program (CIP) fund budget. The meeting minutes (Transmittal 1) and Unallocated CIP Fund Report FY 2017/2018 (Transmittal 2) are attached for your review.

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

- 1) Schedule change – Three items were submitted and approved.
- 2) Budget/Scope/Schedule change – Three items were submitted. Two were approved and one was deferred.
- 3) New Project – Three items were submitted and approved.

The Board approved \$15,000,000 in the fiscal year 2017/2018 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 and discussion. The PDC meeting minutes are then transmitted to the Board for information.

The following is a summary of the projects that will utilize the unallocated CIP budget for fiscal year 2017/2018 to date:

- 8 PDC-approved projects for a total of \$3,941,000

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.

Mark Bleavin FOR

EUGENE D. SEROKA
Executive Director

Attachments:

Transmittal 1: August 2017 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2017/2018

AVG/mz

NEW PROJECT

SUBJECT

ORIGINAL PROJECT COST \$340,000

BERTHS 91-92 PASSENGER TERMINAL FIRE PANEL INSTALLATION

SUMMARY

Staff requests approval of a project to install a new fire service panel in the Berths 91-92 passenger terminal at the World Cruise Center, replacing the existing obsolete fire panel, introducing a new voice evacuation system consistent with the Berth 93 passenger system which was upgraded in 2011. The project is estimated to cost \$340,000 and will take three months to complete, by October 31, 2017. This project is a new capital improvement project for Fiscal Year 2017-18.

PDC ACTION Approved

COMMENT

SUBJECT

ORIGINAL PROJECT COST \$189,000

HARBOR ADMINISTRATION BUILDING GARAGE DOORS REPLACEMENT

SUMMARY

Staff requests approval to initiate a new project to replace the Harbor Administration Building's (HAB) existing coiling garage doors at the Palos Verdes Street entrance and exit with newer, faster doors activated by employee's key cards for a project budget of \$189,000 and a completion date of July 31, 2018.

PDC ACTION Approved

COMMENT

SUBJECT

ORIGINAL PROJECT COST \$500,000

WILMINGTON WATERFRONT SITE CHARACTERIZATION ASSESSMENTS – NEW PROJECT

SUMMARY

Staff requests approval to initiate a new project to provide cultural and soil/groundwater site characterization assessments in support of the land transaction negotiations for the Wilmington Waterfront Development Program (WWDP). The Waterfront & Commercial Real Estate Division (WCRED) is working with the Los Angeles Department of Water & Power (LADWP) to reach an agreement on a land transaction that allows the Wilmington Waterfront Promenade, Avalon Promenade and Gateway, and LADWP Harbor Generation Station projects to advance on schedule. As part of the land transaction negotiations, both parties must come to an agreement on which property will be exchanged and how contamination will be addressed prior to transfer of jurisdiction. At this time, the final list of parcels to be exchanged is not known. This new project will provide the necessary site characterization assessments on various parcels for a project budget of \$500,000 and a completion date of September 30, 2018.

PDC ACTION Approved

COMMENT

SCHEDULE CHANGE

SUBJECT**ORIGINAL PROJECT COST** \$1,191,240**PORTS O' CALL – AMERICANS DISABILITY ACT COMPLIANT RESTROOMS – TIME EXTENSION****SUMMARY**

The Engineering Division requests the Project Development Committee's (PDC) approval to extend the project completion date of the Ports O' Call public restrooms retrofit by six months. On November 5, 2014, PDC approved the design and construction retrofit of the 6 Ports O' Call public restrooms to make them Americans Disability Act (ADA) compliant. We have previously returned to PDC on April 6, 2016, for a nine month time extension and on January 9, 2017 for a six month time extension and \$350,000 budget increase. This project was initiated due to a lawsuit against the Los Angeles Harbor Department for a public restroom facility that was not ADA compliant at Ports O' Call.

The Engineering Division requests approval for a six month time extension and to revise the project schedule completion date from June 30, 2017 to December 30, 2017, for the additional time needed for permitting.

PDC ACTION Approved**COMMENT****SUBJECT****ORIGINAL PROJECT COST** \$253,796**BERTH 93 – REPLACEMENT OF ELEVATOR NO. 6****SUMMARY**

Staff requests approval of a revised project schedule for the Berth 93 Replacement of Elevator No. 6 project, extending the completion date from June 30, 2017 to October 31, 2017. This project is a Deferred Maintenance Capital Improvement Program project approved for Fiscal Year 2015-16.

PDC ACTION Approved**COMMENT****SUBJECT****ORIGINAL PROJECT COST** \$245,780**BERTH 93 – ELEVATOR NO. 4 MODERNIZATION****SUMMARY**

Staff requests approval of a revised project schedule for the Berth 93 Elevator No. 4 Modernization project, extending the completion date from June 30, 2017 to October 31, 2017. This project is a Deferred Maintenance Capital Improvement Program project approved for Fiscal Year 2015-16.

PDC ACTION Approved**COMMENT****SCOPE CHANGE, BUDGET CHANGE, SCHEDULE CHANGE**

SUBJECT**ORIGINAL PROJECT COST \$5,100,000****HAB HVAC REPLACEMENT - SCOPE, COST, AND SCHEDULE CHANGES****SUMMARY**

The Engineering Division requests approval for additional scope, cost increase, and schedule changes for the design and replacement of the Heating, Ventilation, and Air Conditioning (HVAC) system of the Harbor Administration Building (HAB). In addition to the original proposed replacement solution for the main HVAC system, staff recommends the Department install a separate, dedicated 24/7 HVAC sub-system for critical ITD facilities on the 1st and 2nd floors which include:

- Replacement of the two existing 24-hour air conditioning units (2) located in the 2nd floor Data Center, which are over 20 years old and have reached the end of their service life
- Addition of a 24-hour air conditioning unit (1) to the 2nd floor Security Operations Center, staffed on and off-hours and on weekends
- Addition of a 24-hour air conditioning unit (1) to the 1st floor garage UPS Battery Backup Room, currently ventilated only by outside air, gravely reducing the designed life of the installed batteries

The Engineering Division recommends increasing the budget by \$4,400,000 based on the revised cost estimate due to the expanded scope.

The Engineering Division recommends a change in the schedule to allow for 15 additional months to reassess the current design, evaluate the additional requirements, and finalize an optimal design, due to the expanded scope.

PDC ACTION Approved

COMMENT**SUBJECT****ORIGINAL PROJECT COST \$1,975,250****HARBOR ADMINISTRATION BUILDING FOURTH FLOOR WORK SPACE SOLUTIONS****SUMMARY**

Staff requests approval to restart the Harbor Administration Building's (HAB) Fourth Floor Work Space Solutions Project. This project will densify the fourth floor using new office workspace systems and allow the Environmental Management Division's (EMD) staff to return to the HAB. The project budget is \$3,667,200 and will complete by December 20, 2019. This project was put on hold by the Project Development Committee (PDC) in March 2014 when the Harbor Department wanted to reevaluate staying in HAB versus leaving to a new building.

PDC ACTION Approved

COMMENT

SUBJECT

ORIGINAL PROJECT COST \$395,000

BERTH 260 – PORT POLICE DIVE HOUSE IMPROVEMENTS

SUMMARY

Staff requests approval to add scope of work, increase project budget, and extend the schedule for the Berth 260 – Port Police Dive House Improvements. This is currently a Deferred Maintenance Capital Improvement Program project approved for Fiscal Year 2016/2017 for the Construction and Maintenance Division (C&M). The need was to maintain the exterior of the building regarding re-roofing and painting. In the process of executing the work, C&M requested guidance from the Engineering Division (ENG), and after some investigation, discovered more work than initially anticipated such as asbestos and lead abatement, replacement of outdated window air conditioning units, and non-ADA compliance issues. This request will increase the budget from \$395,000 to \$998,000 and extend the completion date from April 30, 2017 to November 30, 2019.

PDC ACTION On Hold

COMMENT Project on hold pending a more comprehensive analysis of potential site improvements and alternatives.

ADMINISTRATIVE ITEM Department Grants Update reviewed.

ACTION ITEM FOLLOW UP

WORK ORDER REPORT REVIEWED

UNALLOCATED BUDGET REPORT REVIEWED

ADDITIONAL DISCUSSION



Antonio V. Gioiello
Development



Michael DiBernardo
Marketing and Customer Relations

Unallocated Capital Improvement Program Fund FY 17/18

(Budget set in February)

\$ 15,000,000.00

PDC Approved Projects

Berth 174-181 - Pasha Terminal Improvements (25441)	\$	(500,000.00)
Berth 212-224 - Terminal Lighting Replacement (25446)	\$	(1,350,000.00)
ILWU Dispatch Hall Traffic Signal (25449)	\$	(100,000.00)
B. 161 C&M Maintenance Yard - Carpenter Shop Remodal (25452)	\$	(850,000.00)
Berth 226-236 Everport Terminal Advanced Cargo Handling Demonstration Project (25453)	\$	(200,000.00)
Wilmington Waterfront Environmental Assessments (_____)	\$	(450,000.00)
Harbor Administration Building Garage Doors Replacement (_____)	\$	(151,000.00)
Berth 91-92 - Passenger Terminal Fire Panel Installation (_____)	\$	(340,000.00)
<i>Subtotal PDC Approved Projects</i>	\$	<i>(3,941,000.00)</i>

Projects Under \$100,000

Subtotal Projects Under \$100,000 \$ -

Balance as of July 27, 2017

\$ 11,059,000.00