



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

### FOR INFORMATION ONLY

**DATE: JANUARY 4, 2023**

**TO: THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE**

**SUBJECT: JANUARY 2023 PROJECT DEVELOPMENT COMMITTEE REPORT**

This report highlights the actions taken by the Project Development Committee (PDC) at its January 2023 meeting. On January 4, 2023, the PDC met to consider seven project items. The committee also reviewed standing reports regarding newly opened work orders, the status of the unallocated Capital Improvement Program (CIP) fund budget, completed CIP projects, the financial model, grants and the GASB 49 project list. Attached for review are the meeting minutes (Transmittal 1), Unallocated CIP Fund Report FY 2022/2023 (Transmittal 2), and CIP Status Report – Completed Projects (Transmittal 3).

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

- 1) Schedule change – One item was submitted and approved.
- 2) Budget/Schedule/Scope change – Five items were submitted and approved.
- 3) New project – One item was 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:

- 14 PDC-approved projects totaling \$6,135,938
- 5 projects under \$100,000 totaling \$195,984

As of December 23, 2022, the remaining balance is \$5,668,078.

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 (Jan 5, 2023 14:40 PST)

EUGENE D. SEROKA  
Executive Director

**Attachments:**

- Transmittal 1: January 2023 PDC Pandect
- Transmittal 2: Unallocated CIP Fund Report FY 2022/2023
- Transmittal 3: CIP Status Report – Completed Projects

AVG

AVG/mz

**BUDGET CHANGE****SUBJECT****ORIGINAL PROJECT COST** \$651,200**AIR QUALITY MONITORING STATIONS UPGRADE – COST INCREASE****SUMMARY**

Staff requests approval to increase the approved project total for the Air Quality Monitoring Stations Upgrade project.

The project encompasses the upgrade of the Harbor Department's four air monitoring stations with new equipment. The improvement to the monitoring stations requires the purchase and installation of equipment to monitor and collect data for particulate matter, black carbon, nitrogen dioxide, carbon monoxide, ozone, sulfur dioxide, wind speed, wind direction, temperature, and relative humidity.

The Environmental Management Division (EMD) recommends increasing the budget from \$651,200 to \$703,200 to account for labor costs due to unforeseen repairs, maintenance, and upgrades needed at the four air monitoring stations.

**PDC ACTION** Approved

**COMMENT** No comment.

**BUDGET CHANGE, SCHEDULE CHANGE****SUBJECT****ORIGINAL PROJECT COST** \$8,470,565**BERTH 100 (CHINA SHIPPING) - WEST BASIN CONTAINER TERMINAL (WBCT), ADVANCE ELECTRICAL INFRASTRUCTURE DEMONSTRATION - BUDGET AND SCHEDULE CHANGE****SUMMARY**

Staff requests approval to increase the budget and extend the Berth 100 (China Shipping) - West Basin Container Terminal (WBCT), Advance Electrical Infrastructure Demonstration project.

The Engineering Division recommends increasing the budget from \$8,470,565 to \$10,250,000 to account for unforeseen conditions in the field, significant delays to receiving specialty electrical equipment, standby rental equipment costs, and significantly high inflation for material costs and labor rates.

The Engineering Division recommends adding eighteen (18) months to the project schedule to allow for delays incurred by extraordinarily long lead times to receive electrical switchgear and battery energy storage system. Normal lead time for manufacturing of some of the components has tripled. We are currently scheduled to receive the last major piece of equipment in November of 2023, and all onsite work has stopped until receipt of this electrical equipment.

Engineering has coordinated this work and schedule with Construct & Maintenance Division and Environmental Management Division.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$420,000**REAR BERTH 147-151 SANITARY SEWER REHABILITATION - BUDGET AND SCHEDULE CHANGE****SUMMARY**

Staff requests approval to increase the budget and change the schedule for the Rear Berths 147-151 Sanitary Sewer Rehabilitation.

The Engineering Division recommends increasing the budget by \$315,000 from \$420,000 to \$735,000 to account for price increase in materials.

The Engineering Division recommends adding 35 additional months to the schedule to compensate for the project's "on-hold" status, from construction completion of January 31, 2020 to December 31, 2023.

The proposed total project cost is \$735,000 and the new project completion date is December 31, 2023.

**PDC ACTION** Approved

**COMMENT** No comment.

## BUDGET CHANGE, SCHEDULE CHANGE, SCOPE CHANGE

**SUBJECT****ORIGINAL PROJECT COST** \$5,386,770**BERTHS 121-131 CONTAINER TERMINAL REDEVELOPMENT PROJECT EIS/EIR – SCOPE, COST AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval to change the scope, cost, and schedule for the Berths 121-131 Container Terminal Redevelopment Project (Project) Environmental Impact Statement/Environmental Impact Report (EIS/EIR). The scope changes are needed to 1) incorporate newer mitigation measures and environmental requirements related to drayage trucks and cargo handling equipment as a result of pending regulations and the Ports Clean Air Action Plan goals and 2) address infrastructure items and operational changes as requested by the current tenant. As a result, a cost increase of \$500,000 and schedule change of 12 months is needed to redo the technical analysis and supporting EIS/EIR documentation.

The total project cost with an increase of \$500,000 is now \$5,886,770 and the 12 month schedule change for completion of the project is now June 30, 2024.

**PDC ACTION** Approved

**COMMENT** No comment.

## BUDGET CHANGE, SCHEDULE CHANGE, SCOPE CHANGE, NAME CHANGE

**SUBJECT**

**ORIGINAL PROJECT COST** \$57,000,000

**WILMINGTON WATERFRONT – AVALON PEDESTRIAN BRIDGE AND PROMENADE GATEWAY – SCOPE, BUDGET, SCHEDULE, AND NAME CHANGES**

**SUMMARY**

Staff requests approval to combine the scope, cost, and schedule of the Wilmington Waterfront – Avalon Pedestrian Bridge (WO 2537700) with the Wilmington Waterfront – Avalon Gateway (WO 2566200) project in order to deliver a combined public access project renamed as the Wilmington Waterfront – Avalon Pedestrian Bridge and Promenade Gateway. WO 2537700 will be retained for this combined project.

The combined scope of work consists of a pedestrian bridge to provide safe pedestrian access to the Wilmington Waterfront Promenade over existing rail tracks and development of approximately 12 acres of visitor serving open space with amenities such as landscaping, hardscape, parking, restroom, lighting and site furnishings.

Staff requests to increase the combined budget of \$57,000,000 by \$8,000,000 for a new project budget of \$65,000,000. This budget revision consolidates the two project budgets, accounts for construction escalation at 5% due to schedule change, and adjusts soft costs based on actuals spent to date and revised construction cost. Environmental related costs are due to necessary testing of DWP property that will be transferred to the Port. This project currently has \$10.207 million of Measure M grant funding secured.

Staff also requests a revised schedule increased by 24 months to a new completion date of April 30, 2027 to allow for the following:

1. Property transfers with Los Angeles Department of Water and Power (LADWP) that include the project site location. In particular, this project is contingent upon receiving Parcel A, Parcel B (LADWP Marine Tank Farm site), and Parcel C.
2. Time for LADWP to perform partial site demolition of Parcel B in preparation of this project.
3. Additional time to combine both projects as one construction contract. This will allow for more competitive bids and delivery of one cohesive project.
4. Additional time for POLA to perform design and construction of work for LADWP. This work entails building demolition, partial site demolition, and site remediation at Parcel B (WO 2569000) and will be completed by POLA in order to consolidate work and coordination efforts. LADWP will reimburse POLA for this work under a Reimbursement Agreement, which has not been finalized yet.

**PDC ACTION** Approved

**COMMENT** No comment.

**NEW PROJECT**

**SUBJECT**

**ORIGINAL PROJECT COST** \$20,800,000

**208 EAST 22ND STREET PARKING LOT IMPROVEMENTS – NEW PROJECT**

**SUMMARY**

Staff requests approval to initiate a new project to design and construct improvements at the 208 East 22nd Street parking lot.

The parking lot improvements will develop and redevelop 17.5 acres of parking improvements for a total of approximately 1,900 parking stalls.

The total project cost is \$20,800,000 and the project completion date is September 30, 2025.

**PDC ACTION** Approved

**COMMENT** No comment.

**SCHEDULE CHANGE**

**SUBJECT**

**ORIGINAL PROJECT COST** \$889,500

**CALTRANS PEDESTRIAN PATH AND PARKING RESTRIPIING - SCHEDULE CHANGE**

**SUMMARY**

Staff requests approval to extend the Caltrans Pedestrian Path and Parking schedule by two months with no additional increase in the project budget of \$ 889,500.

The Engineering Division recommends adding two months to the schedule to account for delays incurred performing final quality assurance reviews prior to advertising project. If approved by PDC, the project will be completed on April 30, 2024.

**PDC ACTION** Approved

**COMMENT** No comment.

**ADMINISTRATIVE ITEM** GASB 49 Report, Grants Update, and CIP Report - Completed Projects 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 (2572300)  | \$        | (140,000)                 |
| Portwide Skylights Replacement (2572200)   | \$        | (415,193)                 |
| B. 208-209 - CFS Building Demolition (2572400)   | \$        | (1,000,000)               |
| Fixed Automated License Plate Recognition (ALPR) System to Supplement Port Police Existing ALPR Systems ( 2572700) | \$        | (497,745)                 |
| B. 72 Parking Lot Lights Replacement (2572900)   | \$        | (30,000)                  |
| Knoll Drive Street Lighting (2573100)  | \$        | (63,000)                  |
| Navy Way & Seaside Ave. Interchange Improvements (2573200)   | \$        | (400,000)                 |
| PMA/ILWU Local 13 Dispatch Hall Surplus Parking Lot Improvements (2573300)   | \$        | (50,000)                  |
| Terminal Island Maritime Support Facility (2573500)  | \$        | (200,000)                 |
| B.93 Vehicular Ramp Fire Sprinkler System Upgrade (2573600)  | \$        | (160,000)                 |
| B. 212-Yusen Administration Building Fire Suppression System Replacement (2573700)                                 | \$        | (180,000)                 |
| 208 East 22nd St. Parking Lot Improvements ( )   | \$        | (200,000)                 |
| <b><i>Subtotal PDC Approved Projects</i></b>   | <b>\$</b> | <b><i>(6,135,938)</i></b> |

**Projects Under \$100,000**

|   |           |                         |
|---|-----------|-------------------------|
| B. 212-223 - YTI East Gate Rail Signal Improvements (25719)                         | \$        | (39,805)                |
| B. 161 - Marine Ways Gate Modifications (25725)                                     | \$        | (11,746)                |
| Harbor Administration Building - Conference Room Teleconference Solutions (2572800) | \$        | (35,933)                |
| Harbor Administration Building - Fifth Floor Office Enclosure (2573400)             | \$        | (24,000)                |
| 22nd Street Park Surveillance (2573800)   | \$        | (84,500)                |
| <b><i>Subtotal Projects Under \$100,000</i></b>                                     | <b>\$</b> | <b><i>(195,984)</i></b> |

***Balance as of December 23, 2022***

**\$ 5,668,078**

# CIP Status Report

## COMPLETED PROJECTS

Sorted By: Project Number

Actuals Thru: October 2022

*Where Construction Finish Date is: >= 11/30/2022 <= 12/23/2022*

| Expend.<br>Org. | Project<br>No. | Project Title | Project<br>Manager | Status | Projected<br>Cost | Design   |           |          |           | Percent<br>Design<br>Complete | Construction |          |           |  | Percent<br>Const.<br>Complete |
|-----------------|----------------|---------------|--------------------|--------|-------------------|----------|-----------|----------|-----------|-------------------------------|--------------|----------|-----------|--|-------------------------------|
|                 |                |               |                    |        |                   | Start    |           | Finish   |           |                               | Start        |          | Finish    |  |                               |
|                 |                |               |                    |        |                   | Baseline | Projected | Baseline | Projected | Baseline                      | Projected    | Baseline | Projected |  |                               |
|                 |                |               |                    |        |                   |          |           |          |           |                               |              |          |           |  |                               |

**Grand Total:                      \$0**













# Audit Committee Report Packet - January 2023

Final Audit Report

2023-01-05

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