



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

### FOR INFORMATION ONLY

**DATE:** OCTOBER 6, 2022

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

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

This report highlights the actions taken by the Project Development Committee (PDC) at its October 2022 meeting. On October 5, 2022, the PDC met to consider nine 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, grants, and the GASB 49 project list. Attached for review are the meeting minutes (Transmittal 1) and Unallocated CIP Fund Report FY 2022/2023 (Transmittal 2).

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

- 1) Schedule change – Six items were submitted and approved.
- 2) Budget/Schedule change – Two 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 to date:

- 5 PDC-approved projects totaling \$4,355,193
- 1 project under \$100,000 totaling \$39,805

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 (Oct 10, 2022 23:05 PDT)

EUGENE D. SEROKA  
Executive Director

**Attachments:**

Transmittal 1: October 2022 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2022/2023



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**BUDGET CHANGE****SUBJECT****ORIGINAL PROJECT COST** \$705,000**BERTH 93 – ESCALATOR NOS. 4 & 5 MODERNIZATION - BUDGET CHANGE****SUMMARY**

Staff requests approval to increase the approved project total for the Berth 93 - Escalator Nos. 4 & 5 Modernization. The Construction & Maintenance Division recommends increasing the budget by \$705,000 in order to encumber funding for the requisition.

**PDC ACTION** Approved**COMMENT** No comment.**BUDGET CHANGE, SCHEDULE CHANGE****SUBJECT****ORIGINAL PROJECT COST** \$7,300,000**FRONT STREET BEAUTIFICATION PROJECT - BUDGET AND SCHEDULE CHANGE****SUMMARY**

Engineering staff requests approval to revise the cost and schedule for the Front Street Beautification Project.

The Port of Los Angeles received construction bids for the project on August 16, 2022. The Engineering Division recommends increasing the budget from \$7,300,000 to \$10,300,000 to account for the higher construction bids due to an increase in construction industry costs.

The Engineering Division recommends adding seven months to the schedule to allow for the completion of project bidding and awarding of the construction contract.

If approved by the Project Development Committee (PDC), the total project cost would be \$10,300,000 and the project would be completed by March 31, 2024.

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

**SUBJECT****ORIGINAL PROJECT COST** \$8,300,000**BERTHS 208-209 CFS BUILDING - DEMOLITION AND LOT CONVERSION – NEW PROJECT****SUMMARY**

Staff requests approval to initiate a new project to demolish the Berths 208-209 Container Freight Station (CFS) Building located at 1001 New Dock Street.

The proposed work includes demolition of a former CFS building that is 62,000 square feet in area and 30 feet in height; re-grading of 5.7 acres site to provide a contiguous backland; and construction of a new storm drain. Work also includes demolition of the concrete foundation, handling and removal of lead and asbestos; removal of track; and removal of mechanical and electrical equipment.

The total project cost is \$8,300,000 and the project will be completed by April 30, 2025.

**PDC ACTION** Approved

**COMMENT** No comment.

## SCHEDULE CHANGE

**SUBJECT****ORIGINAL PROJECT COST** \$2,500,000**1025 S. SEASIDE AVENUE - DEMOLITION AND LOT CONVERSION – SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the 1025 S. Seaside Avenue Demolition and Lot Conversion project schedule by five months.

The Engineering Division recommends adding five months to the schedule to allow for delays due to combining four projects into one construction contract for the following projects: 1) 1025 S. Seaside Ave. Demolition and Lot Conversion, 2) Southwest Marine Administration Building Demolition and Pavement Improvements, 3) 1050 S. Ways Street (Starkist) Demolition and Storage Lot Conversion, and 4) South Seaside Ave. Storm Drain Restoration. Combining these four projects provides an opportunity for a more competitive bid for construction. This change will also allow for efficient construction management of the contract work.

The title for the combined projects as one bid construction contract will be Terminal Island Facilities Demolition and Improvements. The additional schedule request of five months is to the construction duration in order to complete all four projects in one year.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$13,154,445**1050 S. WAYS STREET-(STARKIST) DEMOLITION AND STORAGE LOT CONVERSION - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the 1050 S. Ways Street (Starkist) Demolition and Storage Lot Conversion Project schedule by nine months with no additional increase in the budget.

The Engineering Division recommends adding nine months to the schedule to allow for delays due to combining four projects into one construction contract for the following projects: 1) 1050 S. Ways Street (Starkist) Demolition and Storage Lot Conversion, 2) 1025 S. Seaside Ave. Demolition and Lot Conversion, 3) Southwest Marine Administration Building Demolition and Pavement Improvements, and 4) South Seaside Ave. Storm Drain Restoration. Combining these four projects provides an opportunity for a more competitive bid for construction. This change will also allow for efficient construction management of the contract work.

The title for the combined projects as one bid construction contract will be Terminal Island Facilities Demolition and Improvements. The additional schedule request of nine months is to the construction duration in order to complete all four projects in one year.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$2,000,000**BERTH 115 RAIL CROSSING REPLACEMENT - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Berth 115 Rail Crossing Replacement project schedule by ten months with no additional increase in the budget.

The Engineering Division recommends adding ten months to the schedule to allow time for approval of traffic control plans by LADOT and procurement of construction materials for long lead items.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$1,425,000**SOUTH SEASIDE AVENUE STORM DRAIN RESTORATION - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the South Seaside Avenue Storm Drain Restoration project schedule by nine months with no additional increase in the budget.

The Engineering Division recommends adding nine months to the schedule to allow for delays due to combining four projects into one construction contract for the following projects: 1) South Seaside Avenue Storm Drain Restoration, 2) Southwest Marine Administration Building Demolition and Pavement Improvements, 3) 1050 S. Ways Street (Starkist) Demolition and Storage Lot Conversion, and 4) 1025 S. Seaside Avenue Demolition and Lot Conversion. Combining these four projects provides an opportunity for a more competitive bid for construction. This change will also allow for efficient construction management of the contract work.

The title for the combined projects as one bid construction contract will be Terminal Island Facilities Demolition and Improvements. The additional schedule request of nine months is to the construction duration in order to complete all four projects in one year.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$375,000**BERTHS 187-190 MOTEMS – VOPAK ENVIRONMENTAL ASSESSMENT - SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Berths 187–191 [Vopak] Liquid Bulk Terminal Wharf Improvements and Cement Terminal Project schedule by 18 additional months with no additional increase in the budget.

The Environmental Management Division recommends adding 18 additional months to the schedule to allow for delays due to delays associated with the preparation of an Environmental Impact Report for the proposed Project.

**PDC ACTION** Approved

**COMMENT** No comment.

**SUBJECT****ORIGINAL PROJECT COST** \$1,090,000**SOUTHWEST MARINE ADMINISTRATION BUILDING DEMOLITION AND PAVEMENT IMPROVEMENTS — SCHEDULE CHANGE****SUMMARY**

Staff requests approval to extend the Southwest Marine Administration Building Demolition and Pavement Improvements Project schedule by nine months with no additional increase in the budget.

The Engineering Division recommends adding nine months to the schedule to allow for delays due to combining four projects into one construction contract for the following projects: 1) Southwest Marine Administration Building Demolition and Pavement Improvements, 2) 1025 S. Seaside Ave. Demolition and Lot Conversion, 3) 1050 S. Ways Street (Starkist) Demolition and Storage Lot Conversion, and 4) South Seaside Ave. Storm Drain Restoration projects into one bid and award contract. Combining these four projects provides an opportunity for a more competitive bid for construction. This change will also allow for efficient construction management of the contract work.

The title for the combined projects as one bid construction contract will be Terminal Island Facilities Demolition and Improvements. The additional schedule request of nine months is to the construction duration in order to complete all four projects in one year.

**PDC ACTION** Approved

**COMMENT** No comment

**ADMINISTRATIVE ITEM** Grants Report and GASB 49 Report 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 ( )	\$	(1,000,000)

***Subtotal PDC Approved Projects*** \$ ***(4,355,193)***

**Projects Under \$100,000**

B. 212-223 - YTI East Gate Rail Signal Improvements (25719)	\$	(39,805)
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***Subtotal Projects Under \$100,000*** \$ ***(39,805)***

***Balance as of September 27, 2022***

**\$ 7,605,002**














# Audit Committee Report Packet October 2022

Final Audit Report

2022-10-11

Created:	2022-10-06
By:	Karine Lurvey (klurvey@portla.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAq4odNbpKe3JS6kr9g8BVIjoebCwqtGV9

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2022-10-06 - 5:52:17 PM GMT- IP address: 199.245.255.5
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2022-10-06 - 8:31:28 PM GMT- IP address: 199.245.255.5
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Signature Date: 2022-10-06 - 8:31:46 PM GMT - Time Source: server- IP address: 199.245.255.5
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2022-10-06 - 8:31:48 PM GMT
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2022-10-07 - 4:02:31 PM GMT- IP address: 199.245.255.5
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