



THE PORT
OF LOS ANGELES
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: DECEMBER 16, 2025

FROM: CONSTRUCTION

**SUBJECT: RESOLUTION NO. _____ -
APPROVAL OF CHANGE ORDER NO. 01 REVISION 2 AND
CHANGE ORDER NO. 03 FOR ADDITIONAL FUNDS AND
CONSTRUCTION CONTINGENCY INCREASE
CONTRACTOR: R. J. DAUM CONSTRUCTION COMPANY
HARBOR ADMINISTRATION BUILDING BOARD HEARING ROOM
AND EXECUTIVE SESSION ROOM REMODEL
SPECIFICATION NO. 2835 – CONTRACT NO. 2325**

SUMMARY:

Staff requests approval of Change Order No. 01 Revision 2 (CO01R2) and Change Order No. 03 (CO03) to Contract No. 2325 (Contract) for the Harbor Administrative Building Board Hearing Room and Executive Session Room Remodel (Project) with R. J. Daum Construction Company (Contractor), each with the not-to-exceed amount of \$200,000.

CO01R2 authorizes additional funding to compensate the Contractor for removing portions of the existing Heating Ventilation and Air Conditioning (HVAC) system in the Board Room and Executive Session Room in conflict with the new improvements and install new HVAC system components. CO01R2 also authorizes structural and architectural changes to the scope of work in the Contract necessary to address conflicts with existing conditions and satisfy Department needs. Additionally, CO03 authorizes the Contractor to upgrade the lighting system in the Board Hearing Room and Executive Session Room.

Staff also requests approval of an increase in Contract contingency from 10% to 20%. The Contract was approved by the Board of Harbor Commissioners on July 25, 2024, in the amount of \$3,328,284 plus a 10% contingency in the amount of \$332,828.40, for a total authorization of \$3,661,112.40. If the proposed request is approved, the contingency will increase by \$332,828.40 to \$665,656.80, and the total authorization would increase by a commensurate amount from \$3,661,112.40 to \$3,993,940.80. The City of Los Angeles Harbor Department will continue to be financially responsible for expenses incurred under the Contract.

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**SUBJECT: CHANGE ORDER NO. 01R2 AND CHANGE ORDER NO. 03
HARBOR ADMINISTRATION BUILDING BOARD HEARING ROOM
AND EXECUTIVE SESSION ROOM REMODEL**

RECOMMENDATION:

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

1. Find that the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) and Article III Classes 1(1) and 2(6) of the Los Angeles City CEQA Guidelines;
2. Find that in accordance with City Charter Section 1022, work covered under the Change Orders can be performed more feasibly by an independent contractor rather than by City employees;
3. Approve and authorize the Executive Director to execute CO01R2 for a not-to-exceed amount of \$200,000;
4. Approve and authorize the Executive Director to execute CO03 for a not-to-exceed amount of \$200,000;
5. Increase contingency percentage from 10% to 20% for a total approved contingency of \$665,656.80 and total authorization of \$3,993,940.80; and
6. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – On July 25, 2024, the Board approved Resolution No. 24-10389 for the award of Contract with a total authorization in the amount of \$3,661,112.40, inclusive of the \$332,828.40 in contingency. The scope of the Project consists of improvements to the existing Harbor Administration Building Board Hearing Room and Executive Session Room including the following: replacement of existing audio/visual equipment, construction of a secure audio/visual room, modifications to the stage area, new lighting, construction of a larger conference table and kitchenette, and accessibility modifications. The Notice to Proceed for the Project was effective September 30, 2024, for a work duration of 420 calendar days.

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CO01R2 – Staff is requesting approval of the second revision to Change Order No. 1 as discussed below.

Change Order No. 1 (CO1) was initially issued on November 26, 2024, in the amount of \$75,000. Work under CO1 included the following changes and additional work:

- HVAC System Replacement – Portions of the existing HVAC system in the Board Room and Executive Session Room were replaced with new HVAC components that are compatible and will function with a new HVAC system that will be installed throughout the Harbor Administration Building (HAB) under the separate HAB HVAC Replacement project.

Replacement of the remaining components of the HVAC system in the Board Room and Executive Session Room were to have been completed under the HAB HVAC Replacement project, which was planned to begin such that the HVAC work in the Board Room and Executive Session room could be completed concurrently with the Project. However, the HAB HVAC Replacement project award was delayed to the point where concurrent work would have detrimentally impacted timely completion of the Project. If performed by the HAB HVAC project, portions of work completed under the Project would have required to be removed and reconstructed. Therefore, the HVAC work was added to the Project under CO1.

- Framing – Clarifications and revisions were provided for the ceiling structure and wall heights in response to Contractor-issued Requests for Information.

Change Order No. 01 Revision 1 (CO01R1) was issued on March 25, 2025, and revised the not-to-exceed amount from \$75,000 to \$130,000 to compensate the Contractor for work that was added to the previously issued scope changes. The additional work included the following:

- Additional HVAC Changes – A variable air volume (VAV) unit was added for the audio/visual (AV) room in the Board Hearing Room accommodating the electrical equipment. Three existing VAVs were replaced. Other HVAC system components, including fire dampers, supply air, return air, thermostats, and temperature sensors, were also either replaced or added to the scope changes.

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- Utility Conflicts – Additional work was necessary to resolve conflicts between the HVAC diffusers and the lighting in the Executive Session Room

Staff is requesting approval of Revision 2 to Change Order No. 01 which will capture additional changes to the HVAC scope and architectural details, including the following:

- HVAC Diffuser Frame – The original surface-mounted frame specified was changed to a framing structure that is compatible with the new HVAC components.
- Additional Access Panel – Due to space limitations, the panel was relocated, and a larger maintenance access panel was specified.
- Thermostats – In order to accommodate the new HVAC system, a new HVAC valve was ordered.
- Diffusers – The Executive Session Room diffusers were updated to a three-way diffuser.

The total cost of all change work to be performed under CO1R2 is expected to exceed \$150,000. Therefore, staff requests approval of CO01R2 (Transmittal 1) which will increase the not-to-exceed amount from \$130,000 to \$200,000. Work will continue to be tracked, and compensated for, on a time and material basis.

CO03 –Staff is also requesting approval of CO03 (Transmittal 2) authorizing the Contractor to upgrade the lighting system in the Board Hearing Room and Executive Session Room in an amount of \$200,000.

During the Project, the lighting system was re-evaluated to accommodate various functions during meetings that will be held in the Board Room. The existing Lutron lighting system was found to be insufficient and outdated and will be upgraded to provide multiple lighting zone controls, dimming capabilities and is compatible with theatrical lighting controls. Additional lighting will be added to the mezzanine area above the room on the left and right upper walls. New light fixtures and seismic supports were added throughout the audience area to address a Notice to Correct from LADBS. Motion sensors and local switch controls with dimming capabilities will be added to adhere to Title 24 requirements.

Construction Contingency Increase - Staff requests that the authorized contingency be increased to 20%. The current authorized contingency of 10% is \$332,828.40. To date, \$332,800.00 of the total authorized contingency of \$332,828.40 has been utilized for changes, as follows:

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- CO01R1 was issued on March 25, 2025, with a not-to-exceed amount of \$130,000 as discussed above.
- Change Order No. 02 was issued on October 9, 2025, with a not-to-exceed amount of \$65,000, was issued to authorize changes to architectural details throughout the Board Room.
- Authority for Adjustment No. 01 was issued on December 3, 2025, in the amount of \$137,800, to extend the duration of work by 123 calendar days and to compensate the Contractor for additional staffing expenses during the time extension.

Therefore, the remaining authorized contingency is \$28.40. An increase in the contingency is required to fund an increase of \$70,000 to CO01R1 from \$130,000 to \$200,000, and \$200,000 for CO03, totaling \$270,000. The remaining \$62,856.80 will be used for any future unforeseen changes that may be required before completion of the Project. If the proposed request is approved, the contingency will increase by \$332,828.40 to \$665,656.80, and the total authorization would increase by a commensurate amount from \$3,661,112.40 to \$3,993,940.80.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of Change Order No. 01 Revision 2 and Change Order No. 03 of a Contract with RJ Daum to construct the Harbor Administration Building Board Hearing Room and Executive Session Room Remodel, which is an administrative activity and an activity involving the interior alterations involving remodeling or minor construction where there be negligible or no expansion of use and replacement or reconstruction of existing heating and air-conditioning systems. Therefore, the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of CEQA in accordance with Article II Section 2(f) and Article III Classes 1(1) and 2(6) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed action will execute CO01R2 for a not-to-exceed amount of \$200,000, CO03 for a not-to-exceed amount of \$200,000 and increase the Project's contingency percentage from 10% to 20% for a total approved contingency of \$665,656.80 and total authorization of \$3,993,940.80. The proposed change orders are not within the \$332,828.40 contingency amount previously authorized by the Board and, therefore, an additional budget authority is being requested. To date, \$332,800.00 has been committed under this contingency amount. Funds for these change orders are available within Account 161305 (Construction in Progress), Division 00000 (Harbor

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Global), Project 2551900 (Harbor Administration Building - Board Hearing Room and Executive Session Room Remodel).

CITY ATTORNEY:

The Office of the City Attorney reviewed and approved Specification No. 2835 as to form and legality on March 6, 2024.

TRANSMITTALS:

1. Change Order No. 01 Revision 2
2. Change Order No. 03



Shaun Shahrestani
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SHAUN SHAHRESTANI
Chief Harbor Engineer

FIS Approval: JS (initials)

CA Approval: SA (initials)



DINA ARYAN-ZAHLAN, P.E.
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA for
Executive Director

AM:lh
2835B02_CO01R2-CO03
ADP NO. 15083-092
File No. 8.4