



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

FOR INFORMATION ONLY

DATE: SEPTEMBER 17, 2021

TO: THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE

SUBJECT: SEPTEMBER 2021 PROJECT DEVELOPMENT COMMITTEE REPORT

This report highlights the actions taken by the Project Development Committee (PDC) at its September meetings. On September 1, 2021, the PDC met to consider eight project items. The committee also met on September 15, 2021 to consider eight project items for a total of 16 items considered during September 2021. The committee also reviewed standing reports regarding newly opened work orders, the status of the unallocated Capital Improvement Program (CIP) fund budget, the financial model, grants, and the GASB 49 project list. Attached for review are the meeting minutes (Transmittal 1) and Unallocated CIP Fund Report FY 2021/2022 (Transmittal 2).

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

- 1) Schedule change – Eight items were submitted and approved.
- 2) Budget/Schedule/Scope change – Five items were submitted and approved.
- 3) New project – Three items were submitted and approved.

The Board of Harbor Commissioners (Board) approved \$12,000,000 in the fiscal year 2021/2022 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 2021/2022 to date:

- 5 PDC-approved project totaling \$2,133,280

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.

Mark Blewins

EUGENE D. SEROKA
Executive Director

Attachments:

Transmittal 1: September 2021 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2021/2022

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BUDGET CHANGE, SCHEDULE CHANGE

SUBJECT ORIGINAL PROJECT COST \$61,395,000
PIER 400 CORRIDOR STORAGE TRACKS EXPANSION - BUDGET AND SCHEDULE CHANGE

SUMMARY

Staff requests approval to increase budget and change schedule for Pier 400 Corridor Storage Tracks Expansion Project.

The Engineering Division recommends increasing budget from \$61,395,000 to \$73,211,625 to account for actual bid received from lowest responsive, responsible bidder. All bids received were higher than latest PDC-approved budget due to higher than anticipated construction cost escalation, bids incorporating increased risk of further cost escalation during construction, additional scope, and corresponding increases to risk allowance and contingency bid items.

The Engineering Division recommends adding three months to schedule to allow for delays in obtaining E-76 Authorization to Proceed to Construction from Caltrans and Federal Highway Administration (FHWA). Department needed to receive E-76 authorization prior to advertising project to fulfill grant funding requirements.

If approved by PDC, total project cost would be \$73,211,625, and project would be completed by April 5, 2024.

PDC ACTION Approved

COMMENT No comment.

SUBJECT ORIGINAL PROJECT COST \$1,240,000
BERTHS 179-181 WHARF AND BOLLARD REPAIR-BUDGET AND SCHEDULE CHANGE

SUMMARY

Staff requests approval to extend the Berths 179-181 Wharf and Bollard Repairs project schedule by 12 months and increase the budget by \$290,000. The budget increase is based on the Construction Division’s independent cost estimate, and reflects three years of cost escalation between the original completion of design in 2018 and the present.

The Engineering Division recommends adding 12 months to the schedule to allow for delays to the new Marine Improvement Contract (MIC). The new project completion date is February 28, 2022. The total project cost was \$1,240,000 with an increase of \$290,000 for a revised total of \$1,530,000.

PDC ACTION Approved

COMMENT No comment.

BUDGET CHANGE, SCHEDULE CHANGE, SCOPE CHANGE

SUBJECT**ORIGINAL PROJECT COST** \$42,000**BERTH 261 – PERIMETER CHAIN-LINK FENCE INSTALLATION – SCOPE, BUDGET, AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval for additional scope, budget increase, and schedule change to install a perimeter chain-link fence at Berth 261.

The original work included installing a perimeter fence between the former So-Cal Seafood premises and the adjacent property currently occupied by Augello Enterprises. The proposed work includes installing swing gates and a fire lane to comply with Los Angeles Fire Department codes.

The total project budget is \$154,750 and the project will be completed by November 30, 2021.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$40,489,162**BERTHS 302-305 ON-DOCK RAILYARD EXPANSION PROJECT – SCOPE, BUDGET, AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval for additional scope, cost increase, and schedule change to the Berths 302-305 On-Dock Railyard Expansion Project.

Staff is requesting approval to add the following scope: 1,750 track feet of rail track, nine powered turnouts, a new tail track, removal of contaminated soil, and additional storm drain design elements for Low Impact Development (LID) compliance.

The current approved budget is \$40,489,162. The revised budget is \$52,355,000, an increase of \$11,865,838. This increase accounts for the requested added scope and updated unit costs based on a recent rail construction bid analysis. Staff is requesting approval for the increase in budget of \$11,865,838.

The current project schedule shows project completion in October 2023. The revised project schedule shows project completed by June 30, 2025. The reason for the schedule revision is due to on-going negotiations with the tenant, completion of the California Environmental Quality Act (CEQA) Addendum, long lead time for project construction materials, and alignment with the Grant funding milestone deadlines.

The total project cost is \$52,355,000 and the project will be completed by June 30, 2025.

PDC ACTION Approved

COMMENT No comment.

BUDGET CHANGE, SCOPE CHANGE

SUBJECT**ORIGINAL PROJECT COST** \$4,818,770**BERTHS 121-131 CONTAINER TERMINAL REDEVELOPMENT PROJECT EIS/EIR-SCOPE AND COST CHANGES****SUMMARY**

Staff requests approval for an additional scope and cost increase of \$518,000 for the Berths 121-131 Container Terminal Redevelopment Project (Project) Environmental Impact Statement/Environmental Impact Report (EIS/EIR). Since 2014, a series of scope and technical changes have resulted in significant revisions to the project, along with delays when the project was put on hold in 2018. In early 2021, the project was re-started with an estimated cost of \$185,000 to complete the remaining work put on hold in 2018 and release the Draft EIS/EIR for public review. Due to recent changes in project scope from March through August 2021, an increase of approximately \$393,000 for consultant services and \$125,000 for staff charges is now needed to complete the Draft EIS/EIR for a total cost increase of \$518,000. This is to assure the document utilizes an updated baseline year and the most current tools and data. At this time, there is no change to the schedule for completion of the Final EIS/EIR.

The total project cost is now \$5,336,770 and the project will be completed by December 31, 2022.

PDC ACTION Approved

COMMENT The Berths 121-131 EIS/EIR was originally initiated based on plans with the tenant Yang Ming. Since business plans continue to evolve at the property, the EIS/EIR will assess a redevelopment project at the marine container terminal that can be operated by a proposed future tenant under a new long-term (30 year) permit.

NEW PROJECT

SUBJECT**ORIGINAL PROJECT COST** \$573,200**AIR QUALITY MONITORING STATIONS UPGRADE – NEW PROJECT****SUMMARY**

The City of Los Angeles Harbor Department (Harbor Department) instituted an air monitoring program in 2005, which included a network of four monitoring stations within the vicinity of the Port of Los Angeles (Port). With the main objective of estimating diesel particulate matter levels near the Port, the program utilized filter-based particulate matter samplers. In 2008, the air monitoring program was expanded to include continuous, real-time monitoring of criteria pollutants (gaseous pollutants and particulate matter). Supplemental instrumentation for particulate matter and black carbon monitoring also was added. In April 2020, the Coastal Boundary station at Berth 47 was taken offline due to anticipated construction. In April 2021, the Source-Dominated station on Terminal Island was taken offline for a trial period based on technical advice that the station was redundant. In August 2020, with pressure from the local community, the Executive Director of the Harbor Department instructed Environmental Management Division (EMD) staff to upgrade and continue to operate all four stations in the existing monitoring network. With most of the equipment being over 13 years old and having reached its useful life, EMD staff requests approval to initiate a new project to upgrade the four monitoring stations. The proposed work is for the purchase and installation of new instrumentation and associated materials for operation and data collection at each of the four monitoring stations. The total project cost is \$573,200 and the project will be completed two months after receipt of all necessary equipment and materials. To expedite project kick-off, Work Order 25680 was opened September 2021 in the amount of \$70,000. This approval will allocate the remaining \$503,200.

The Harbor Department has an executed agreement with Leidos, Inc. for the operation and maintenance (O&M) of the Harbor Department's air quality monitoring program; therefore, O&M is not included as part of this capital project.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$406,000**BERTH 68 PORT PILOT STATION WHARF MODIFICATIONS – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to improve the Berth 68 Port Pilot Station Wharf and infrastructure, in order to accommodate the two new pilot boats.

The proposed work includes; removal of old fender pilings, installation of new fender pilings, installing new wraparound rub guard pile protection on the new pilings, moving the current ladders to new locations, improving and relocating the mooring system and stream line weights, and installing new shore power infrastructure.

The total project cost is \$406,000 and the project will be completed by December 31, 2022.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$1,929,500**BERTH 153 – CLOCK TOWER WATER DAMAGE REPAIR – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to repair the water damaged Clock Tower at Berth 153.

The total project budget is \$1,929,500 and the project will be completed by December 31, 2023.

PDC ACTION Approved

COMMENT No comment.

SCHEDULE CHANGE**SUBJECT****ORIGINAL PROJECT COST** \$160,000**BERTH 68 - PORT PILOT STATION – HVAC UPGRADE - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the schedule of the Berth 68 Port Pilot Station HVAC Upgrades project by two additional months with no additional increase in the budget.

The Construction & Maintenance Division (C&M) recommends adding two additional months to the schedule to allow for contractor delays caused by their personnel changes and their staffing shortages due to COVID-19.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$276,000**BERTH 93 ELEVATOR NO. 2 RENOVATION - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the B. 93 Elevator No. 2 Renovation schedule by nine additional months with no additional increase in the budget.

The Construction & Maintenance Division recommends adding nine additional months to the schedule to allow for delays due to vendor submitting administrative forms that did not match.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$990,000**WATERFRONT GATEWAY – WATER FEATURES IMPROVEMENTS – SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Waterfront Gateway – Water Features Improvement schedule by four additional months with no additional increase in the budget.

The Construction and Maintenance Division (C&M) recommends adding four additional months to the schedule to allow for unforeseen delays with the coating material.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$750,000**BERTH 95 – BARGE LANDING RAMP UPGRADE - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Berth 95 – Barge Landing Ramp Upgrade schedule by three months with no additional increase in the budget.

The Engineering Division recommends adding three additional months to the schedule to allow for delays in the permitting process. Engineering is working closely with the Army Corps of Engineers to make sure the 401-Certificate application to the California Regional Water Quality Control Board (CRWQCB) is correct and complete. This is to ensure that the statutory time limits on the permit can be observed.

PDC ACTION Approved**COMMENT** Note that the proposed construction finish date is 02/28/2023, not 02/28/2022 as stated in the report.

SUBJECT**ORIGINAL PROJECT COST** \$1,055,000**PAVEMENT IMPROVEMENTS AND DEMOLITION OF SOUTHWEST MARINE ADMINISTRATION BUILDING - SCHEDULE CHANGE****SUMMARY**

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

The Engineering Division recommends adding four months to the schedule to allow this project to be combined with the 1050 Ways Street (Starkist) - Demolition and Storage Lot Conversion project. The two projects are in close proximity to each other and share similar scope. Combining the two projects provides an opportunity for cost savings in construction.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$47,160,000**SAN PEDRO WATERFRONT PORTS O' CALL PROMENADE AND TOWN SQUARE – PHASE 1 - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the San Pedro Waterfront Promenade and Town Square schedule by three additional months with no additional increase in the budget.

The Engineering Division recommends adding three additional months to the schedule to allow for construction delays.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$7,300,000**FRONT STREET BEAUTIFICATION PROJECT – SCHEDULE CHANGE****SUMMARY**

The Engineering staff requests approval to extend Front Street Beautification Project schedule by four additional months with no additional increase in the budget.

The Engineering Division requests approval to add four months to project schedule to complete Plans, Specifications, and Estimates (PS&E) where a shortage of staff resources resulting from staff retirements impacted our design schedule, and add a corresponding four months to construction schedule.

If approved by PDC, design would finish by November 30, 2021, and construction would be completed by April 30, 2023.

PDC ACTION Approved**COMMENT** No comment.

SUBJECT**ORIGINAL PROJECT COST** \$2,200,000**SAN PEDRO WATERFRONT-TOWN SQUARE RESTROOMS - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend San Pedro Waterfront- Town Square Restrooms schedule by three additional months with no additional increase to budget.

The Engineering Division recommends adding three additional months to schedule to allow for delays due to Contractor needing more time to complete punch list items and obtain grading permit required to obtain Certificate of Occupancy.

PDC ACTION Approved**COMMENT** No comment.**ADMINISTRATIVE ITEM** GASB49 Report reviewed**ACTION ITEM FOLLOW UP****WORK ORDER REPORT** REVIEWED**UNALLOCATED BUDGET REPORT** REVIEWED**ADDITIONAL DISCUSSION**

Antonio V. Gioiello
Development



Marla Bleavins
Finance and Administration

Unallocated Capital Improvement Program Fund FY 21/22

(Budget set in June)

\$ 12,000,000

PDC Approved Projects

B. 120 - WBCT - Placement of CAB (25677)	\$	(148,000)
Port Pilot Radio Upgrade (25678)	\$	(920,000)
B. 153- Clock Tower Water Damage Repair (_____)	\$	(200,000)
B. 68 - Port Pilot Station Wharf Modifications (_____)	\$	(344,000)
Air Quality Monitoring Stations Upgrade (_____)	\$	(521,280)

Subtotal PDC Approved Projects \$ ***(2,133,280)***

Projects Under \$100,000

Subtotal Projects Under \$100,000 \$ ***-***

Balance as of September 1, 2021

\$ 9,866,720









Audit Committe Report Packet September 2021

Final Audit Report

2021-09-17

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