



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

FOR INFORMATION ONLY

DATE: JULY 12, 2017

TO: THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE

SUBJECT: JULY 2017 PROJECT DEVELOPMENT COMMITTEE REPORT

This report highlights the actions taken by the Project Development Committee (PDC) at its July meeting. On July 11, 2017, the PDC met at its regularly scheduled time to consider ten project items. The committee also reviewed administrative reports regarding grants, recently opened work orders and the status of the unallocated Capital Improvement Program (CIP) fund budget. The meeting minutes (Transmittal 1), Unallocated CIP Fund Report FY 2016/2017 (Transmittal 2), and Unallocated CIP Fund Report FY 2017/2018 (Transmittal 3) are attached for your review.

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

- 1) Schedule change – Four items were submitted and approved.
- 2) Budget change – One item was submitted and approved.
- 3) Budget/Schedule change – Three items were submitted and approved.
- 4) New Project – Two items were submitted and approved.

The Board of Harbor Commissioners (Board) approved \$10,000,000 in the fiscal year 2016/2017 CIP budget for unallocated capital improvements. Of this amount, \$6,245,720 was spent with \$3,754,280 remaining as surplus.

The following is a summary of the projects that utilized the unallocated CIP budget for fiscal year 2016/2017:

- 18 PDC-approved projects for a total of \$5,330,295
- 19 projects under \$100,000 for a total of \$915,425

The Board approved \$15,000,000 in the fiscal year 2017/2018 CIP budget for unallocated capital improvements. This budget is used 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. Projects under \$100,000 are reported to the PDC for information and discussion. The PDC meeting minutes are then transmitted to the Board for information.

The following is a summary of the projects that will utilize the unallocated CIP budget for fiscal year 2017/2018 to date:

- 5 PDC-approved projects for a total of \$3,000,000

There are various Board-approved resources 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. All of these are approved by the Board either as part of the annual budget approval process or as multi-year contracts that have received separate Board approval.

A handwritten signature in dark ink, appearing to read "Mark Bleavin", with the word "FOX" written in smaller letters to the right.

EUGENE D. SEROKA
Executive Director

Attachments:

Transmittal 1: July 2017 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2016/2017

Transmittal 3: Unallocated CIP Fund Report FY 2017/2018

AVG/mz

BUDGET CHANGE**SUBJECT****ORIGINAL PROJECT COST** \$3,600,000**BERTHS 121-131 CONTAINER TERMINAL REDEVELOPMENT EIS/EIR BUDGET REVISION****SUMMARY**

The project involves the preparation of an Environmental Impact Statement/Environmental Impact Report (EIS/EIR) for the Berths 121-131 (Yang Ming) Container Terminal Redevelopment Project. The Notice of Preparation/Notice of Intent (NOP/NOI) for the EIS/EIR was completed in April 2014. From December 2014 to December 2015, work on the EIS/EIR was put on hold under the direction of Port management. This project was brought to PDC in December of 2015 to reconcile the budget and schedule to account for the year-long stoppage of work. At that time, PDC directed staff to restart work on the Yang Ming EIS/EIR in early 2016.

Once the work was reinitiated, scope changes were required to revise work previously initiated in 2014. These changes included 1) the removal of "Phase 2" from the scope, 2) a change of the baseline from 2013 to 2014 and 3) a decision to assess traffic and air quality impacts both with and without SCIG in light of the court ruling on the SCIG CEQA document. In addition, the strategy to sequence other West Basin environmental assessment activity to occur ahead of this EIR/EIS further slowed down progress. Based on these scope changes and schedule delays, staff came to PDC on November 2, 2016 to request a budget increase of \$597,000 and a 14-month schedule extension to certify the EIS/EIR by April 2018 (including an additional four months to complete the ROD in August 2018). At that time, PDC decided to defer consideration of these issues until a future date.

The project was brought to PDC in May 2017 and staff requested a budget increase of \$637,000 and the same 14-month schedule extension to certify the EIS/EIR by April 2018, which included an additional four months to complete the ROD in August 2018. The cost increase of approximately \$40,000 from what was presented in the November 2016 PDC meeting is due to additional staff labor funds required for the review and processing of the Draft EIR/EIS through Board Certification. The schedule extension also accounted for the approval of the Record of Decision by the U.S. Army Corps of Engineers.

The schedule revision was approved by the PDC in May 2017, however, only a portion (\$50,000) of the total budget request was approved. Staff now returns to PDC to request approval of the remaining budget request of \$587,000.

PDC ACTION Approved**COMMENT** The committee approved \$150,000 of the \$587,000 budget increase requested. EMD will report back to PDC in September 2017.**BUDGET CHANGE, SCHEDULE CHANGE**

SUBJECT**ORIGINAL PROJECT COST** \$660,310**PORT POLICE 700 MHZ RADIO SYSTEM RE-BANDING – BUDGET TRANSFER TO PHASE I (W.O. 2542000) FROM PHASE II (W.O. 2542100)****SUMMARY**

The Port Police 700 MHz Radio System Project was approved by the PDC at its meeting on October 5, 2016. This project includes two phases. Phase I is to comply with the Federal Communications Commission (FCC) requirement to implement the new 700 MHz frequencies by October 12, 2017. Phase II is to comply with the Middle Class Tax Relief and Jobs Creation Act of 2012 requirement to reband the Port Police Radio System by February 21, 2021.

During the Request for Proposal (RFP) process for Phase I, the responses were priced higher than estimated and included additional work that can be excluded from Phase II. As a result, the Information Technology Division is requesting that \$542,000 be transferred to the Phase I budget from the Phase II budget. The Phase I budget will increase by \$542,000 and the Phase II budget will decrease by \$542,000, resulting in no change to the overall project budget.

PDC ACTION Approved**COMMENT****SUBJECT****ORIGINAL PROJECT COST** \$8,900,000**WEST BASIN LEAD TRACK GAP CLOSURE SCHEDULE EXTENSION AND BUDGET CHANGE****SUMMARY**

The West Basin Lead Track Gap Closure was approved by the Project Development Committee (PDC) on January 13, 2016. The project is a candidate for a number of state and federal grant funding opportunities, up to approximately \$6.5 million. Grant applicants are expected to be notified by February 2018 of the grantee's decision. If the Port of Los Angeles (Port) is successful in obtaining a federal grant, the project team will need to amend design and environmental documents to comply with federal funding guidelines.

The Engineering Division requests that the project schedule be revised to add 15 months to the overall project duration.

The Engineering Division requests approval to increase the project budget by \$1,156,000 to account for cost escalation of 3%, compounded annually, to the projected mid-point of construction in Q1 2020. The original project budget was based on 2016 dollars.

PDC ACTION Approved**COMMENT****SUBJECT****ORIGINAL PROJECT COST** \$140,000**WILMINGTON WATERFRONT PARK STREET VACATIONS – COST INCREASE AND TIME EXTENSION REQUEST****SUMMARY**

The application for vacation of the streets and alleys that were closed to construct the Wilmington Waterfront Park has expired and must be re-filed. The streets and alleys currently remain closed under a revocable permit. A schedule extension of two years is requested to allow the vacation application to be re-filed and completed, and a budget increase of \$55,000 is requested to cover staff time, consultant labor, and minor construction required to allow vacation of an alley.

PDC ACTION Approved**COMMENT**

NEW PROJECT

SUBJECT

ORIGINAL PROJECT COST \$2,000,000

BERTHS 226-236 EVERPORT TERMINAL ADVANCED CARGO HANDLING DEMONSTRATION PROJECT

SUMMARY

The City of Los Angeles Harbor Department (Harbor Department) Environmental Management Division (EMD) with Everport Terminal Services, Inc. (Everport) secured a \$4.25 million state grant from the California Energy Commission (CEC) to fund the Port of Los Angeles' Everport Advanced Cargo Handling Demonstration Project. The CEC grant will fund the design, development, and delivery of three BYD Motors, Inc. (BYD) zero emission yard tractors and two Taylor Machine Works, Inc. (Taylor) zero emission top handlers to Everport, the Project demonstration partner.

Part of the project requirement is to build the necessary electrical infrastructure to deliver power to the five pieces of zero emission equipment. The electric top handlers will charge with standard electric infrastructure, and the yard tractors will charge through an Electric Truck Smart Plug-In System that will automatically connect and automatically disconnect from electric yard tractors. EMD requests a project budget of \$2 million for the design and construction of the electrical infrastructure necessary to power the equipment for the yard tractors and top pick handlers. This satisfies the grant requirement of a minimum 16% cash cost share (\$1.1 million).

On February 6, 2017, a memo was submitted to the Harbor Commissioners that contained information on the grant solicitation, match share requirements, and the Harbor Department's planned application. EMD plans to go to the Board of Harbor Commission meeting on August 17, 2017 for acceptance of the CEC grant and approval of a Multiparty Agreement with the Harbor Department, BYD, Everport, and Taylor upon PDC approval.

PDC ACTION Approved

COMMENT EMD to revise the fiscal year cash flows.

SUBJECT

ORIGINAL PROJECT COST \$910,000

B. 161 C&M MAINTENANCE YARD – CARPENTER SHOP REMODEL

SUMMARY

Staff requests approval to revive the B. 161 C&M – Carpenter's Shop Remodel project, a deferred maintenance project initiated in FY 2012-13 but subsequently cancelled due to the L. A. City Department of Building and Safety's request for approved plans and permits. The total expenditure incurred through the previous closed work order (Project No. 2522900) was \$141,418, largely design-related charges, which was expensed in FY 2015-16.

PDC ACTION Approved

COMMENT

SCHEDULE CHANGE

SUBJECT
BERTHS 179-181- WHARF AND BOLLARD REPAIR –TIME EXTENSION

ORIGINAL PROJECT COST \$1,140,000

SUMMARY

On January 9, 2017, the Project Development Committee (PDC) approved the Berths 179-181 Wharf and Bollard Repairs project. Due to other high priority projects, staff was unable to start design of this project as originally proposed. In addition, pre-design has resulted in alterations to the scope, although the changes are cost-neutral. For these reasons, the Engineering Division requests an extension to the schedule.

PDC ACTION Approved

COMMENT

SUBJECT
BERTHS 167-169 MARINE OIL TERMINAL ENGINEERING AND MAINTENANCE STANDARDS (MOTEMS) – SHELL (PROJECT NO. 2493600) – TIME EXTENSION

ORIGINAL PROJECT COST \$22,540,338

SUMMARY

Staff requests approval to extend the schedule for the Berths 167-169 – Shell Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) project. A schedule extension of 14 months was previously approved by the Project Development Committee (PDC) on October 7, 2015. A second schedule extension of nine months was also previously approved by the PDC on November 2, 2016. It is recommended that the PDC approve an extension of the project's schedule as shown below.

PDC ACTION Approved

COMMENT

SUBJECT
BERTHS 240 A, B, AND C SEAWALL REPAIRS (PBF ENERGY) – TIME EXTENSION

ORIGINAL PROJECT COST \$4,500,000

SUMMARY

The existing seawall (approximately 1,300 feet in length) at Berths 240 A, B, and C, was constructed in the 1920s and needs to be repaired. The seawall is gradually deteriorating and has failed at several locations causing several sinkholes to develop in the last six years behind the seawall. The proposed repairs will extend the useful life of the seawall approximately 10 years.

The Project Development Committee (PDC) originally approved this project at the January 13, 2016 PDC meeting. Staff requests a four month time extension to complete the design of the repairs. In March 2017, the Construction Division began negotiating the construction of the project with the Marine Improvements Contractor, Manson Construction. The negotiations led to some minor design revisions but the overall project schedule remains unchanged.

PDC ACTION Approved

COMMENT

SUBJECT**ORIGINAL PROJECT COST** \$463,623**AT-GRADE RAIL CROSSING PROTECTION SYSTEM FOR ANAHEIM STREET RAIL CROSSING OF MCFARLAND LEAD TRACK --
TIME EXTENSION****SUMMARY**

The Project Development Committee (PDC) last approved a scope, budget, and schedule increase for this project on August 3, 2016. The City of Los Angeles Bureau of Engineering (BOE) and Department of Transportation (DOT) are jointly administering this project to upgrade the Anaheim Street/McFarland Lead Track railroad grade crossing protection system to "Quiet Zone" standards. The Port of Los Angeles (Port) has been assisting in this effort by providing railroad track and signal design services, as well as inspection services during construction. DOT has received federal grant funding for the project and has committed to reimbursing the Port for the design and possible inspection services.

The Engineering Division requests approval to extend the project schedule by seven months. There were delays in the start of construction and more time will be needed in order to provide the support required during construction and closeout documents.

PDC ACTION Approved**COMMENT****ADMINISTRATIVE ITEM**

Department Grants Update 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 16/17
(Budget set in February)

\$ 10,000,000.00

PDC Approved Projects

B. 226-232 Everport Terminal Concrete Wharf Inspection and Reconstruction (25394)	\$	(785,000.00)
B. 148-149 (Phillips 66) Marine Oil Terminal Repairs (25398)	\$	(250,000.00)
B. 127-131 - Alternative Maritime Power (AMP) Caddy System (25401)	\$	(980,000.00)
Pier 400 Rail Storage Yard - Light Fixture Replacement (25406)	\$	(375,000.00)
B. 73-90 Pipeline Support Hangers Replacement (25407)	\$	(145,200.00)
B. 200 Rail Yard and Track Connection Enhancement (25408)	\$	(200,000.00)
B. 270-271 - Seawall Repair (25409)	\$	(225,000.00)
Metro Bike Share at the Port of Los Angeles - Site Preparation (25413)	\$	(155,000.00)
B. 97-109 China Shipping Container Terminal Supplemental EIR (25353)	\$	(1,000,000.00)
Port Police 700 MHz Radio System - Phase 1 (25420)	\$	(8,095.00)
Port Police 700 MHz Radio System - Phase 2 (25421)	\$	-
San Pedro Waterfront - Harbor Boulevard From Miner Street to SP Slip Roadway Improvements (25430)	\$	(250,000.00)
Berths 179-181 - Wharf and Bollard Repair (25433)	\$	(70,000.00)
Berth 72 - Municipal Fish Market Door Replacement (25438)	\$	(100,000.00)
Berth 93 Cruise Terminal - Two New Elevators (25439)	\$	(77,000.00)
Berth 174-181 - Electrical Infrastructure Improvements (25441)	\$	(50,000.00)
Berth 212-224 - Terminal Lighting Replacement (25446)	\$	(50,000.00)
Alameda Street & Dispatch Hall Driveway Traffic Signal (25449)	\$	(610,000.00)

Subtotal PDC Approved Projects \$ (5,330,295.00)

Projects Under \$100,000

HAB - Fourth Floor Graphics Workstations Remodel (25402)	\$	(39,000.00)
B. 72 - Municipal Fish Market - Chiller Unit Electrical Replacement (25403)	\$	(92,000.00)
B. 90-93 - Cruise Terminal Emergency Evacuation Plan Signs (25404)	\$	(25,000.00)
133 East Seaside Avenue Directional Signage (25405)	\$	(10,000.00)
Port of Los Angeles Police Headquarters - First Floor Kitchen Modifications (25411)	\$	(36,800.00)
Port of Los Angeles Police Headquarters - Garage Entrance Safety Lighting (25416)	\$	(13,000.00)
B. 161 -C & M Admin. Bldg. Parking Lot Improvements (25417)	\$	(41,000.00)
HAB - Office Cubicles Reconfiguration for Financial Control Section (25418)	\$	(29,000.00)
B. 214-220 - Driveway Access (25422)	\$	(48,500.00)
Waterside Emergency Access - Various Locations (25424)	\$	(70,000.00)
B. 210-211 - Access Road Improvements (25434)	\$	(85,000.00)
Pier 400 - Storage Tracks Expansion (25435)	\$	(25,000.00)
HAB - First Floor Lobby Security Sunshade Installation (25436)	\$	(17,000.00)
Warehouse No. 1 - Installation of Concrete Masonry Walls in Elevator (25437)	\$	(60,000.00)
B. 226 - Electrical Infrastructure for E-Truck Charging Stations (25440)	\$	(95,000.00)
Inner Cabrillo Beach - Installation of Tidal Gate at Storm Drain (SD-01) (25442)	\$	(16,000.00)
Waterfront Gateway - Fanfare Fountain Animation Control and PLC Upgrade (25443)	\$	(99,125.00)
239 North Avalon - AV Charger Outlets Installation (25447)	\$	(34,000.00)
Tri-Marine Fish Company Lighting Upgrade (25450)	\$	(80,000.00)

Subtotal Projects Under \$100,000 \$ (915,425.00)

Balance as of June 28, 2017

\$ 3,754,280.00

Unallocated Capital Improvement Program Fund FY 17/18

(Budget set in February)

\$ 15,000,000.00

PDC Approved Projects

Berth 174-181 - Pasha Terminal Improvements (25441)	\$	(500,000.00)
Berth 212-224 - Terminal Lighting Replacement (25446)	\$	(1,350,000.00)
ILWU Dispatch Hall Traffic Signal (25449)	\$	(100,000.00)
B. 161 C&M Maintenance Yard - Carpenter Shop Remodal (_____)	\$	(850,000.00)
Berth 226-236 Everport Terminal Advanced Cargo Handling Demonstration Project (_____)	\$	(200,000.00)

Subtotal PDC Approved Projects **\$ (3,000,000.00)**

Projects Under \$100,000

Subtotal Projects Under \$100,000 **\$ -**

Balance as of June 28, 2017

\$ 12,000,000.00