



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

### FOR INFORMATION ONLY

**DATE:** JANUARY 11, 2024

**TO:** THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE

**SUBJECT:** JANUARY 2024 PROJECT DEVELOPMENT COMMITTEE REPORT

This report highlights the actions taken by the Project Development Committee (PDC) at its January 2024 meeting. On January 10, 2024, the PDC met to consider ten 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, and the GASB 49 project list. Attached for review are the meeting minutes (Transmittal 1), Unallocated CIP Fund Report FY 2023/2024 (Transmittal 2), and CIP Status Report – Completed Projects (Transmittal 3).

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

- 1) Schedule change – Three items were submitted and approved.
- 2) Budget/Schedule/Scope change – Six items were submitted and approved.
- 3) New project – One item was submitted and approved.


The Board of Harbor Commissioners (Board) approved \$15,000,000 in the fiscal year 2023/2024 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 2023/2024:

- 10 PDC-approved projects totaling \$8,177,791
- 7 projects under \$100,000 totaling \$293,564

As of January 3, 2024, the remaining balance is \$6,528,645.

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 (Jan 11, 2024 13:34 PST)

EUGENE D. SEROKA  
Executive Director

**Attachments:**

Transmittal 1: January 2024 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2023/2024

Transmittal 3: CIP Status Report – Completed Projects

DAZ

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## BUDGET CHANGE

**SUBJECT** **ORIGINAL PROJECT COST** \$3,700,000  
**BADGER AVENUE BRIDGE WIRE ROPES REPLACEMENT - BUDGET INCREASE**

**SUMMARY**

Staff requests approval to increase the budget for the Badger Avenue Bridge Wire Ropes Replacement.

The Construction & Maintenance Division recommends increasing the budget by \$100,000 to account for the material/equipment rental taxes.

The new total project budget is \$3,800,000 and the project will be completed by December 31, 2024.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT** **ORIGINAL PROJECT COST** \$110,000,000  
**STATE ROUTE 47 (SR-47)/VINCENT THOMAS BRIDGE AND FRONT STREET/HARBOR BOULEVARD INTERCHANGE RECONFIGURATION - BUDGET INCREASE**

**SUMMARY**

Staff requests approval to increase the project cost for the State Route 47 (SR-47)/Vincent Thomas Bridge & Front St. / Harbor Blvd. Interchange Reconfiguration (Project).

The Board of Harbor Commissioners awarded the project construction contract to Skanska on November 29, 2023 in the amount of \$90,988,550.

The Engineering Division recommends increasing the budget by \$20,000,000 from \$110,000,000 to \$130,000,000 to account for the recent construction contract award total and additional costs for construction inspection, Engineering and Construction in-house staff and consultants, and utility relocation. No change is proposed to the current schedule. The completion date is November 30, 2026.

The Department has secured a total of \$73,053,000 in grant funds from MARAD (\$9,880,000), State of California (\$13,383,000), and Metro Measure R funds (\$49,790,000).

**PDC ACTION** Approved

**COMMENT** No comment.

## BUDGET CHANGE, SCHEDULE CHANGE

**SUBJECT****ORIGINAL PROJECT COST** \$635,000**BERTHS 52-53 S.S. LANE VICTORY RELOCATION - BUDGET AND SCHEDULE CHANGE****SUMMARY**

Staff requests approval to increase cost and schedule to complete the permanent Department of Water & Power (DWP) power service for the Berths 52-53 S.S. Lane Victory Relocation project.

The revised budget is increased by \$215,000 to a new project budget of \$850,000. The revised schedule is increased by 21 months to a new completion date of September 30, 2025.

The schedule extension is due to delays in receiving commitment drawings from DWP and long lead times for equipment. Our initial service request to DWP was made in June 2022 and the Port received commitment drawings in October 2023. The additional budget is to complete the construction of permanent electrical infrastructure which has increased in cost due to inflation and also to account for higher than budgeted costs for work that has already been completed.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$10,300,000**FRONT STREET BEAUTIFICATION PROJECT - BUDGET AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval to increase cost and schedule to complete the Front Street Beautification Project.

The Board of Harbor Commissioners awarded the construction contract to Griffith Company on October 11, 2022 in the amount of \$6,473,373.

The Engineering Division recommends increasing the budget by \$900,000 from \$10,300,000 to \$11,200,000. The additional budget is required for additional staff charges due to extensive field monitoring and direction provided by department staff. Additional staff charges were incurred due to unforeseen removals, field changes directed by LADOT inspectors, and the rerouting of water lines due to conflicts. A schedule extension of six months is also requested to accommodate any future unforeseen, for a new completion date of September 30, 2024.

**PDC ACTION** Approved

**COMMENT** No comment.

**BUDGET CHANGE, SCHEDULE CHANGE, SCOPE CHANGE**

**SUBJECT**

**ORIGINAL PROJECT COST** \$2,255,905

**B. 91-92 – PASSENGER TERMINAL PEDESTRIAN DECK COATING – SCOPE, BUDGET, AND SCHEDULE CHANGES**

**SUMMARY**

Staff requests approval for additional scope, budget increase, and schedule change to B. 91-92 – Passenger Terminal Pedestrian Deck Coating.

The previously approved scope includes the mobilization and transportation of necessary materials/equipment, cutting and removal of approximately 32 ft2 of 3 in thick, lightweight concrete, replacement of all damaged drains, drain sleeves and couplings, and finally, installation and testing of the new waterproofing membrane.

The proposed additional scope includes changing the concrete mix, the removal and replacement of 17 deck benches, replace damaged ceiling tiles (500), replace 2 expansion joints and replace handrails which will require lead abatement around all handrail posts. A 14-month extension, along with a \$2,781,135 budget increase is requested to account for the added scope, abatement, labor increases and procurement of all materials/equipment.

The total project budget is \$5,037,040 and the project will be completed by April 29, 2025.

**PDC ACTION** Approved

**COMMENT** Project budget rounded up to \$5,100,000.

**SUBJECT**

**ORIGINAL PROJECT COST** \$1,929,500

**BERTH 153 – CLOCK TOWER WATER DAMAGE REPAIR – SCOPE, BUDGET, AND SCHEDULE CHANGES**

**SUMMARY**

Staff requests approval for additional scope, budget increase, and schedule change to Berth 153 – Clock Tower Water Damage Repair.

The additional scope includes the removal and replacement of dry rot damaged framing members (floor joist, ledgers, and blocking), not previously included in the scope of the project. This damage required concrete removal and replacement, new drains, additional stucco and sheet metal flashing work. A budget increase of \$769,284 is requested to account for this additional scope of work and increases in the labor rate, material cost, scaffolding cost and abatement cost. A 16-month extension to the schedule is requested due to delays in securing scaffolding and lighting vendors for the project and because of unforeseen conditions of structural damage to the clock tower from major dry rot due to water intrusion.

The proposed total project budget is \$2,698,784 and the project will be completed by April 30, 2025.

**PDC ACTION** Approved

**COMMENT** Project budget rounded up to \$2,700,000.

**NEW PROJECT**

**SUBJECT****ORIGINAL PROJECT COST** \$9,850,000**FY 2024-25 C&M DEFERRED MAINTENANCE CIP PROJECTS – NEW PROJECTS****SUMMARY**

The Construction & Maintenance Division (C&M) requests \$9,850,000 in Fiscal Year (FY) 2024-2025 Capital Improvement Program (CIP) funding for six major repair, remodel, and upgrade projects throughout the Port that largely have been deferred for years due to budgetary limitations. In coordination with the Engineering, Cargo & Industrial Real Estate, and Waterfront & Commercial Real Estate Divisions all six projects were identified this fiscal year (see the attached list). Projects may be added or removed from the C&M deferred maintenance program due to changing priorities and circumstances as the FY proceeds.

**PDC ACTION** Approved**COMMENT** No comment.**SCHEDULE CHANGE****SUBJECT****ORIGINAL PROJECT COST** \$500,000**BERTHS 212-224 (YUSEN TERMINAL) LEAK DETECTION EXPANSION – SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Berths 212-224 Leak Detection Expansion schedule by six months with no additional increase in the project budget of \$500,000.

The Engineering Division recommends adding six months to the schedule to allow for limited staff resources to complete the work. The new completion date is June 30, 2024. Material has already been procured for the project, and construction will be scheduled to take advantage of the Lunar New Year slow down.

**PDC ACTION** Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$7,000,000**WILMINGTON WATERFRONT –AVALON PEDESTRIAN BRIDGE – DWP MARINE TANK FARM COORDINATION – SCHEDULE CHANGE****SUMMARY**

Staff requests approval to modify the schedule to the DWP Marine Tank Farm Coordination project. The Engineering Division recommends adding four months to the design schedule. The additional time is needed to complete plan production for site demolition, building demolition and site remediation of Los Angeles Department Water and Power (LADWP) Parcel B. The new design completion date is April 30, 2024 with no change to the construction completion date of October 31, 2027. The proposed schedule will align with the Avalon Pedestrian Bridge and Promenade Gateway (W.O. 2537700).

There is no change to the project budget. The project costs will be reimbursable to the Harbor Department through an MOU between the two departments.

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

**SUBJECT**

**ORIGINAL PROJECT COST** \$900,000

**HARBOR ADMINISTRATION BUILDING FIFTH FLOOR CONFERENCE ROOMS –  
SCHEDULE CHANGE**

**SUMMARY**

Staff requests approval to extend the HAB Fifth Floor Conference Rooms schedule by six additional months with no additional increase in the project budget of \$900,000.

The Engineering Division recommends adding six months to the schedule to allow for staff to work with Executive Management Team to consider and evaluate additional alternatives for HAB Fifth Floor conference rooms/media studio, and to update the design drawings. If approved by PDC, the new completion date would be September 4, 2025.

**PDC ACTION** Approved

**COMMENT** No comment.

**ADMINISTRATIVE ITEM** GASB 49 Report, Projects for Discussion, and Completed Projects CIP Report reviewed.

**ACTION ITEM FOLLOW UP**

**WORK ORDER REPORT** REVIEWED

**UNALLOCATED BUDGET REPORT** REVIEWED

**ADDITIONAL DISCUSSION**

*Dina Aryan-Zahlan*

Dina Aryan-Zahlan  
Development

*Michael DiBernardo*

Michael DiBernardo  
Marketing and Customer Relations

**Unallocated Capital Improvement Program Fund FY 23/24**

**(Budget set in July)**

**\$ 15,000,000**

**PDC Approved Projects**

Portwide Power Monitoring System (2575700)	\$	(60,000)
B. 93 Vehicular Ramp Repair (2575800)	\$	(165,000)
Harbor Administrative Building - Fifth Floor Commissioner's Conference Rooms (2576000)	\$	(112,417)
Harbor Administrative Building - Fifth Floor Lobby Conference Rooms (2576400)	\$	(151,900)
514 Pier A Street - Soils Lab Chiller Replacement (2576900)	\$	(167,386)
272 S. Fries Ave. - Capital Projects Bldg. Fire Alarm System Replacement (2576800)	\$	(300,000)
B. 58-60 Alta Sea Warehouse & Site Improvements (2577000)	\$	(4,000,000)
Port Police Dive Boat Purchase (2577100)	\$	(2,761,088)
New Dock Street Transportation Improvements ( 2577400)	\$	(65,000)
Port-Wide Fire Alarm Mass Notification System Upgrade (2577600)	\$	(395,000)

***Subtotal PDC Approved Projects*** \$ ***(8,177,791)***

**Projects Under \$100,000**

Avalon Blvd and Water Street - Logistics Swing Gate Installation (2575900)	\$	(8,400)
San Pedro Waterfront - Gateway Fanfare Fountain Water Treatment System (2576200)	\$	(42,750)
C&M Admin Building Boiler Replacement (2576600)	\$	(34,700)
801 Reeves Avenue - Design of New Fire Alarm System per POLA Specifications (2576700)	\$	(32,750)
B. 91 Security Access Installation (2577800)	\$	(17,900)
B.93 World Cruise Center - Exit Sign Replacement (2577700)	\$	(57,351)
B. 191 Badger Avenue Bridge - Motor Brake Replacement (2577900)	\$	(99,713)

***Subtotal Projects Under \$100,000*** \$ ***(293,564)***

***Balance as of January 3, 2024***

**\$ 6,528,645**



# CIP Status Report

## Completed Projects

Sorted By: Project Number

Actuals Thru: November 2023

*Where Construction Finish Date is: >= 11/30/2023 <= 1/3/2024*

Expend. Org.	Project No.	Project Title	Project Manager	Status	Projected Cost	Design				Percent Design Complete	Construction				Percent Const. Complete
						Start Baseline	Projected	Finish Baseline	Projected		Start Baseline	Projected	Finish Baseline	Projected	
1007	2577800	B. 91 - Security Access Installation	Reeser, Kenneth	Completed	\$17,900	10/27/23	^ 10/27/23	10/27/23	^ 10/27/23	N/A	11/27/23	^ 11/27/23	12/10/23	^ 12/10/23	100 %

**Grand Total:                    \$17,900**












# Audit Committee Report Packet January 2024

Final Audit Report

2024-01-11

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By:	Karine Lurvey (klurvey@portla.org)
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Transaction ID:	CBJCHBCAABAA5zO29MOORN1bldwrtlfWiK_oLGBuJX4T

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