



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

FOR INFORMATION ONLY

DATE: MARCH 11, 2019

TO: THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE

SUBJECT: MARCH 2019 PROJECT DEVELOPMENT COMMITTEE REPORT

This report highlights the actions taken by the Project Development Committee (PDC) at its March meeting. On March 6, 2019, the PDC met to consider six 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), Unallocated CIP Fund Report FY 2018/2019 (Transmittal 2), and Unallocated CIP Fund Report FY 2019/2020 (Transmittal 3) 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) New project – Three items were submitted and approved.

The Board of Harbor Commissioners (Board) approved \$15,000,000 in the fiscal year 2018/2019 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 2018/2019 to date:

- 28 PDC-approved project totaling \$6,116,600
- 12 projects under \$100,000 totaling \$745,741

New projects are beginning to be earmarked for the proposed 2019/2020 unallocated CIP budget of \$14,000,000. The following summarizes these new projects:

- Two PDC-approved project totaling \$1,720,000

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: February 2019 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2018/2019

Transmittal 3: Unallocated CIP Fund Report FY 2019/2020

AVG/mz

NEW PROJECT

SUBJECT**ORIGINAL PROJECT COST** \$3,922,500**FY 2019-20 C&M DEFERRED MAINTENANCE CIP PROJECTS – NEW PROJECTS****SUMMARY**

The Construction & Maintenance Division (C&M) requests \$3,922,500 in Fiscal Year (FY) 2019-2020 Capital Improvement Program (CIP) funding for nine major repair, remodel, and upgrade projects throughout the Port that largely have been deferred for years due to budgetary limitations. C&M has identified over 48 deferred maintenance projects currently valued at approximately \$50 million that needs attention. In coordination with the Engineering, Cargo & Industrial Real Estate, and Waterfront & Commercial Real Estate Divisions, nine projects were identified for initiation and completion next 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.**SUBJECT****ORIGINAL PROJECT COST** \$7,600,000**PORT CYBER RESILIENCE CENTER – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project for a Port Cyber Resilience Center (CRC). The CRC will be a centralized port-wide system that will reduce the ecosystem risk of a cyber incident that could disrupt the flow of cargo at the Port of Los Angeles. The CRC will also be a single source of other information relevant to the Port's operation. A system such as this that protects the ecosystem does not exist today.

Multiple efforts have been made to engage stakeholder interest since this project was previously submitted to the PDC in February 2018. In addition, efforts are also underway to seek possible grant funding from federal and state sources.

The total project cost is \$7,600,000 and the project will be completed by December 31, 2022. The proposed work includes computer hardware, software, other materials/equipment and services to build, operate and maintain the CRC.

PDC ACTION Approved**COMMENT** No comment.**Transmittal 1**

SUBJECT**ORIGINAL PROJECT COST** \$130,000**WORLD TOTS SAFETY IMPROVEMENTS – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to increase security around the existing perimeter wire mesh fencing of the World Tots play area at Liberty Hill Plaza.

The proposed work includes the demolition of the existing fences, construction of a solid wall and replacement of the exterior light fixtures.

The total project cost is \$130,000 and the project will be completed by April 16, 2020.

PDC ACTION Approved**COMMENT** No comment.**SCHEDULE CHANGE****SUBJECT****ORIGINAL PROJECT COST** \$26,655,000**BERTH 164 MARINE OIL TERMINAL ENGINEERING AND MAINTENANCE STANDARDS – VALERO - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Berth 164 Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) – Valero schedule by 12 months with no additional increase in the budget.

The Engineering Division recommends adding 12 months to the schedule to allow for tenant delays. The tenant directed the Port of Los Angeles (Port) in September 2018 to stop design of the new MOTEMS compliant wharf structure at Berth 164 and requested additional time to decide if the Port should continue with the design and construction the wharf structure, or if Valero should assume responsibility to design and construct a different MOTEMS compliant wharf structure. Additional time is also needed to complete the Mitigated Negative Declaration.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$3,955,000**BERTHS 148-149 (PHILLIPS 66) MARINE OIL TERMINAL REPAIRS PROJECT - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Berths 148-149 Marine Oil Terminal (MOT) Repairs project schedule by seven additional months with no additional increase in the budget.

The Engineering Division recommends adding seven additional months to the construction completion date. The Construction Division has not been able to advertise the project due to limited availability of the wharf to perform the repairs. The terminal's peak season is during the summer months and starting construction after the summer will minimize the impact to the terminal's operations.

PDC ACTION Approved**COMMENT** No comment.

SUBJECT

ORIGINAL PROJECT COST \$600,000

BERTHS 163 AND 164 MARINE OIL TERMINAL- PHASE 2 REPAIRS (NUSTAR/VALERO) – SCHEDULE CHANGE

SUMMARY

Staff requests approval to extend the schedule for the Berths 163 and 164 Marine Oil Terminal (MOT) – Phase 2 Repairs (NuStar/Valero) by 12 additional months with no additional increase in the budget.

The Engineering Division recommends adding 12 additional months to the construction schedule to allow the Construction & Maintenance (C&M) Division to complete current projects prior to starting the repairs at Berths 163 and 164. C&M currently has five current projects which are expected to be completed by August 2019. Materials for this repair project have already been ordered.

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



Antonio V. Gioiello
Development



Michael DiBernardo
Marketing and Customer Relations

Unallocated Capital Improvement Program Fund FY 18/19

(Budget set in February)

\$ 15,000,000.00

PDC Approved Projects

C&M Yard Wi-Fi Expansion (25503)	\$	(167,600.00)
B. 95 - Catalina Channel Express - Parking Improvements (25509)	\$	(30,000.00)
Harbor Administration Building - 2nd Floor Workspace Solutions (25510)	\$	(240,000.00)
Harbor Administration Building - 5th Floor Workspace Solutions (25511)	\$	(1,300,000.00)
San Pedro Waterfront - Town Square Public Restrooms (25513)	\$	(50,000.00)
Access Road Adjacent to Praxair Resurfacing (25514)	\$	(45,000.00)
Pacific Maritime Association - Lashing Training Station (25517)	\$	(287,000.00)
Harbor Department Building - Board Hearing Room and Executive Session Room Improvements (25519)	\$	(75,000.00)
Liberty Plaza - Parking Lot System (25520)	\$	(40,000.00)
San Pedro Waterfront - Berth 78 Chevron Cleanup Phase II (25523)	\$	(100,000.00)
Port of Los Angeles Police Headquarters - Air Conditioning Replacement (25524)	\$	(100,000.00)
Southern California International Gateway (SCIG) Project Environmental Assessment (25525)	\$	(490,000.00)
B. 300 - Crane Switchgear Modernization (25529)	\$	(100,000.00)
B. 93 - Vehicular Pedestrian Ramp Repair (25530)	\$	(100,000.00)
B. 179-181 - Window Upgrade and Roll-Up Door Replacement (25531)	\$	(300,000.00)
B. 46-72 - Underwharf Pipeline Hangers Replacement (25533)	\$	(80,000.00)
Wilmington Youth Sailing and Aquatic Center (25536)	\$	(750,000.00)
B. 73 - Fender Pile Replacement and Camel Log Placement (25537)	\$	(860,000.00)
B. 200 - Roadway Improvements & Extension (25540)	\$	(25,000.00)
San Pedro Waterfront - Downtown Harbor Sheet Pile Wall Repair (25541)	\$	(220,000.00)
Demolition of Former Star-Kist Cannery (25542)	\$	(100,000.00)
B. 182 - Slope Erosion Repair (25543)	\$	(75,000.00)
Fire Station No. 49 - Floating Dock Area Improvements (25544)	\$	(200,000.00)
Fire Station No. 112 - Floating Dock Area Improvements (25545)	\$	(137,000.00)
Terminal Island - Street Light Fixture Upgrades (25546)	\$	(50,000.00)
B. 161 - Electrical Improvements - Phase 3 (25547)	\$	(50,000.00)
Fleet Management System (25548)	\$	(135,000.00)
World Tots Safety Improvements (_____)	\$	(10,000.00)
Subtotal PDC Approved Projects	\$	(6,116,600.00)

Projects Under \$100,000

Pier 400 - Pavement Replacement (25504)	\$	(98,500.00)
B. 240X So Cal Ship Services - Parking Lot Design (25506)	\$	(40,000.00)
B. 84 - Port Police Marine Office -Two Workstation Installation - Phase II (25512)	\$	(25,000.00)
Henry Ford Avenue and Anchorage Road Improvements (25516)	\$	(50,000.00)
B. 161 - C&M Administration Building - Fall Protection System (25522)	\$	(50,000.00)
C Street/I-110 Access Ramp Improvements Right of Way Transfer (25528)	\$	(95,000.00)
Wilmington Waterfront Park Methane Alarm Replacement (25534)	\$	(25,000.00)
801 Reeves Avenue - Fire Alarm Panel Replacement (25535)	\$	(39,000.00)
Fire Station No. 110 - Floating Dock Area Improvements (25549)	\$	(97,000.00)
Fire Station No. 111 - Floating Dock Area Improvements (25550)	\$	(37,000.00)
B. 58 - Fire Alarm System (25551)	\$	(98,241.00)
B. 58 Shed - Seismic Bracing Improvements (25552)	\$	(91,000.00)
Subtotal Projects Under \$100,000	\$	(745,741.00)

Balance as of February 27, 2019

\$ 8,137,659.00

Transmittal 2

Unallocated Capital Improvement Program Fund FY 19/20

(Budget set in February)

\$ 14,000,000.00

PDC Approved Projects

Port Cyber Resilience Center (_____)

\$ (1,600,000.00)

World Tots Safety Improvements (_____)

\$ (120,000.00)

Subtotal PDC Approved Projects \$ ***(1,720,000.00)***

Projects Under \$100,000

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

Balance as of February 27, 2019

\$ 12,280,000.00