



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

FOR INFORMATION ONLY

DATE: AUGUST 2, 2023

TO: THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE

SUBJECT: AUGUST 2023 PROJECT DEVELOPMENT COMMITTEE REPORT

This report highlights the actions taken by the Project Development Committee (PDC) at its August 2023 meeting. On August 2, 2023, the PDC met to consider eight 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 2023/2024 (Transmittal 2), and CIP Status Report – Completed Projects (Transmittal 3).

The committee also convened for a special meeting on July 18, 2023, to consider and ultimately approve one item. Attached for review are the minutes from that meeting (Transmittal 4).

The following is a summary of the July special meeting and August meeting minutes by category:

- 1) Schedule change – Three items were submitted and approved.
- 2) Budget/Schedule/Scope change – Six items were submitted and approved.

The Board of Harbor Commissioners (Board) approved \$15,000,000 in the fiscal year 2023/2024 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 2023/2024:

- 4 PDC-approved projects totaling \$489,317
- 2 projects under \$100,000 totaling \$51,150

As of June 27, 2023, the remaining balance is \$14,459,533.

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 (Aug 9, 2023 16:32 PDT)

EUGENE D. SEROKA
Executive Director

Attachments:

- Transmittal 1: August 2023 PDC Pandect
- Transmittal 2: Unallocated CIP Fund Report FY 2023/2024
- Transmittal 3: CIP Status Report – Completed Projects
- Transmittal 4: July 2023 Special Meeting PDC Pandect

MB

MB

MB/mz

BUDGET CHANGE, SCHEDULE CHANGE**SUBJECT****ORIGINAL PROJECT COST** \$525,000**BERTHS 57-60 WHARF RECONSTRUCTION ASSESSMENT AND PRELIMINARY ENGINEERING - BUDGET AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval for cost increase and schedule change to the Berths 57-60 Wharf Reconstruction Assessment and Preliminary Engineering project.

The revised budget is increased by \$175,000 from \$525,000 to a new project budget of \$700,000. The revised schedule is increased by 10 months to a new completion date of May 31, 2024.

The total project cost is \$700,000 and the project will be completed by May 31, 2024.

The Engineering Division recommends increasing the budget from \$525,000 to \$700,000 to account for the actual cost of engineering consultant services and additional funds for Engineering in-house labor.

The Engineering Division recommends adding 10 months to the schedule to allow for additional time needed by the consultant to complete the inspection, provide deliverables, and for Engineering to prepare scope of work, budget, schedule for the assessment repairs of the wharf at Berth 57-60.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$3,100,000**BADGER AVENUE BRIDGE WIRE ROPES REPLACEMENT - BUDGET AND SCHEDULE CHANGE****SUMMARY**

Staff requests approval to increase the budget and change the schedule for the Badger Avenue Bridge Wire Ropes Replacement.

The Construction & Maintenance Division recommends increasing the budget by \$400,000 to account for increase in procurement cost.

The Construction & Maintenance Division recommends adding 3 additional months to the schedule to allow for delays due to procurement timelines.

The total project budget is \$3,500,000 and the project will be completed by June 16, 2024.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$11,380,000**BERTHS 177-178 WHARF RESTORATION –
BUDGET AND SCHEDULE CHANGES (PASHA STEVEDORING TERMINALS)****SUMMARY**

Staff requests approval to increase the budget and the schedule for the Berths 177-178 Wharf Restoration project.

The project was combined with the Berths 179-181 Wharf and Bollard Repair, Berths 182 Slope Erosion Repair and Berth 168 Slope Improvements projects. The title for the combined projects as one bid construction contract is the Berths 177-182 Marine Improvements and closed bids on June 29, 2023. The Contractor recommended for award is Reyes/Larison Joint Venture. Their total bid for the project is \$29,986,950. The Engineering Division recommends increasing the budget by \$10,600,000 from \$11,380,000 to a new project budget of \$21,980,000 to account for the construction bid amount and costs required for the duration of project and closeout. The construction cost estimate for this project had not been updated since 2020. Since then, an underwater survey was performed to estimate the total amount of disposal of timber and concrete debris, storm drain system, quarry run, and sliding plate extensions were added to the scope of work, and the number of prestressed concrete piles and timber fender piles increased, this increase also includes extended labor charges, inflation, and changes in scope.

The Engineering Division recommends adding seven months to the schedule to address prospective bidder questions and add the Berth 168 Slope Improvements project to the Contract. The revised completion date is January 31, 2025.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$1,521,800**BERTH 182 - SLOPE EROSION REPAIR – BUDGET AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval to increase the budget and the schedule for the Berth 182 Slope Erosion Repair project.

The project was combined with the Berths 177-178 Wharf Restoration, Berths 179-181 Wharf and Bollard Repair and Berth 168 Slope Improvements projects. The title for the combined projects as one bid construction contract is the Berths 177-182 Marine Improvements and closed bids on June 29, 2023. The Contractor recommended for award is Reyes/Larison Joint Venture. The total bid for this project and other combined projects is \$29,986,950. The Engineering Division recommends increasing the budget by \$582,980 from \$1,521,800 to a new project budget of \$2,104,780 to account for the construction bid amount and costs required for the duration of the project and closeout. This increase includes extended labor charges, inflation, and changes in scope.

The Engineering Division recommends adding seven months to the schedule to address prospective bidder questions and add the Berth 168 Slope Improvements project to the Contract. The revised completion date is January 31, 2025.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$1,530,000**BERTHS 179-181 WHARF AND BOLLARD REPAIR – BUDGET AND SCHEDULE CHANGE****SUMMARY**

Staff requests approval to increase the budget and the schedule for the Berths 179-181 Wharf and Bollard Repair project.

The project was combined with the Berths 177-178 Wharf Restoration, Berths 182 Slope Erosion Repair and Berth 168 Slope Improvements projects. The title for the combined projects as one bid construction contract is the Berths 177-182 Marine Improvements and closed bids on June 29, 2023. The Contractor recommended for award is Reyes/Larison Joint Venture. The total bid for the project is \$29,986,950. The Engineering Division recommends increasing the \$1,530,000 budget by \$831,438 for a revised total of \$2,361,438 to account for the construction bid amount and costs required for the duration of the project and closeout. This increase includes extended labor charges, inflation, and changes in scope.

The Engineering Division recommends adding seven months to the schedule to address prospective bidder questions and add the Berth 168 Slope Improvements project to the Contract. The revised completion date is January 31, 2025.

PDC ACTION Approved

COMMENT No comment.

SCHEDULE CHANGE

SUBJECT**ORIGINAL PROJECT COST** \$2,000,000**ALTERNATIVE MARITIME POWER (AMP) CONTAINER SHIP EARTH SWITCHGEARS RETROFIT AT ALL PORT TERMINALS - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the schedule for the Alternative Maritime Power (AMP) Container Ship Earth Switchgears Retrofit at All Port Terminals project by an additional six months with no additional increase to the budget.

The Engineering Division recommends adding six additional months to the schedule to allow vendor time to correct issues identified during commissioning, including securing replacement equipment, which currently prevent the system from working as designed.

If approved by PDC, the new completion date would be December 31, 2023.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$440,000**BERTH 72 PARKING LOT LIGHT REPLACEMENT - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Berth 72 Parking Lot Lights Replacement schedule by twelve months with no additional increase to the project budget of \$440,000.

The Engineering Division recommends adding twelve months to the schedule to allow for the Los Angeles Bureau of Street Lighting (LABSL) to construct a new low-voltage lighting system and then formally transfer ownership and maintenance responsibilities for the light poles and fixtures to the Port of Los Angeles (POLA). After transfer of ownership, POLA will need to perform some construction to integrate the new lights into the existing system.

If approved by PDC, the new construction completion date would be January 31, 2026.

PDC ACTION Approved

COMMENT No comment.

SUBJECT**ORIGINAL PROJECT COST** \$580,000**BERTHS 153-155 WHARF ASSESSMENT- SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the schedule for the Berths 153-155 Wharf Assessment by 12 months with no increase to the budget.

The Engineering Division recommends adding 12 months to the schedule for the selection of a consultant from the current on-call consultant agreement to complete the assessment, provide deliverables, and for Engineering to prepare scope of work, budget, and schedule for the wharf repairs at Berth 153-155 with a new completion date of July 31, 2024.

This project was put on hold for over a year. A time extension of 17 months to the original schedule was approved by the Project Development Committee on January 6, 2021, to allow for additional time needed to select a consultant from the current on-call engineering consultants which was put in place in November 2022. A consultant was not selected from the previous on-call engineering consultants due to a lack of available consultants to perform these specialized above and underwater inspections.

PDC ACTION Approved

COMMENT No comment.

ADMINISTRATIVE ITEM GASB 49 Report, Grant Report, and Completed Projects CIP Report Reviewed

ACTION ITEM FOLLOW UP

WORK ORDER REPORT REVIEWED

UNALLOCATED BUDGET REPORT REVIEWED

ADDITIONAL DISCUSSION

Michael Keenan


Marla Bleavins (Aug 9, 2023 16:32 PDT)

Michael DiBernardo
Marketing and Customer Relations

Marla Bleavins
Finance and Administration

Unallocated Capital Improvement Program Fund FY 23/24

(Budget set in July)

\$ 15,000,000

PDC Approved Projects

Portwide Power Monitoring System (2575700)	\$	(60,000)
B. 93 Vehicular Ramp Repair (2575800)	\$	(165,000)
Harbor Administrative Building - Fifth Floor Commissioner's Conference Rooms (2576000)	\$	(112,417)
Harbor Administrative Building - Fifth Floor Lobby Conference Rooms (2576400)	\$	(151,900)
<i>Subtotal PDC Approved Projects</i>	\$	<i>(489,317)</i>

Projects Under \$100,000

Avalon Blvd and Water Street - Logistics Swing Gate Installation (2575900)	\$	(8,400)
San Pedro Waterfront - Gateway Fanfare Fountain Water Treatment System (2576200)	\$	(42,750)
<i>Subtotal Projects Under \$100,000</i>	\$	<i>(51,150)</i>

Balance as of July 26, 2023

\$ 14,459,533

CIP Status Report

Completed Projects

Actuals Thru: June 2023

Where Construction Finish Date is: >= 6/29/2023 <= 7/26/2023

Expend. Org.	Project No.	Project Title	Project Manager	Status	Projected Cost	Design				Percent Design Complete	Construction				Percent Const. Complete
						Start Baseline	Projected	Finish Baseline	Projected		Start Baseline	Projected	Finish Baseline	Projected	
1003	2556200	Harbor Administration Building - 1st Floor Employee Restrooms and Showers Remodel	Kuo, Rodger	Completed	\$1,610,000	09/13/19	^ 09/13/19	12/24/20	^ 12/24/20	100 %	01/05/21	^ 01/05/21	06/30/23	^ 06/30/23	100 %
1085	2560900	B. 68 - Port Pilot Station HVAC Upgrade	Warren, Lee	Completed	\$159,993	01/13/20	^ 01/13/20	01/14/20	^ 01/14/20	N/A	03/15/20	^ 03/15/20	12/31/22	^ 06/30/23	100 %
1165	2573700	B. 212 - Yusen Administration Building Fire Suppression System Replacement	Hazelett, Phil	Completed	\$225,000	12/20/22	^ 12/20/22	01/20/23	^ 02/10/23	100 %	03/01/23	^ 03/14/23	06/30/23	^ 06/30/23	100 %

Grand Total: \$1,994,993

SCOPE CHANGE, BUDGET CHANGE

ELECTRICAL INFRASTRUCTURE IMPROVEMENT PROGRAM– SCOPE AND BUDGET CHANGE**SUMMARY**

Staff requests approval for additional scope and budget for the Electrical Infrastructure Improvement Program to support the future power demand requirement throughout the Port of Los Angeles (POLA) for Zero Emission operations as set by the 2017 San Pedro Bay Ports Clean Air Action Plan (CAAP) goal to achieve a 100-percent Zero Emission (ZE) Cargo Harbor Equipment (CHE) fleet by 2030.

The initial budget was approved for preliminary engineering and environmental assessment with Department of Water and Power (DWP). The additional scope of work is continue coordinating with DWP for the planning, environmental assessment, design, and construction of new electrical power distribution systems and expansion of the existing Receiving Station (RS-Q) to support zero emission port operations. This program is comprised of four projects (Transmittal No. 1):

- Receiving Station Q (RS-Q) Expansion
 - o Construction of a new “Rack D” entirely dedicated to the Port of Los Angeles operation and the associated electrical infrastructure for connections and new circuits
- RS-Q to Berth 46(Outer Harbor)
 - o Construction of Distribution lines, substructures, conduits and electrical infrastructure to Berth 46—Outer Harbor (Approximately 5 miles);
 - o Berth 46 Network Station
- RS-Q to DS-3(West Basin)
 - o Construction of Distribution lines, substructures, conduits and electrical infrastructure to the West Basin Facilities (Approximately 2.6 miles);
 - o Everglades Distribution Station; and
 - o China Shipping Distribution Station
- RS-Q to DS-121(Terminal Island)
 - o Construction of Distribution lines, substructures, conduits and electrical infrastructure to Terminal Island’s existing Distribution Station 121 (Approximately 2.2 miles); and
 - o FMS Network Station; and
 - o APMT Network Station; and
 - o Everport Network Station; and
 - o YTI Network Station

The construction of Rack D at RS-Q will allow for additional power and increased reliability. With a dedicated rack for port operation, the port will be able to isolate their power from other LADWP customer, thus increasing reliability.

POLA and LADWP have been coordinating for the past several years discussing various options, potential preliminary cost, and associated lead times to expand the existing electrical infrastructure at POLA.

The proposed Port Electrification Infrastructure Improvement Program consisting of the four projects listed above allows for coordination with LADWP for the planning, designing, and construction to expand existing Receiving Station Q (RS-Q) and construct new electrical power distribution infrastructure systems to supply electrical power for port operations.

The revised budget is increased by \$289,000,000 from \$10,000,000 to a new project budget of \$299,000,000 and a completion date of June 30, 2035.

PDC ACTION Approved

COMMENT No comment.

ADMINISTRATIVE ITEM None
ACTION ITEM FOLLOW UP
WORK ORDER REPORT NOT REVIEWED
UNALLOCATED BUDGET REPORT NOT REVIEWED
ADDITIONAL DISCUSSION



Antonio V. Gioiello
Development



Michael DiBernardo
Marketing and Customer Relations










Re-Send of Audit Committee Report August 2023

Final Audit Report

2023-08-09

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