



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: OCTOBER 28, 2014

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ -
CHANGE ORDER NO. 5 – CAR & TRUCK WASH DOWN AREA
AND RAILROAD TRACK PAN DRAINAGE SYSTEM
CONTRACTOR: THE JOINT VENTURE OF HERZOG CONTRACTING
CORP. AND HERZOG TECHNOLOGIES, INC. (HCC/HTI)
BERTH 200 RAIL YARD TRACK CONNECTIONS PROJECT
SPECIFICATION NO. 2745 – CONTRACT NO. 2291**

SUMMARY:

Change Order No. 5 to Contract No. 2291 Berth 200 Rail Yard Track Connections Project (Project), in the amount of \$1,400,000 and a 120-calendar day time extension, authorizes The Joint Venture of Herzog Contracting Corp. and Herzog Technologies, Inc. (HCC/HTI) to furnish and install a car and truck wash down area and railroad track pan drainage system to comply with National Pollutant Discharge Elimination System (NPDES) environmental wastewater discharge requirements for the Project.

Contract No. 2291 was approved by the Board of Harbor Commissioners (Board) on July 25, 2013, in the amount of \$20,141,303, including a 10% contingency in the amount of \$1,831,028. To date, \$406,250 of this contingency amount has been expended. Therefore, there is adequate remaining contingency funding for this \$1,400,000 Change Order, which is the financial obligation of the City of Los Angeles Harbor Department (Harbor Department).

This Project is partially State-funded under the Proposition 1B, State Trade Corridor Improvements Fund (TCIF) through the State of California Department of Transportation, in the amount of \$10,512,000. This change order is eligible for 50% reimbursement under this TCIF grant.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Approve and authorize the Executive Director to execute Change Order No. 5 for a not-to-exceed amount of \$1,400,000 and a 120-calendar day time extension; and

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2. Adopt Resolution No. _____.

DISCUSSION:

Background/Context - Change Order No. 5 (Transmittal 1) will authorize the work necessary to furnish and install a car and truck wash down area and railroad track pan drainage system to comply with NPDES environmental wastewater discharge requirements.

The Project, which is currently in the final stages of construction, involves relocating the existing Pier A railroad switching and classification yard to Berth 200 to accommodate the proposed expansion of the Berths 142-147 container terminal on-dock rail yard (Transmittal 3). Due to delays in receiving the required outside agency permits and approvals, the Project scope of improvements was separated into two construction contracts in order to complete the work as soon as possible. Construction on the first contract, the Berth 200 Rail Yard, started on August 27, 2012, was substantially complete on August 15, 2014, and is currently fully operational. Construction on the second contract started on October 21, 2013, and was originally scheduled to be completed on November 19, 2014. However, due to the need for a car and truck wash down area, and a railroad track pan drainage system increasing the scope of work, the revised completion date for the Project requires an extension of 120 calendar days with anticipated completion in April 2015.

The previous Pier A rail yard occupied by Pacific Harbor Line (PHL) did not have a track drainage system and relied on using absorbent pads to control fuel and contaminant spillage. It also lacked a proper car and truck wash area requiring vehicles to be cleaned on unpaved ground. The new Berth 200 Rail Yard was originally designed in the same manner. Per agreements with the Union Pacific Railroad, Burlington Northern Santa Fe Railroad and PHL, the new Berth 200 Rail Yard shall be constructed to meet all regulatory requirements. PHL, the short line railroad that provides rail switching and dispatching services and now occupies the Berth 200 Rail Yard, recently informed the Harbor Department that the new PHL Yard is lacking a railroad maintenance car and truck wash down area and railroad fueling site drainage system that this is in full regulatory compliance (Transmittal 2). Harbor Department staff reviewed this information and concluded that the original design should have included these features and that modifications were warranted not only to bring the new facility to full regulatory compliance, but also to limit the risk of expensive remediation due to a possible fuel spill. The cost for making these modifications is the responsibility of the Harbor Department as part of the Harbor Department's obligation to provide a replacement for the Pier A rail yard due to the development of a new on-dock intermodal rail yard at Berth 200.

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The Berth 200 Rail Yard car and truck wash down area improvements include grading, paving, drainage and construction of a canopy wash area structure to allow PHL cars and trucks to be cleaned and washed with wastewater disposed of properly. The Berth 200 Rail Yard railroad track pan drainage system includes construction of an underground wastewater drainage piping and storage tank system to dispose of wastewater collected within the existing railroad fueling site track pans that were constructed as part of the Berth 200 Rail Yard project. The method used by PHL in the past presents a risk because there is a possibility that a rain event could fill the fueling site track pans with water which could flush hydrocarbon contaminated material into the ballast rock or storm drains. In addition, vehicles cleaned on unpaved ground can leak fuel and oil causing contamination of the soil. This could create a future liability for both PHL and the Harbor Department for clean-up of contaminated soils. The proposed improvements will eliminate this risk and provide a facility that meets current regulatory requirements. Therefore, work under this Change Order needs to be completed as soon as possible to avoid spillage of the contaminated water into the ballast rock, or the storm drain system.

The added cost of furnishing and installing a car and truck wash down area and railroad track pan drainage system, including various costs related to changes in the design, and other unforeseen costs related to this change, is estimated at \$1,400,000. The cost breakdown is approximately \$200,000 for the car and truck wash down area and approximately \$800,000 for the railroad track pan drainage system. Approximately \$400,000 is included in this Change Order to address unforeseen conditions such as contaminated soil and unknown substructure obstructions, and any extended overhead for contract extension.

Previous Board Actions – On December 6, 2007, the Board certified the Berths 136-147 (TraPac) Container Terminal Environmental Impact Report (EIR). This EIR included an on-dock rail yard for TraPac, and the new Berth 200 Rail Yard project. The Berth 200 Rail Yard project will relocate the existing Pier A Rail Yard to the backlands area of Berth 200, allowing the former Pier A Rail Yard land to be used to create an on-dock rail yard for TraPac. The Berth 200 Rail Yard Track Connections Project will provide railroad track tie-in connections on the east and west ends of the Berth 200 Rail Yard project and complete the rail yard project.

On September 12, 2012, the Board approved Resolution Nos. 12-7384, and 12-7385 authorizing the prequalification of contractors under Specification No. 2745 for the Project.

On July 25, 2013, the Board approved Resolution No. 13-7523 for the Award of Contract to HCC/HTI in the amount of \$20,141,303, including a 10% contingency.

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Berth 200 Rail Yard Track Connections Project - The Project will provide the railroad track tie-in connections on the east and west ends of the Berth 200 Rail Yard project currently under construction and is defined by the following main components:

1. Railroad Track: Railroad track work located on the east and west ends of the Berth 200 Rail Yard project that tie-in to existing mainline and terminal spur tracks.
2. Railroad Signalization: Centralized Train Control (CTC) signals for mainline track improvements, and grade crossing signal protection for five at-grade street crossings.
3. Railroad Grade Crossing Street Improvements: Demolition of existing street improvements, existing substructures relocation, protection and abandonment grading, paving, drainage, striping and fencing, and coordination of utility removals by others.

Construction of the Project started on October 21, 2013, and is scheduled to be completed in April 2015.

The Project is partially State-funded under the State TCIF through the State of California Department of Transportation in the amount of \$10,512,000. The Harbor Department will receive 50% reimbursement in TCIF grant funds for every dollar spent on project construction related costs. The Harbor Department is responsible for all the costs associated with this Project. The proposed \$1,400,000 Change Order is eligible for the 50% TCIF grant reimbursement. As of August 31, 2014, approximately \$11 million has been spent in construction.

FINANCIAL IMPACT:

The proposed \$1,400,000 Change Order is within the \$1,831,028 contingency amount previously authorized by the Board, so no additional budget authority is being requested. To date, \$406,250 of the authorized \$1,831,028 has been expended, leaving a balance of \$1,424,778 that adequately covers the \$1,400,000 under this Change Order. Funds for this Change Order are available in Account No. 54510, Center No. 1172, and Program No. 000.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a change order for construction of the Berth 200 Rail Yard Track Connections Project. Construction of the Berth 200 Rail Yard was included and analyzed in the Berths 136-147 [TraPac] Container Terminal Final Environmental

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Impact Statement/Final Environmental Impact Report, which was certified on December 6, 2007, and the Environmental Impact Report Addendum dated June 6, 2012. As an administrative activity for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA), the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Spending under the original contract without contingency would have had 147 direct and 120 secondary one-year equivalent jobs for the five-county region. The proposed Change Order supports 10 direct and 8 secondary additional one-year equivalent jobs for the region.

CITY ATTORNEY:

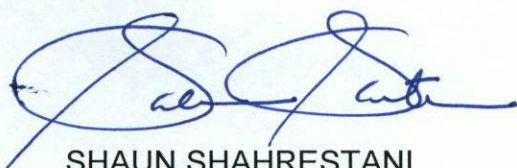
The Office of the City Attorney reviewed and approved Specification No. 2745 as to form and legality on April 4, 2013.

TRANSMITTALS:

1. Change Order No. 5
2. Letter dated March 18, 2014 from PHL
3. Location Key Plans

FIS Approval: WR (initials)

CA Approval: JS (initials)

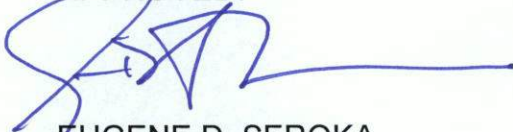


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