



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

FOR INFORMATION ONLY

DATE: NOVEMBER 4, 2016

TO: THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE

SUBJECT: NOVEMBER 2016 PROJECT DEVELOPMENT COMMITTEE REPORT

This report highlights the actions taken by the Project Development Committee (PDC) at its November meeting. On November 2, 2016, the PDC met to consider four project items. The committee also reviewed administrative reports related to grants, new work orders, and the status of the fiscal year 2016/2017 unallocated budget. The meeting minutes (Transmittal 1) and unallocated Capital Improvement Program (CIP) fund report (Transmittal 2) are attached for your review.

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

- 1) Budget change – One item was submitted and approved.
- 2) Budget/Schedule change – One item was submitted and deferred pending further review.
- 3) Budget/Schedule/Scope change – One item was submitted and approved.
- 4) Schedule change – One item was submitted and approved.

The Board of Harbor Commissioners (Board) approved \$10,000,000 in the Fiscal Year 2016/2017 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.

Transmittal 2 lists the projects that have utilized the unallocated CIP budget for fiscal year 2016/2017 to date. The following summarizes these new projects:

- 10 PDC-approved projects for a total of \$4,123,295
- 8 projects under \$100,000 for a total of \$285,800

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.



EUGENE D. SEROKA
Executive Director

Attachments:

Transmittal 1: November 2016 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report for FY 2016/2017

AVG/mz

BUDGET CHANGE

SUBJECT ORIGINAL PROJECT COST \$1,810,000
BERTHS 163 AND 164 MARINE OIL TERMINAL REPAIRS (NUSTAR/VALERO) – BUDGET INCREASE

SUMMARY

Staff requests approval to increase the budgets for both the Berths 163 and 164 Marine Oil Terminals Repairs (NuStar/Valero) projects each by \$400,000 to fund unforeseen construction costs. Previously, the Project Development Committee (PDC) approved a schedule extension of 18 months on March 4, 2015, and a second schedule extension of 12 months on August 3, 2016.

The Marine Oil Terminals (MOTs) at Berth 163 and Berth 164 are currently being repaired. These repairs will extend the life of the existing MOTs approximately three to five years while the design and construction for the new replacement MOTs is achieved.

PDC ACTION Approved

COMMENT No comment.

BUDGET CHANGE, SCHEDULE CHANGE

SUBJECT ORIGINAL PROJECT COST \$3,550,000
BERTHS 121-131 CONTAINER TERMINAL REDEVELOPMENT EIS/EIR SCHEDULE AND BUDGET REVISION

SUMMARY

The project involves the preparation of an Environmental Impact Statement/Environmental Impact Report (EIS/EIR) for the Berths 121-131 (Yang Ming) Container Terminal Redevelopment Project. The Notice of Preparation/Notice of Intent (NOP/NOI) for the EIS/EIR was completed in April 2014. From December 2014 to December 2015, work on the EIS/EIR was put on hold under the direction of Port management. Staff was then directed to resume work on the document starting this year. Since the work was reinitiated, there have been scope changes which required revisions to the work previously completed in 2014. Also, the prioritization of other Port projects requiring EIRs has slowed down the progress on this EIS/EIR. Based on the scope changes and schedule delays, staff recommends a budget increase of \$597,000 and a 14 month schedule extension to complete the EIS/EIR by August 2018.

PDC ACTION On Hold

COMMENT No comment.

BUDGET CHANGE, SCHEDULE CHANGE, SCOPE CHANGE

SUBJECT**ORIGINAL PROJECT COST** \$3,702,000**BERTHS 214 - 220 – CONCRETE WHARF INSPECTION AND IMPROVEMENTS****SUMMARY**

Staff requests approval to increase the scope of work, extend the project schedule, and increase the budget for the Berths 214-220 Concrete Wharf Inspection and Improvement project. This project was approved by the Project Development Committee (PDC) on January 13, 2016 for repair of the wharf deck, beams, and piles. Staff is requesting approval to add repairs of the front marginal beam, bollards, and cutoff wall that were to be completed as part of the Berth 214-220 Redevelopment (YTI) project. Those repairs, which were to be performed under an Allowance Item of the redevelopment project, could not be completed due to that project's tight schedule and would have put the Department at risk for liquidated damages.

PDC ACTION Approved**COMMENT** No comment.**SCHEDULE CHANGE****SUBJECT****ORIGINAL PROJECT COST** \$22,540,338**BERTHS 167-169 MARINE OIL TERMINAL ENGINEERING AND MAINTENANCE STANDARDS (MOTEMS) – SHELL (PROJECT NO. 2493600)****SUMMARY**

Staff requests approval to extend the schedule for the Berth 167-169 – Shell Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) project. A schedule extension of 14 months was previously approved by the Project Development Committee (PDC) on October 7, 2015. It is recommended that the PDC approve an additional extension of the project's schedule by nine months.
No change in the project budget is required.

PDC ACTION Approved**COMMENT** No comment.**ADMINISTRATIVE ITEM** Department Grants Update reviewed.**ACTION ITEM FOLLOW UP****WORK ORDER REPORT** REVIEWED**UNALLOCATED BUDGET REPORT** REVIEWED**ADDITIONAL DISCUSSION**


Antonio V. Gioiello
Development



For
Michael DiBernardo
Marketing and Customer Relations

Unallocated Capital Improvement Program Fund FY 16/17

(Budget set in February)

\$ 10,000,000.00

PDC Approved Projects

B. 226-232 Everport Terminal Concrete Wharf Inspection and Reconstruction (25394)	\$	(785,000.00)
B. 148-149 (Phillips 66) Marine Oil Terminal Repairs (25398)	\$	(250,000.00)
B. 127-131 - Alternative Maritime Power (AMP) Caddy System (25401)	\$	(980,000.00)
Pier 400 Rail Storage Yard - Light Fixture Replacement (25406)	\$	(375,000.00)
B. 73-90 Pipeline Support Hangers Replacement (25407)	\$	(145,200.00)
B. 200 Rail Yard and Track Connection Enhancement (25408)	\$	(200,000.00)
B. 270-271 - Seawall Repair (25409)	\$	(225,000.00)
Metro Bike Share at the Port of Los Angeles - Site Preparation (25413)	\$	(155,000.00)
B. 97-109 China Shipping Container Terminal Supplemental EIR (25353)	\$	(1,000,000.00)
Port Police Radio System Re-Banding - Phase 1 of 2 (_____)	\$	(8,095.00)

Subtotal PDC Approved Projects \$ ***(4,123,295.00)***

Projects Under \$100,000

HAB - Fourth Floor Graphics Workstations Remodel (25402)	\$	(39,000.00)
B. 72 - Municipal Fish Market - Chiller Unit Electrical Replacement (25403)	\$	(92,000.00)
B. 90-93 - Cruise Terminal Emergency Evacuation Plan Signs (25404)	\$	(25,000.00)
133 East Seaside Avenue Directional Signage (25405)	\$	(10,000.00)
Port of Los Angeles Police Headquarters - First Floor Kitchen Modifications (25411)	\$	(36,800.00)
Port of Los Angeles Police Headquarters - Garage Entrance Safety Lighting (25416)	\$	(13,000.00)
B. 161 -C & M Admin. Bldg. Parking Lot Improvements (25417)	\$	(41,000.00)
HAB - Office Cubicles Reconfiguration for Financial Control Section (25418)	\$	(29,000.00)

Subtotal Projects Under \$100,000 \$ ***(285,800.00)***

Balance as of October 26, 2016

\$ 5,590,905.00