



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

### FOR INFORMATION ONLY

**DATE: FEBRUARY 2, 2022**

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

**SUBJECT: FEBRUARY 2022 PROJECT DEVELOPMENT COMMITTEE REPORT**

This report highlights the actions taken by the Project Development Committee (PDC) at its February meeting. On February 2, 2022, the PDC met to consider ten 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 – Five items were submitted and approved.
- 2) Budget/Schedule change – Two items were submitted and approved.
- 3) New project – Three projects were 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:

- 14 PDC-approved projects totaling \$4,494,206
- 9 projects under \$100,000 totaling \$448,096

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 (Feb 3, 2022 14:28 PST)

EUGENE D. SEROKA  
Executive Director

**Attachments:**

Transmittal 1: February 2022 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2021/2022

  
AVG

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## NEW PROJECT

**SUBJECT****ORIGINAL PROJECT COST** \$9,500,000**MORMON ISLAND STREET RECONSTRUCTION PROGRAM PHASE 1 – NEW PROJECT****SUMMARY**

Engineering staff requests approval to initiate a new project to reconstruct Fries Avenue, La Paloma Avenue, and Hermosa Street on Mormon Island.

Proposed scope includes planning, design, and construction of new roadway pavement, curb and gutter, sidewalk, and drainage improvements on South Fries Avenue, asphalt and concrete pavement repair on La Paloma Avenue, and new pavement and storm drain system improvements on Hermosa Street.

If approved by Project Development Committee, total project cost would be \$9,500,000 and project would be completed by February 28, 2025.

**PDC ACTION** Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$5,830,000**BERTH 44 BOATYARD SITE PREPARATIONS – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to complete site preparations at Berth 44.

The proposed work includes demolition of the existing San Pedro Boatworks facility at Berth 44, dredging the site to -20 ft. MLLW, and preparing the site to be flat and shovel-ready.

The total project cost is \$5,830,000 and the project will be completed by April 30, 2025.

**PDC ACTION** Approved**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$190,000**NEW PROJECT - EVERPORT MITIGATION CULTURAL RESOURCE INVESTIGATION****SUMMARY**

Staff requests approval to initiate a new project to prepare a Phase I Cultural Resource Investigation and as-needed subsequent investigations required to comply with Mitigation Measures stipulated in the Berths 226-236 (Everport) Container Terminal Improvements EIR. The project is located on Terminal Island and consists of the Backlands Improvement areas and an additional parcel located at 198 Cannery Street (approximately 31 acres).

The proposed work includes a Phase I Cultural Resources Survey, development and implementation of Pre-Construction Worker Training, an Extended Phase I/Phase II testing (including test excavations and Laboratory Processing and Curation, if resources are found), and an archaeological technical report. There could be additional unknown costs associated with artifact curation and Phase III testing.

The total project cost is \$190,000 and the project will be completed by February 5, 2023.

**PDC ACTION** Approved

**COMMENT** No comment.

**SCHEDULE CHANGE****SUBJECT****ORIGINAL PROJECT COST** \$1,500,000**SAN PEDRO WATERFRONT - BERTH 78 CHEVRON CLEAN UP - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the San Pedro Waterfront – Berth 78 Chevron Clean Up Phase II schedule by two and a half months, from December 31, 2023 to March 14, 2024, with no additional increase in the budget.

The Engineering Division recommends the schedule change to allow for delays resulting from utility relocations and the change in construction delivery method from an on-call construction contract. Due to the lapse of on-call construction contracts, the project scope is being incorporated into the construction documents of the San Pedro Waterfront Berths 74-83 Promenade Phase 2 Project which will be delivered by a separate advertise, bid, and award construction contract.

The total project cost is \$1,500,000 and construction will be completed by March 14, 2024.

The remediation construction costs at Berth 78 will be reimbursed by Chevron.

**PDC ACTION** Approved

**COMMENT** Design completion is 04/15/2022, not 03/14/2022 as stated in the report.

**SUBJECT****ORIGINAL PROJECT COST** \$16,500,000**SAN PEDRO WATERFRONT BERTHS 74-83 PROMENADE PHASE 2- SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the San Pedro Waterfront Berths 74-83 Promenade Phase 2 schedule by two and a half months, from December 31, 2023 to March 14, 2024, with no additional increase in the budget.

The Engineering Division recommends adding two and a half months to the schedule to allow for delays due to design changes based on value engineering and scope additions due to a lapse of on-call construction contracts. The San Pedro Waterfront – Berth 78 Chevron Clean Up project, originally planned to be delivered through an on-call construction contract, will be added to this project’s contract documents.

**PDC ACTION** Approved**COMMENT** Design completion is 04/15/2022, not 03/14/2022 as stated in the report.**SUBJECT****ORIGINAL PROJECT COST** \$3,600,000**POLA SIDEWALK REPAIR PROGRAM – POLA SIDEWALKS - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the POLA Sidewalk Repair Program – POLA Sidewalks schedule by 24 months, from June 2022 to June 2024, with no additional increase in the budget.

The City Administrative Office of the City of Los Angeles is re-evaluating how sidewalks are assessed, are completed and the extent for repairs on existing sidewalks. The Engineering Division recommends adding 24 months to the schedule to allow time for the City to adjust their assessment methodology and for the Port to coordinate the methodology with its remaining work to repair sidewalks.

**PDC ACTION** Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$23,800,000**WILMINGTON WATERFRONT – AVALON PEDESTRIAN BRIDGE – SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Avalon Pedestrian Bridge schedule by 12 months, from April 30, 2024 to April 30, 2025, with no additional increase in budget.

The Engineering Division recommends adding 12 months to the schedule to allow for time needed by the Los Angeles Department of Water and Power (LADWP) to complete their site demolition and remediation of the tank farm site.

The current approved project scope includes design and construction of a pedestrian bridge and approximately 12 acres of visitor serving open space between Harry Bridges Boulevard to the north and the Pacific Harbor Line railroad tracks to the south. The project is contingent on an exchange of properties between the Port of Los Angeles (POLA) and LADWP.

**PDC ACTION** Approved**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$1,516,000**HARBOR ADMINISTRATION BUILDING- 1ST FLOOR EMPLOYEE RESTROOMS AND SHOWER REMODEL- SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend HAB 1st Floor Employee Restrooms and Shower Remodel project schedule by three months with no increase to project budget.

Engineering Division recommends adding three months to project schedule to allow for delays incurred securing materials and receiving finish products.

**PDC ACTION** Approved

**COMMENT** No comment.

**SCHEDULE CHANGE, BUDGET CHANGE****SUBJECT****ORIGINAL PROJECT COST** \$30,000,000**BERTH 46 OUTER HARBOR CRUISE TERMINAL ALTERNATIVE MARITIME POWER (AMP) BUDGET AND SCHEDULE CHANGE****SUMMARY**

Staff requests approval to increase budget and extend schedule for Berth 46 Outer Harbor Cruise Terminal Alternative Maritime Power (AMP) project.

Engineering Division recommends increasing budget from \$30,000,000 to \$35,000,000 to account for increased construction costs (20% cost increase in electrical equipment in 2021, increase in raw material and labor, delays supply chain components, contingency, and escalation), and for additional staff time.

Engineering Division recommends adding twenty-(20) months to schedule to account for delays caused by COVID pandemic, including delays in obtaining final Los Angeles Department of Water & Power (LADWP) Plans, Specifications, and Estimates (PS&E), conflicts with overhead and underground utilities, and additional time required to update project's PS&E.

If approved, total project cost would increase to \$35,000,000 and project would be completed by July 31, 2025.

Approval of this project along with proposed projects along the waterfront, zero emission projects for the China Shipping and Yang Ming Terminal, and future charging stations for electric vehicles will require an electrical infrastructure upgrade for the San Pedro District estimated at approximately \$150M to \$250M (in 2022 dollars).

**PDC ACTION** Approved

**COMMENT** No comment.

**SCHEDULE CHANGE, BUDGET CHANGE, SCOPE CHANGE**

**SUBJECT**

**ORIGINAL PROJECT COST** \$750,000

**BERTH 95 BARGE LANDING RAMP UPGRADE – SCOPE, BUDGET, AND SCHEDULE CHANGES**

**SUMMARY**

Staff requests approval for additional scope, cost increase, and schedule change to Berth 95 Barge Landing Ramp Upgrade.

The Engineering Division recommends increasing the budget by \$220,000, from \$750,000 to \$970,000, to account for sediment testing and implementing silt curtains during all dredging and in-water work, both of which are required by the 401 Water Quality Permit.

The Engineering Division recommends adding four months to the schedule to allow completion of the permitting process. This revised schedule will accommodate the best working window with Tenant operations at the project site.

**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**



Antonio V. Gioiello  
Development

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Marla Bleavins (Feb 3, 2022 14:28 PST)

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)
LAXT Cargo Support Facility (25686) (Estimate Taken from PICS Report)	\$	(494,836)
B. 161 - Block Wall Removal and Ice Machine Installation (25692)	\$	(157,833)
B. 93 - Escalator No. 3 Modernization (25691)	\$	(228,257)
B. 120 - Site Development (25695)	\$	(600,000)
POLA Electric Vehicle Charging Station Program - Phase 1 (25696)	\$	(200,000)
Everport Mitigation Cultural Resource Investigation (_____)	\$	(30,000)
Mormon Island Street Reconstruction Program Phase 1 (_____)	\$	(50,000)
Berth 44 Boatyard Site Preparations (_____)	\$	(100,000)
<b><i>Subtotal PDC Approved Projects</i></b>	<b>\$</b>	<b><i>(4,494,206)</i></b>

**Projects Under \$100,000**

1500 Minor Street - Fence Installation (24683)	\$	(17,551)
Harbor Administration Building - Spare Conduits for Telecommunication Requirements (25685)	\$	(45,000)
LAXT Storm Water Discharge Line (24687)	\$	(40,664)
B. 174-181 - Administration Building In-Ground Roof Drain Piping (25688)	\$	(93,931)
Wilmington Waterfront - Avalon Pedestrian Bridge - DWP Marine Tank Farm Coordination (24690)	\$	(50,000)
Navy Way/Seaside Avenue Street Light Fixture Replacement (25693)	\$	(31,604)
B. 90-91 - Baggage Handling Building Emergency Ballast Replacement (25694)	\$	(85,160)
LAXT Access - Preliminary Engineering (25697)	\$	(31,597)
B. 45-47 - Mooring Upgrade Preliminary Engineering (25698)	\$	(52,589)
<b><i>Subtotal Projects Under \$100,000</i></b>	<b>\$</b>	<b><i>(448,096)</i></b>

***Balance as of January 26, 2022***

**\$ 7,057,698**











# Audit Committee Report Packet February 2022

Final Audit Report

2022-02-03

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