



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

FOR INFORMATION ONLY

DATE: JULY 11, 2019

TO: THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE

SUBJECT: JULY 2019 PROJECT DEVELOPMENT COMMITTEE REPORT

This report highlights the actions taken by the Project Development Committee (PDC) at its July meeting. On July 9, 2019, the PDC met to consider eleven project items. The committee also reviewed administrative reports regarding 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 2019/2020 (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/Schedule/Scope change – Four items were submitted. Three were approved and one was deferred.
- 3) New project – Four items were submitted. Three were approved and one was deferred.

The Board of Harbor Commissioners (Board) approved \$14,000,000 in the fiscal year 2019/2020 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. The PDC meeting minutes are then transmitted to the Board for information.

The following is a summary of projects that are expected to utilize the unallocated CIP budget for fiscal year 2019/2020 to date:

- 8 PDC-approved project totaling \$4,741,000
- 4 projects under \$100,000 totaling \$310,000

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.

A handwritten signature in black ink, appearing to read 'E. D. Seroka', with a long horizontal line extending to the right.

EUGENE D. SEROKA
Executive Director

Attachments:

Transmittal 1: July 2019 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2019/2020

AVG/mz

BUDGET CHANGE, SCHEDULE CHANGE

SUBJECT ORIGINAL PROJECT COST \$32,200,000

SAN PEDRO WATERFRONT PORTS O' CALL PROMENADE AND TOWN SQUARE - PHASE I - BUDGET AND SCHEDULE CHANGES

SUMMARY

Staff requests approval to increase the cost and change the schedule for the San Pedro Waterfront Promenade and Town Square – Phase I project.

The Port of Los Angeles received construction bids for the project on June 6, 2019. The Engineering Division recommends increasing the budget by \$14,960,000 from \$32,200,000 to \$47,160,000. The major components for the budget increase include:

1. Additional construction costs for higher construction bids than estimate, increase to construction industry costs, additional demolition, unforeseen environmental clean-up during demolition, and unforeseen underground rubble and debris encountered during demolition (\$13.2 million)
2. Additional labor costs for engineering and construction management (\$1.6 million)
3. Additional environmental costs for environmental “hot spot” testing and contaminated soil removal (\$0.16 million)

The Engineering Division recommends adding two months to the construction schedule for design addendums and resolution of right-of-way issues (POLA/POLB Joint Rail Agreement).

The total project budget is \$47,160,000 and the project completion date is scheduled for March 30, 2021.

PDC ACTION Approved

COMMENT No comment.

SUBJECT ORIGINAL PROJECT COST \$209,060

BERTH 200 ROADWAY IMPROVEMENTS – BUDGET AND SCHEDULE CHANGES

SUMMARY

Staff requests approval to increase the project budget and change the schedule for the Berth 200 Roadway Improvements Project. Staff also recommends changing the project title to Berth 200 Drainage Improvements.

The proposed work includes erosion control and drainage improvements to the slope along the Berth 200 Roadway.

The total project cost is \$559,060 and the project will be completed by February 28, 2020.

PDC ACTION Approved

COMMENT No comment.

BUDGET CHANGE, SCHEDULE CHANGE, SCOPE CHANGE

Transmittal 1

SUBJECT**ORIGINAL PROJECT COST** \$3,800,000**BERTHS 176-179 (PASHA) ELECTRICAL INFRASTRUCTURE IMPROVEMENTS PROJECT – SCOPE, BUDGET, AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval for additional scope, increase cost, and add seven months to the schedule for the Berths 176-179 Electrical Infrastructure Improvements Project.

The Engineering Division recommends increasing the budget from \$3,800,000 to \$5,800,000 to account for

- Increase in equipment cost due to inflation escalation of equipment cost
- Addition of Emergency Generators to maintain power to terminal during power outages
- Increase in Engineering and Construction in-house costs due to longer duration of engineering and construction

The Engineering Division recommends adding six months to the schedule to allow for design delays due to field investigation of existing substructures and soils testing for methane.

If approved, the total project cost would be \$5,800,000 and the project would be completed by October 31, 2021.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$936,000**BERTH 93 PASSENGER TERMINAL – VEHICULAR-PEDESTRIAN RAMP REPAIR – SCOPE, BUDGET, AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval for additional scope, budget increase, and schedule change to repair the vehicular-pedestrian ramp at the Berth 93 passenger terminal, World Cruise Center.

The proposed work includes repairing water-damaged areas underneath the vehicular-pedestrian ramps at Berth 93 and waterproofing these areas.

The total project cost is \$8,500,000 and the project will be completed by June 30, 2021.

PDC ACTION On Hold

COMMENT No comment.

NEW PROJECT

SUBJECT**ORIGINAL PROJECT COST** \$185,000**BERTHS 195-199 UNDER WHARF BACKFLOW WORK PLATFORMS – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to erect new backflow work platforms under the wharf at Berths 195-199.

The proposed work includes removing the old deteriorated backflow work platform structures and installing new work platforms at eight locations underneath the wharf to allow access to backflow devices.

The total project cost is \$185,000 and the project will be completed by December 31, 2019.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$905,000**HARBOR ADMINISTRATION BUILDING – LOWER DECK PATIO - NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to waterproof the lower deck patio at the Harbor Administration Building.

The proposed work includes removing existing concrete, pavers, dirt, gravel, waterproofing, and then installing new waterproofing.

The total project cost is \$905,000 and the project will be completed by June 30, 2020.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$1,200,000**BERTHS 185-186 TALL SHIP FLOATS – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to construct additional waterside enhancements at the Wilmington Waterfront Promenade.

The proposed work includes design and construction of new tall ship floats in Wilmington. The floats will be located adjacent to the public landing at Berths 185-186.

The total project cost is \$1,200,000 and the project will be completed by March 1, 2022.

PDC ACTION On Hold

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST \$700,000****WILMINGTON WATERFRONT BUILDING DEMOLITION-NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to demolish eight building structures at 115 North Avalon Boulevard and 121-133 North Avalon Boulevard.

The proposed work includes lead and asbestos abatement, demolition of eight structures (approximately 19,000 sf) and constructing new fencing around the premise. All foundations are to remain for future removal.

The total project cost is \$700,000 and the project will be completed by December 31, 2019.

PDC ACTION Approved

COMMENT No comment.

SCHEDULE CHANGE**SUBJECT****ORIGINAL PROJECT COST \$220,300****FIRE STATION 49 – FLOATING DOCK AREA IMPROVEMENTS - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the improvements at the floating dock area at Fire Station 49 schedule by five additional months with no additional increase in the budget.

The Construction & Maintenance Division (C&M) recommends adding five additional months to the schedule to allow for delays due to synergizing the labor forces and materials orders between this project and similar projects for floating dock area improvements at Fire Stations 110, 111, and 112.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST \$147,000****FIRE STATION 112 – FLOATING DOCK AREA IMPROVEMENTS - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the improvements at the floating dock area at Fire Station 112 schedule by five additional months with no additional increase in the budget.

The Construction & Maintenance Division (C&M) recommends adding five additional months to the schedule to allow for delays due to synergizing the labor forces and materials orders between this project and similar projects for floating dock area improvements at Fire Stations 49, 110, and 111.

PDC ACTION Approved

COMMENT No comment.

SUBJECT

ORIGINAL PROJECT COST \$52,700,000

WILMINGTON WATERFRONT PROMENADE - SCHEDULE CHANGE

SUMMARY

Staff requests approval to extend the Wilmington Waterfront Promenade schedule seven months with no additional increase in the budget.

The Engineering Division recommends adding seven months to the schedule to allow for delays due to the following:

- 1. Ongoing real estate negotiations on jointly owned rail property between the Port of Los Angeles and the Port of Long Beach to finalize agreement documentation required for Board of Harbor Commissioners (BOHC) and City Council approval. The new Water Street alignment is located partially over a jointly owned parcel.
- 2. Delays in obtaining regulatory permits for the in-water work.
- 3. Increase in construction duration based on the phasing required to keep Water Street open during construction.

PDC ACTION Approved

COMMENT No comment.

ADMINISTRATIVE ITEM

No Grants Report or GASB 49 Report.

ACTION ITEM FOLLOW UP

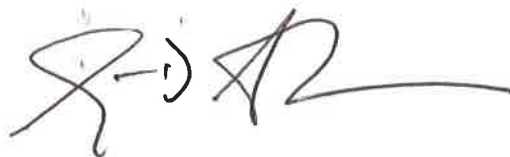
WORK ORDER REPORT

REVIEWED

UNALLOCATED BUDGET REPORT

REVIEWED

ADDITIONAL DISCUSSION



Michael DiBernardo

Marketing and Customer Relations



Antonio V. Gioiello

Development

Unallocated Capital Improvement Program Fund FY 19/20

(Budget set in February)

\$ 14,000,000.00

PDC Approved Projects

Port Cyber Resilience Center (25555)	\$	(1,600,000.00)
Maritime Museum - Plumbing Upgrades (25560)	\$	(745,000.00)
Port of Los Angeles Police Headquarters - Mass Notification System (25561)	\$	(388,000.00)
Harbor Department Administration Building - 1st Floor Employee Restrooms and Showers Remodel (25562)	\$	(200,000.00)
Wilmington Waterfront - Building Demolition (_____)	\$	(688,000.00)
B. 185-186 - Tall Ship Floats (_____)	\$	(30,000.00)
B. 195-196 - Underwharf Scaffolding (_____)	\$	(185,000.00)
Harbor Administration Bldg. - Lower Deck Patio (_____)	\$	(905,000.00)

***Subtotal PDC Approved Projects* \$ (4,741,000.00)**

Projects Under \$100,000

B. 302-305 - Fenix Marine Services - Transportation Improvements Project (25564)	\$	(95,000.00)
B. 121 - Position Indicator Valve Replacement (25565)	\$	(90,000.00)
B. 300 - Rail Yard Control Switches Replacement (25566)	\$	(85,000.00)
B. 90-91 - Baggage Handling Building Fire Alarm Notification System (25567)	\$	(40,000.00)

***Subtotal Projects Under \$100,000* \$ (310,000.00)**

Balance as of June 26, 2019

\$ 8,949,000.00