



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

### FOR INFORMATION ONLY

**DATE: NOVEMBER 4, 2021**

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

**SUBJECT: NOVEMBER 2021 PROJECT DEVELOPMENT COMMITTEE REPORT**

This report highlights the actions taken by the Project Development Committee (PDC) at its November meeting. On November 3, 2021, the PDC met to consider three 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 2021/2022 (Transmittal 2).

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

- 1) Schedule change – Two items were submitted and approved.
- 2) Budget/Schedule – One item was submitted and approved.

The Board of Harbor Commissioners (Board) approved \$12,000,000 in the fiscal year 2021/2022 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 2021/2022 to date:

- 6 PDC-approved project totaling \$2,633,280
- 2 projects under \$100,000 totaling \$62,551

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 Blewins*

EUGENE D. SEROKA  
Executive Director

**Attachments:**

Transmittal 1: November 2021 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2021/2022

AVG  
AVG

AVG/mz

**BUDGET CHANGE; SCHEDULE CHANGE**

**SUBJECT** **ORACLE ERP CLOUD MIGRATION - BUDGET AND SCHEDULE CHANGE** **ORIGINAL PROJECT COST** \$10,341,766

**SUMMARY**

The Information Technology (IT) Division is requesting Project Development Committee (PDC) approval to amend Work Order No. 2564800 to extend the project schedule and increase the capital budget to \$15,978,720.

Work Order No. 2564800 was approved by the PDC on December 2, 2020 for the Oracle Enterprise Resource Planning (ERP) Cloud project with a capital budget of \$10,341,766 for 3 years.

If approved by PDC, the implementation phase will be 12 months with the revised design finish date of June 30, 2022, and the revised construction finish date of June 30, 2023. The project changes will increase the overall capital budget from \$10,341,766 to \$15,978,720.

**PDC ACTION** Approved

**COMMENT** No comment.

**SCHEDULE CHANGE**

**SUBJECT** **BERTH 68 - PORT PILOT STATION – HVAC UPGRADES - SCHEDULE CHANGE** **ORIGINAL PROJECT COST** \$160,000

**SUMMARY**

Staff requests approval to extend the schedule of the Berth 68 Port Pilot Station HVAC Upgrades project by three additional months with no additional increase in the budget.

The Construction & Maintenance Division (C&M) recommends adding three additional months to the schedule as the contractor provided new equipment that did not meet the Port’s specifications.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$400,000**B. 150-195 – UNDERWHARF PIPELINE HANGERS REPLACEMENT - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the B. 150-195 – Underwharf Pipeline Hangers Replacement schedule by 30 additional months with no additional increase in the budget.

The Construction & Maintenance Division recommends adding 30 additional months to the schedule to allow for delays due to the Covid-19 pandemic and other overlapping capital projects which had higher priority.

**PDC ACTION** Approved

**COMMENT** No comment.

**ADMINISTRATIVE ITEM** GASB49 Report reviewed

**ACTION ITEM FOLLOW UP**

**WORK ORDER REPORT** REVIEWED

**UNALLOCATED BUDGET REPORT** REVIEWED

**ADDITIONAL DISCUSSION** The Project Development Committee is memorializing that the Board of Harbor Commissioners at their special meeting on Friday, October 29, 2021, approved Change Order No. 13 to Contract No. 2311 with Manson Construction Co., in the amount of \$2,500,000.00 to improve an approximate 10-acre parcel within the former LAXT facility for temporary storage of chassis and containers. The Harbor Department opened Work Order 2568600 in the amount of \$3,000,000.00 for the cost of the improvements and associated in-house labor costs of \$500,000.00. The Board Report, Change Order No. 13, and Work Order 2568600 are included as attachments in the November PDC package.



Antonio V. Gioiello  
Development



Marla Bleavins  
Finance and Administration

**Unallocated Capital Improvement Program Fund FY 21/22**

**(Budget set in June)**

**\$ 12,000,000**

**PDC Approved Projects**

B. 120 - WBCT - Placement of CAB (25677)	\$	(148,000)
Port Pilot Radio Upgrade (25678)	\$	(920,000)
Air Quality Monitoring Stations Upgrade (25680)	\$	(521,280)
B. 153- Clock Tower Water Damage Repair (25681)	\$	(200,000)
B. 68 - Port Pilot Station Wharf Modifications (25682)	\$	(344,000)
Good Movement Workforce Training Facility (25684)	\$	(500,000)

***Subtotal PDC Approved Projects*** \$ ***(2,633,280)***

**Projects Under \$100,000**

1400 S. Harbor Blvd - Fence Installation (24683)	\$	(17,551)
Harbor Administration Building - Spare Conduits for Telecommunication Requirements (25685)	\$	(45,000)

***Subtotal Projects Under \$100,000*** \$ ***(62,551)***

***Balance as of October 27, 2021***

**\$ 9,304,169**









# Audit Committee Report Packet November 2021

Final Audit Report

2021-11-09

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