



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

FOR INFORMATION ONLY

DATE: SEPTEMBER 8, 2022

TO: THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE

SUBJECT: SEPTEMBER 2022 PROJECT DEVELOPMENT COMMITTEE REPORT

This report highlights the actions taken by the Project Development Committee (PDC) at its September 2022 meeting. On September 7, 2022, 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, the financial model, and the GASB 49 project list. Attached for review are the meeting minutes (Transmittal 1) and Unallocated CIP Fund Report FY 2022/2023 (Transmittal 2).

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

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

The Board of Harbor Commissioners (Board) approved \$12,000,000 in the fiscal year 2022/2023 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 2022/2023:

- 4 PDC-approved projects totaling \$3,355,193
- 1 project under \$100,000 totaling \$39,805

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

Marla Bleavins (Sep 8, 2022 14:23 PDT)

EUGENE D. SEROKA
Executive Director

Attachments:

Transmittal 1: September 2022 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2022/2023

AVG

AVG

AVG/mz

BUDGET CHANGE, SCHEDULE CHANGE**SUBJECT****ORIGINAL PROJECT COST** \$1,440,000**BERTH 91-93 PASSENGER TERMINAL MOBILE GANGWAYS HYDRAULIC CYLINDER REPLACEMENT - BUDGET AND SCHEDULE CHANGE****SUMMARY**

Staff requests approval to increase the budget and change the schedule for the Berth 91-93 Passenger Terminal Mobile Gangways Hydraulic Cylinder Replacement .

The Construction & Maintenance Division recommends increasing the budget by \$533,000 to account for the increase in materials cost notified by the vendor resulting from the supply chain disruption.

The Construction & Maintenance Division recommends adding 24 additional months to the schedule to allow for delays due to increase in scheduled cruiseship activity and the resulting passenger use of the gangways.

The total project budget is \$1,973,000 and the project will be completed by December 31, 2024.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$97,000**BERTH 161 – FLOATING DOCK ELECTRICAL UPGRADES - BUDGET AND SCHEDULE CHANGE****SUMMARY**

Staff requests approval to increase the budget and change the schedule for the Berth 161 – Floating Dock Electrical Upgrades.

The Construction & Maintenance Division recommends increasing the budget by \$50,000 to account for the increase in materials cost.

The Construction & Maintenance Division recommends adding 10 additional months to the schedule to allow for delays due to necessary and urgent work to wharf structure repairs to be completed before electrical upgrades could be carried out.

The total project budget is \$147,000 and the project will be completed by July 30, 2022.

PDC ACTION Approved

COMMENT No comment.

NEW PROJECT

SUBJECT**ORIGINAL PROJECT COST** \$4,700,000**PORTWIDE LEAK DETECTION EXPANSION PROGRAM – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to install additional leak detection system to all major Port of Los Angeles (POLA) Terminals including China Shipping, Everglade, Inner Harbor Cruise Terminal, TraPac, Fenix Marine Service, Maersk (APMT), and Pasha Terminal that do not have an existing or pending system in place.

The proposed work includes the design and reconstruction of existing water backflow assemblies to install smart meters. These smart meters will communicate with an existing water monitoring program to identify anomalies in the system as a potential leak.

The total project cost is \$4,700,000 and the project will be completed by October 15, 2026.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$480,000**PORT-WIDE SKYLIGHTS REPLACEMENT – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to remove and replace Port-Wide skylights to Occupational Safety & Health Administration (OSHA) standard.

The proposed work includes removal and replacement of 248 existing plastic skylights with new OSHA code complaint skylights.

The total project budget is \$480,000 and the project will be completed by October 10, 2023.

PDC ACTION Approved

COMMENT No comment.

SCHEDULE CHANGE**SUBJECT****ORIGINAL PROJECT COST** \$172,000**BERTH 68 - PORT PILOT STATION - HVAC UPGRADE - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Berth 68 - Port Pilot Station - HVAC Upgrade schedule by 5 additional months with no additional increase in the budget.

The Construction & Maintenance Division recommends adding 5 additional months to the schedule to allow the contractor to procure components to upgrade the controls for the HVAC system due to supply chain issues.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$300,000**TERMINAL WAY AND BARRACUDA STREET REMOVAL OF ABANDONED RAILROAD TRACKS - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Terminal Way and Barracuda Street Removal of Abandoned Railroad Tracks project schedule by four months with no increase in the budget.

The Engineering Division recommends extending the project schedule by four months to allow for delays coordinating the work with recently awarded 2022-2024 Site Improvement Contract.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$1,518,571**PROJECT #2567800 – PORT PILOT RADIO UPGRADE PROJECT****PROJECT SCHEDULE CHANGE REQUES****SUMMARY**

Staff requests approval to change the project schedule for the previously approved Project #2567800 - PORT PILOT RADIO UPGRADE PROJECT, from the originally approved construction finish date of September 30, 2022 to the recently updated date of December 31, 2023.

The Port Pilot Radio Project was approved by PDC on June 9, 2021 with a budget of \$1,518,571. Following PDC approval, the project encountered an eleven-month delay that prevented the Pilot Service from moving the project forward for Board approval. The delay was primarily due to issues that arose when the Pilot Service pursued an amendment to the City of Los Angeles Master Services Agreement with Motorola Solutions LLC. The project was awarded to Motorola Solutions LLC on May 9, 2022 and started construction on May 10, 2022. Based upon the actual award date of the contract, Motorola has updated the timeline for completion of the project and estimates full completion and acceptance by the fourth quarter of 2023, subject to the availability and delivery of equipment.

If approved, the construction finish date of the project will be changed to December 31, 2023 with no increase to the originally approved budget amount of \$1,518,571.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$1,520,000**REAR BERTH 197 (WWL) SITE IMPROVEMENTS - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Rear Berths 197 Site Improvements project schedule by five months with no additional increase in the budget.

The Engineering Division recommends adding five months to the project schedule to accommodate changes requested by the Construction Division and Environmental Management Division during the design review process and allow time to incorporate tenant requested changes based on site operations

PDC ACTION Approved**COMMENT** No comment.

SUBJECT**ORIGINAL PROJECT COST** \$889,500**CALTRANS PEDESTRIAN PATH AND PARKING RESTRIPIING - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to add four months to the design schedule for the Caltrans Pedestrian Path and Parking Restriping with no change to the construction finish date and no additional increase in the budget.

The Engineering Division recommends adding four months to the design finish date to allow for risk assessment, plan review circulation, QAQC and city attorney review. Staff will advertise this project and North Gaffey Street Beautification – Phase II project as one construction contract. The proposed schedule aligns with North Gaffey Street Beautification - Phase II project. Both projects completion date is February 28, 2024.

PDC ACTION Approved**COMMENT** No comment.

SCOPE CHANGE, BUDGET CHANGE, SCHEDULE CHANGE

SUBJECT**ORIGINAL PROJECT COST** \$70,500,000**STATE ROUTE 47 (SR-47)/VINCENT THOMAS BRIDGE AND FRONT STREET/HARBOR BOULEVARD INTERCHANGE****RECONFIGURATION PROJECT – SCOPE, BUDGET AND SCHEDULE CHANGE****SUMMARY**

The Engineering Division requests approval to increase the scope, increase the budget, and revise the schedule for the State Route 47 (SR-47)/Vincent Thomas Bridge and Front Street/Harbor Boulevard Interchange Reconfiguration project.

The Engineering Division requests approval to increase the project budget from \$70,500,000 to \$110,000,000. The \$39,500,000 increase to the project budget results from higher costs for original scope of work items and addition of new scope of work as denoted below:

- Aerially Deposited Lead (ADL) remediation effort for existing and dedicated Caltrans parcels, Caltrans pavement section, overhead sign structures, and City of LA traffic signals -\$12,300,000
- Design modifications and quantity adjustments - \$14,300,000
- Engineering, Construction Management, Environmental in-house and consultant design services Caltrans construction oversight - \$6,500,000
- Adjusted project escalation to mid-point of construction and contingencies \$6,400,000.

The Engineering Division has included 5% escalation to the mid-point of construction for this project cost. Given the current uncertainty in the construction industry and unpredictability of rising material cost this escalation factor can vary between 5 - 15%. Once bids are received, project cost may be adjusted.

The Engineering Division recommends adding twelve (12) months to the schedule to address new Federal grant funding requirements, for public agency coordination, to secure utility agreements, to obtain temporary construction easements, and to allocate grant funds through the California Transportation Commission.

The Department recently secured an additional \$5,215,000 in Measure R funds for a total of \$46,900,000 in Measure R funds to reimburse portions of the Initial Study, Environmental, PS&E, and Construction phases. The Department also secured \$23,263,000 in other grant funds. A total of \$70,163,000 in grant funds is awarded for this project.

PDC ACTION Approved**COMMENT** No comment.

ADMINISTRATIVE ITEM

GASB 49 Report reviewed.

ACTION ITEM FOLLOW UP

WORK ORDER REPORT

REVIEWED

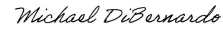
UNALLOCATED BUDGET REPORT

REVIEWED

ADDITIONAL DISCUSSION



Antonio V. Gioiello
Development



Michael DiBernardo
Marketing and Customer Relations

Unallocated Capital Improvement Program Fund FY 22/23

(Budget set in July)

\$ 12,000,000

PDC Approved Projects

B. 302-305 Rail Mounted Gantry (RMG) Crane Rail and Foundation (2571600)	\$	(2,000,000)
B. 93 - Escalator Nos. 1 & 2 Renovation (2571700)	\$	(800,000)
Portwide Leak Detection Expansion Program ()	\$	(140,000)
Portwide Skylights to OSHA Standards ()	\$	(415,193)

Subtotal PDC Approved Projects \$ ***(3,355,193)***

Projects Under \$100,000

B. 212-223 - YTI East Gate Rail Signal Improvements (25719)	\$	(39,805)
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Subtotal Projects Under \$100,000 \$ ***(39,805)***

Balance as of August 30, 2022

\$ 8,605,002











Audit Committee Report Packet September 2022

Final Audit Report

2022-09-08


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