



## Legislation Text

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File #: 2019-0378, Version: 1

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**DATE:** November 5, 2019

**SUBJECT:**

### **MAJOR MAINTENANCE PROGRAM**

- A) RESOLUTION APPROVING TRANSFER OF FUNDS WITHIN THE FISCAL YEAR 2020 BUDGET FROM THE EXPENSE MAJOR MAINTENANCE APPROPRIATION TO THE CAPITAL MAJOR MAINTENANCE APPROPRIATION IN THE AMOUNT OF \$250,000 PURSUANT TO BPC POLICY NO. 90.**
- B) RESOLUTION APPROVING A PROJECT BUDGET INCREASE OF \$275,000 FOR THE FENDER SYSTEM UPGRADE AT NORTH BERTH OF B STREET PIER PURSUANT TO BPC POLICY NO. 130.**

### **EXECUTIVE SUMMARY:**

The District substantially completed Contract 2018-04 Fender System Upgrade at North Berth of B Street Pier (Project) on September 27, 2019 in time to accept the first cruise ship call of the 2019-2020 Cruise Ship Season. The Project successfully met all goals set forth by the District by replacing the entire fender system serving the B Street Pier's North Berth with no disruption to the 2019-2020 Cruise Ship Season.

This multi-year major maintenance Project has a total approved budget of \$3,600,000. In Fiscal Year 2020, \$1,650,000 was budgeted to cover the tail end of the Project's construction phase. However, a shift in the construction timeline late in the prior fiscal year (Fiscal Year 2019), resulted in a need for additional funding in the subsequent fiscal year, (Fiscal Year 2020) to complete the Project within the allowed contingency limits outlined in Board Policy No. 110.

Staff recommends the Board approval to restore the Project contingency to an amount necessary to address administrative change orders for final project close-out by authorizing the following actions: first, a transfer of funds from the Expense Major Maintenance Appropriation to the Capital Major Maintenance Appropriation in the amount of \$250,000; and second, an increase to the total approved project budget from \$3,600,000 to \$3,875,000. An additional \$25,000 will be sourced from the Major Maintenance Capital Contingency to complete the transfer amount.

### **RECOMMENDATION:**

- A) Adopt a Resolution approving transfer of funds within the Fiscal Year 2020 Budget from Expense Major Maintenance appropriation to the Capital Major Maintenance appropriation in the amount of \$250,000 pursuant to BPC No. 90.**

B) Adopt a Resolution approving a project budget increase of \$275,000 for the Fender System Upgrade at North Berth of B Street Pier pursuant to BPC Policy No. 130.

**FISCAL IMPACT:**

Approval of Resolution A will decrease the Expense Major Maintenance Appropriation by \$250,000 and increase the Capital Major Maintenance Appropriation equally. The total FY 2020 Major Maintenance Program budget will remain unchanged, with no fiscal impact to the District.

**COMPASS STRATEGIC GOALS:**

This agenda item supports the following Strategic Goal(s).

- A thriving and modern maritime seaport.
- A Port that is a safe place to visit, work and play.

**DISCUSSION:**

The District substantially completed Contract 2018-04 Fender System Upgrade at North Berth of B Street Pier (Project) on September 27, 2019 in time to accept the first cruise ship call of the 2019-2020 Cruise Ship Season. It replaced the entire fender system with superior fender piles and appurtenant equipment in less than five (5) months. The Project successfully met all goals set forth by the District by replacing the entire fender system serving the B Street Pier's North Berth with no disruption to the 2019-2020 Cruise Ship Season.

This multi-year major maintenance Project has a total approved budget of \$3,600,000. A construction contract with R.E. Staite was awarded in the amount of \$3,219,360. In Fiscal Year 2020, \$1,650,000 was budgeted to cover the tail end of the Project's construction phase. However, a shift in the construction timeline late in the prior fiscal year (Fiscal Year 2019), resulted in a need for additional funding in the subsequent fiscal year, (Fiscal Year 2020) in order to complete the Project within the allowed contingency limits of 10% of the original construction contract, pursuant to Board Policy No. 110. With an original construction contract amount of \$3,219,360 a 10% change order limit equals \$321,936. Staff is seeking a lesser amount of \$275,000 to successfully close-out this project.

Staff recommends Board approval to restore the Project contingency to an amount necessary to address administrative change orders for final project close-out by authorizing the following actions; first, a transfer of funds from the Expense Major Maintenance Appropriation to the Capital Major Maintenance Appropriation in the amount of \$250,000; and second, an increase to the total approved project budget from \$3,600,000 to \$3,875,000. An additional \$25,000 will be sourced from the Major Maintenance Capital Contingency to complete the transfer amount.

**General Counsel's Comments:**

The Office of the General Counsel has reviewed and approved the agenda and proposed resolution, as presented, as to form and legality.

**Environmental Review:**

The proposed Board actions, including without limitation, resolutions approving transfer of funds within the Fiscal Year 2020 Major Maintenance budget and an increase in the project budget for the fender system upgrade at the north berth of B Street Pier, are Categorically Exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Sections 15301 (Existing Facilities), 15302 (Replacement or Reconstruction), 15304 (Minor Alterations to Land) and/or Sections 3.a. (1) (Existing Facilities), 3.b. (1) (Replacement or Reconstruction), and 3.d. (6) and (7) (Minor Alterations to Land) of the District's Guidelines for Compliance with CEQA because the project in question would involve no expansion of use beyond that previously existing, would be located on the same site and have substantially the same purpose and capacity as the structure being replaced, would not involve the removal of mature, scenic trees, and would have no permanent effects on the environment. The District has determined none of the six exceptions to the use of a categorical exemption apply to this project (CEQA Guidelines Section 15300.2).

The proposed Board actions comply with sections 21, 35, and 87 of the Port Act, which allow the Board to pass resolutions and to do all acts necessary and convenient for the exercise of its powers, and for the use of tidelands for the establishment, improvement, and conduct of a harbor, and for the construction, reconstruction, repair, maintenance, and operations of wharves, docks, piers, slips, quays, and all other works, buildings, facilities, utilities, structures, and appliances incidental, necessary, or convenient, for the promotion and accommodation of commerce and navigation. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board actions are consistent with the Public Trust Doctrine.

The proposed Board actions were covered in the CDP for the Fender System Upgrade at North Berth of B Street Pier project approved by the District on January 16, 2019 (Resolution No. 2019-006). The proposed Board actions are consistent with the project in that CDP. No additional action under the California Coastal Act is required at this time.

**Equal Opportunity Program:**

Not applicable.

**PREPARED BY:**

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