




**Date:** July 20, 2009

**To:** Engineering and Environmental Committee

**From:**  Douglas J. Sereno, Director of Program Management

**Subject:** **Memorandum of Agreement with U.S. Army Corps of Engineers,  
Port of Long Beach Deepening and Other Long Beach Projects  
Memorandum of Understanding with the City of Long Beach, Catalina Basin  
Dredging Project  
Draft Supplement to CWO HA1092, Queens Gate Deepening  
Draft Supplement to CWO HA1213, Pier G Development  
Draft Supplement to CWO HA1304, IR Site 7 Sediment Cleanup**

### **Requested Action**

It is requested the Engineering and Environmental Committee recommend to the Board of Harbor Commissioners:

- Approval of a Memorandum of Agreement with U.S. Army Corps of Engineers for the Port of Long Beach Deepening and Other Long Beach Projects committing the Port to a \$47 million payment
- Approval of a Memorandum of Understanding with the City of Long Beach for the Catalina Basin Dredging Project totaling \$2.2 million
- Approve draft Supplements to three Capital Work Orders totaling \$56.2 million:
  - CWO HA1092 for the amount of \$5,400,000
  - CWO HA1213 for the amount of \$26,305,000
  - CWO HA1304 for the amount of \$24,515,000

### **General Background**

In the early 1990's, the U.S. Army Corps of Engineers (Corps) and the Port of Long Beach, as the local or non-federal sponsor, began work to deepen the Port's Main Channel using a combination of federal and non-federal funds. By 2000, the channel deepening work was completed except for a Phase 2 project at the Main Channel turning basin. In 2004, the Corps suspended engineering design for the Main Channel Deepening Phase 2 element until a permitted dredge disposal site could be made available for the dredge material. In 2007, the Pier G North Slip Fill disposal site was identified and it was determined that material from the Main Channel Deepening Phase 2 and other Port of Long Beach dredging projects could be placed at this site. Filling of the north portion of the Pier G slip requires more material than will be generated from the Main Channel Deepening Phase 2 project. Additional dredging projects proposed to use the slip fill as a disposal site are listed below. Locations of these projects are also shown in the attached Project Location Map.

1. Port of Long Beach (Main Channel) Deepening Phase 2 at the Middle Harbor turning basin. Project benefits include navigational and safety improvements at the Long Beach Main Channel.
2. Pier T West Basin, IR Site 7 Sediment Remediation dredging project which includes cleanup of bottom sediments as required by the Lease with the Navy for the former Long Beach Naval Station and Naval Shipyard.
3. Catalina Express Terminal Maintenance Dredging. Project benefits include improving navigation and safety for the Catalina Express Terminal.
4. Pier G North Slip Dike and Fill including West Anchorage Borrow Site dredging. Project benefits include creation of 12.3 acres as part of the Pier G Redevelopment Program.

To simplify, better manage and potentially realize reduced construction costs for the dredge and disposal projects, the Port and Corps agreed to combine all work components into a single project to be bid, awarded, and administered by the Corps.

A Memorandum of Agreement describing the Port's financial responsibilities as the non-federal sponsor for the Main Channel Deepening Phase 2 work and as the project proponent for the other elements of the dredge and landfill program has been drafted. The MOA must be executed by the Port in order for the Corps to advertise the project for bids. The bid period is currently anticipated to start on July 28, 2009. To meet this timeline, the Board of Harbor Commissioners is being concurrently requested to approve the MOA and work order Supplements for these dredge and disposal projects.

### **Project Cooperative Agreement and Proposed Memorandum of Agreement with Corps**

On July 24, 1998, the Port executed a Project Cooperative Agreement (PCA) with the Corps to perform the Main Channel Deepening project and the PCA remains in effect for the proposed Phase 2 work. Under the agreement and consistent with previous congressional appropriations, the cost of permitting, design, and construction for each phase of the Main Channel Deepening project will be split between the Corps and the Port as the non-federal project sponsor. The non-federal contribution for the first phase of the work completed in 2000 totaled \$7.7 million and included \$5.7 million from ARCO and \$2.0 million from the Port. Under the PCA agreement, a cost of \$6 million of permitting, design, and construction costs for the Main Channel Deepening Phase 2 will be split between the Corps and the Port, with the estimated Port share at \$3 million.

As stated earlier, to simplify performing multiple dredge and disposal projects, a larger combined project, administered by the Corps is being proposed. The attached Memorandum of Agreement (MOA) was drafted by the Corps and Port for this larger project which includes the Pier G North Slip Fill, IR Site 7 Cleanup, and Catalina Express Terminal Maintenance Dredging. Under the terms of the proposed MOA and consistent with federal guidelines, the Port will be responsible to pay 100 percent of these other Port projects which are estimated at \$44 million.

### **Description of the Work**

This larger combined project will deepen the Main Channel at the Middle Harbor turning basin from a depth of approximately -60 feet to -76 feet, complete dredging at several areas within the Port, the largest being IR Site 7, and complete maintenance dredging at the Catalina Express Terminal for the City of Long Beach Parks and Recreation Department (City Parks). Dredged sediments will be placed in the Pier G North Slip fill and, upon completion, create 12.3 acres of new land suitable for terminal development.

The Corps will provide designs for the Main Channel Deepening Phase 2 work, merge designs by City Parks and the Port for other projects, and produce a single specification and drawing set for the project. The Corps, as lead agency, will advertise, award, and administer the construction contract. The Corps will design, award, and administer this project in accordance with the Federal Acquisition Regulations, other U.S. laws, regulations and other executive orders. Consequently, there are no local SBE requirements applicable to this construction contract work.

The Port, in a joint effort with Corps, will furnish 1) designs for the Pier G North Slip Dike and Fill and the IR Site 7 Remediation project elements, 2) electrical power for dredging from the Port's Berth T126 electric dredge substation, 3) project surveying, 4) water quality monitoring to satisfy conditions of Regional Water Quality Control Board, 4) post-dredge sediment sampling to ensure IR Site 7 remedial objectives set by the Department of Toxic Substances Control have been met, 5) owner-furnished special inspections and structural observations, required by building permits, for the Pier G Terminal development work, and 6) assist the Corps in project coordination tasks.

Additional background and detailed descriptions of the project elements are also contained in Appendix A to this memorandum.

## Financial Implications

Under the terms of the PCA and MOA and prior to the award of the Port of Long Beach Deepening and Other Long Beach Projects (anticipated to be no later than September 15, 2009), the Port must wire transfer \$47 million dollars to the Corps. The \$47 million includes \$3 million for the Port of Long Beach (Main Channel) Deepening Phase 2, and \$44 million for local projects, including \$23 million for the Pier G North Slip Fill, \$19 million for the IR Site 7 Cleanup and \$2 million for the City of Long Beach's Catalina Express Terminal Maintenance Dredging. Under a proposed MOU with the City, the City will reimburse the Port for the Catalina Express Terminal Maintenance Dredging work. Actual project costs may differ depending on bid amounts and will be adjusted as the construction process proceeds.

The Port share of cost for this work, is included in three Capital Work Orders:

1. CWO HA1092, Queen's Gate Deepening: The proposed draft supplement, in the amount of \$5,400,000, provides funding in the amount of \$3,000,000 for permitting, design, and construction costs by Corps for the Main Channel Deepening Phase 2 work. It also includes \$1,100,000 for the Port to furnish surveying, water quality monitoring, electricity for dredging, and other in-house costs, and provides \$1,300,000 in contingency for the work. The work includes dredging the turning basin in the vicinity of Berth T121, plus miscellaneous dredging in the vicinity of the berth to a depth of -76 feet. The total authorized funding to date under CWO HA1092 is \$8,527,000 through Supplement N<sup>o</sup> 3, and \$6,057,937 has been expended through July 14, 2009. The source of funds is Port revenues.
2. CWO HA1213, Pier G Development: The proposed draft supplement to CWO HA1213 in the amount of \$26,305,000 provides funding in the amount of \$20,030,000 for the Corps to contract for and perform the dredging of various locations within the Port, to fill the Pier G north slip, and perform additional construction work related to the Pier G north slip. It also provides an additional \$2,000,000 for Corps construction contract contingency, and \$1,400,000 to cover the cost of Corps construction management support. The supplement also provides \$620,000 for in-house and on-call consultant construction management and inspection support, \$900,000 for in-house surveying support, \$250,000 for in-house program management and on-call consultant support, \$25,000 for in-house design support, \$10,000 for in-house maintenance support, \$20,000 for environmental planning support, \$90,000 for environmental planning on-call consultant support, \$360,000 for Pier G design consultant support, \$300,000 for electrical dredging costs, and \$300,000 in project general contingency. The total authorized funding to date under CWO HA1213 is \$258,535,000 through Supplement N<sup>o</sup> 28, and \$156,371,029 has been expended through July 13, 2009. The overall Pier G Redevelopment Program budget is estimated at approximately \$930 million. This represents a 10 year program with approximately two thirds of the amount being spent at year 2013 and beyond. The source of funds is Port revenue.
3. CWO HA1304, IR Site 7 Sediment Cleanup: The attached draft supplement, in the amount of \$24,515,000 provides funding in the amount of \$15,300,000 for the Corps to contract for and perform the dredging of the Pier T West Basin IR Site 7 Sediment Remediation project and transport and place dredged sediments in the Pier G north slip, demolish the abandoned Pier 11 at the Navy Mole, and perform additional construction work at the Navy Mole and at Pier Echo, Berth T127. It also provides an additional \$2,000,000 to the Corps for a construction contract contingency, and \$1,500,000 to cover the cost of Corps construction management support. The supplement also provides \$40,000 for on-call consultant construction management and inspection support, \$380,000 for in-house surveying support, \$240,000 for in-house program management and on-call consultant support, \$30,000 for in-house design support, \$70,000 for environmental planning support, \$690,000 for environmental planning on-call consultant support, \$500,000 for Professional Services Contract HD-6784 with KPFF Consulting Engineers for design and construction support, \$1,300,000 for electrical dredging costs, and \$265,000 in project general contingency. Lastly, it includes \$2,200,000 million for the City of Long Beach's Catalina Express Terminal Maintenance Dredging work until the entire amount is repaid by the City under a proposed MOU. All authorized tasks will be managed in accordance with the Engineering Bureau's current cost control program. Approval of this supplement will bring the total authorized amount under CWO HA1304

to \$26,400,000. The total Board authorized amount for IR Site 7 Sediment Cleanup through Supplement No. 1 is \$1,885,000, with \$629,036 expended through July 13, 2009. The overall working budget for IR Site 7 Sediment Cleanup is estimated to be in the range of \$26.4 million. The source of funds is Port revenue.

Following completion of the channel deepening work, the Corps will retain financial responsibilities for maintenance of the channel depth including any required maintenance dredging work.

### **Previous Review/Approvals**

Port of Long Beach Main Channel Deepening Phase 2: In July 1998, the Board of Harbor Commissioners authorized the Executive Director to execute a Project Cooperation Agreement with the Corps; a cost sharing agreement titled Agreement Regarding Construction of the Port of Long Beach Main Channel Deepening Project with ARCO Products Company and the first increment of the Port's contribution for the channel deepening work. In August 2000, the Board authorized the second increment of the non-federal funds for the Corps' channel deepening project.

Pier G North Slip Dike and Fill: The Board of Harbor Commissioners approved Harbor Development Permit HD 00-007 and certified the Environmental Impact Report for all phases of the Pier G Terminal Redevelopment Program in September of 2000. The Board executed a 20-year Preferential Assignment Agreement HD-7048 with International Transportation Service, Inc. (ITS) for the Pier G Terminal on May 22, 2006.

IR Site 7 Sediment Cleanup: The Lease in Furtherance of Conveyance between the U. S. Government and the City of Long Beach was executed on August 11, 1998 and permits development of the former Long Beach Naval Complex by the Harbor Department in accordance with the approved Reuse Plan. A Mitigated Negative Declaration for the proposed work was approved by the Board of Harbor Commissioners on October 13, 2008. A Harbor Development Permit was issued on December 26, 2008.

### **Recommendation**

It is requested the Engineering and Environmental Committee recommend to the Board of Harbor Commissioners:

- Approval of a Memorandum of Agreement with U.S. Army Corps of Engineers for the Port of Long Beach Deepening and Other Long Beach Projects committing the Port to a \$47 million payment
- Approval of a Memorandum of Understanding with the City of Long Beach for the Catalina Basin Dredging Project totaling \$2.1 million.
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  - CWO HA1304 for the amount of \$24,515,000

Recommended by:



D. A. Thiessen  
Managing Director, Engineering

Approved by:

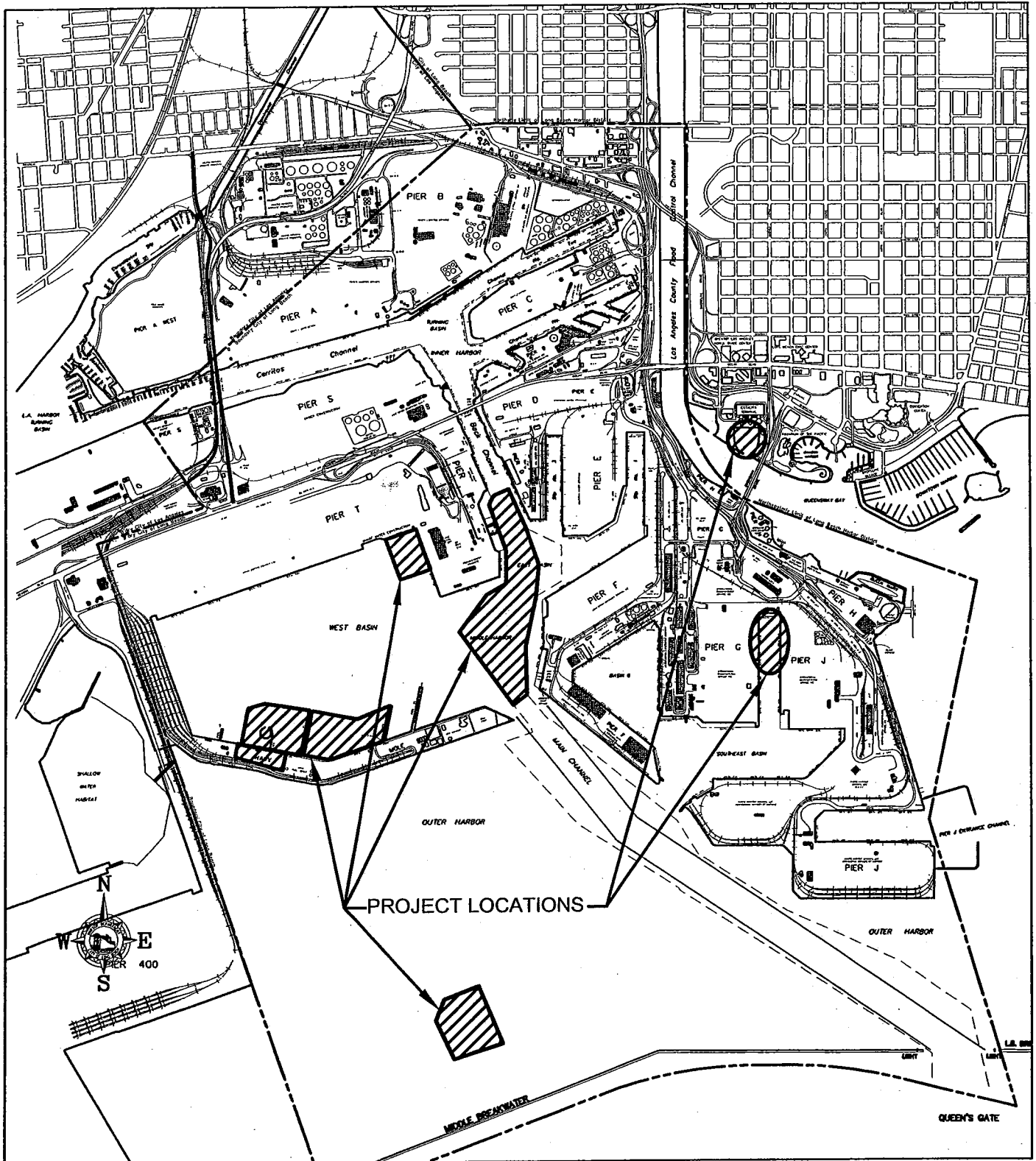


Richard D. Steinke  
Executive Director

Attachments:

- 1- Project location map
- 2- Draft MOA with the U.S. Army Corps of Engineers
- 3- Appendix A - Background and Detail for Each Project
- 4- Draft Supplement to CWO HA1092, CWO HA1213, CWO HA1304

# CWO's HA1213, HA1092 & HA1304 MAIN CHANNEL DEEPENING AND OTHER LONG BEACH PROJECTS



MEMORANDUM OF AGREEMENT  
BETWEEN  
THE DEPARTMENT OF THE ARMY  
AND  
THE PORT OF LONG BEACH  
FOR ACCEPTANCE AND RETURN OF CONTRIBUTED FUNDS  
FOR  
CONSTRUCTION OF PIER G NORTH SLIP FILL,  
CLEAN-UP OF WEST BASIN-INSTALLATION REMEDIATION SITE 7,  
AND  
MAINTENANCE DREDGING AT CATALINA LANDING,  
LONG BEACH, CALIFORNIA

This MEMORANDUM OF AGREEMENT (hereinafter referred to as the "MOA"), entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by and between the Department of the Army (hereinafter referred to as the "Government"), represented by the U.S. Army Engineer, Los Angeles District, U.S. Army Corps of Engineers ("Corps"), and the Port of Long Beach acting by and through its Executive Director as authorized by its Board of Harbor Commissioners (hereinafter referred to as the "Contributor" or "Port").

WITNESSETH THAT:

WHEREAS, construction of improvements to the Authorized Federal Navigation Channel, including the turning basin, at the Port of Long Beach, California (hereinafter referred to as the "Project") was authorized by Section 201(b) of the Water Resources Development Act of 1986 (P.L. 99-662), as amended by Section 4 of the Water Resources Development Act of 1988, as amended by Section 102 of the Water Resources Development Act of 1990, and as amended by Section 101 of the Water Resources Development Act of 1996;

WHEREAS, the Project authorization specifies the cost-sharing requirements applicable to the Project;

WHEREAS, in a Project Cooperation Agreement between the Government and the Port dated July 27, 1998, the Port provided assurances of local cooperation necessary for construction of the Project;

WHEREAS completing the Project requires dredging approximately 750,000 cubic yards of material from the Main Channel and turning basin, including approximately 100,000 cubic yards of material that is chemically unsuitable for open-ocean disposal;

WHEREAS Corps funds may be used only for dredging and disposal of materials from the Project;

WHEREAS the Port is responsible for clean-up of up to 800,000 cubic yards of sediments in the West Basin-Installation Remediation Site 7 ("IR Site 7") that was previously owned and operated by the U.S. Navy, as well as demolition and disposal of a dilapidated timber and concrete pier, and lifting of four sunken Navy barges from the bottom and putting them on land for abatement and future disposal;

WHEREAS sediments dredged from IR Site 7 are not suitable for open-ocean disposal or for beach disposal;

WHEREAS the Port, at its own expense, has designed the dredge and disposal plan for IR Site 7;

WHEREAS the Port has also requested the Government to perform maintenance dredging of approximately 50,000 cubic yards of material at the Catalina Landing berths, adjacent to the Los Angeles River Estuary, including materials that are chemically unsuitable for open-ocean or for beach disposal;

WHEREAS the Port, at its own expense, has designed a rock closure dike to be constructed at the Pier G North Slip for disposal of materials ("Pier G Slip Fill") to be dredged from IR Site 7, from Catalina Landing, and from the Project. Construction of the Pier G Slip Fill consists of removal of bottom material under the new closure dike, construction of the rock closure dike, installation of sheet pile cutoff walls including driving concrete piles, settlement monitoring, storm drainage improvements, localized site improvements at the edge of the slip fill, and water quality monitoring during placement of dredge material in the Pier G Slip Fill;

WHEREAS the Port has requested the Government to perform dredging of approximately 150,000 cubic yards at the West Anchorage Borrow Site as a source of clean surcharge and cap material for the chemically unsuitable sediments that are placed at the Pier G Slip Fill;

WHEREAS Pier G is an active commercial slip within the Port of Long Beach, and the presence of more than one dredging contractor would likely result in interference with commercial navigation as well as traffic delays;

WHEREAS, the Contributor considers it to be in its own interest to construct the Pier G Slip Fill (including the dredging of the West Anchorage Borrow Site), accomplish the cleanup of IR Site 7, and conduct maintenance dredging at Catalina Landing berths by voluntarily contributing all funds (hereinafter referred to as "Contributed Funds") required to be used by the Government for that purpose;

WHEREAS, the Government is authorized pursuant to 33 U.S.C. Section 560, to accept contributed funds to be expended in connection with Federally appropriated funds, for an authorized work of public improvement of rivers and harbors whenever such work

and expenditure may be considered by the Chief of Engineers to be advantageous to the interests of navigation;

WHEREAS the Government intends to competitively award one construction contract to dredge IR Site 7, the West Anchorage Borrow Site, and the Catalina Landing; and to construct the Pier G Slip Fill to accept the material dredged from those sites and material from the Project including dredging at the West Anchorage Borrow Site, to dredge Site 7, to dredge Catalina Landing (collectively designated as "the Work" for which there is the acceptance and return of contributed funds); and to complete dredging for the Project, including the turning basin;

WHEREAS the Contributor has obtained regulatory permits and consent to excavate and dispose of sediments, and to construct the Pier G Slip Fill;

WHEREAS the Contributor has obtained approval from the State of California Department of Toxic Substances Control to place materials excavated from ~~the West Basin IR Site 7~~ in the Pier G Slip Fill; and

WHEREAS the Contributor proposes to perform long-term environmental monitoring of Pier G to ensure isolation of contaminated material, as a condition of regulatory permits.

NOW, THEREFORE, the Government and Contributor agree as follows:

1. The Port shall contribute \$41,000,000.00 to the Government for construction of the Work. The Work consists of construction of Pier G North Slip Fill (including the dredging of the West Anchorage Borrow Site), clean-up of IR Site 7, and maintenance dredging at Catalina Landing, Long Beach, California. The Government will use Contributed Funds to accomplish the Work through a competitively bid construction contract.

2. Contributed Funds shall be paid as follows: provide the Government electronic funds transfer no later than September 15, 2009, directed to the USACE Finance Center, 5722 Integrity Drive, Millington, TN 38054. The Contributor will reimburse the Government for all costs associated with the performance of the Work at actual cost.

3. If the Government forecasts its actual costs will exceed the amount of funds available, it shall promptly notify the Contributor of the amount of additional funds necessary to complete the Work. The Contributor shall either provide the additional funds to the Government, or seek ways to limit the scope of Work to that which can be paid for with the then-available funds.

4. In the event that the Contributor contributes more or less than the amount listed in paragraph 1 above, or makes its contributions earlier or later than the date listed in paragraph 2 above, this MOA shall apply to whatever funds are contributed by the



Contributor to the Government pursuant to this MOA; however, the Government shall not obligate any Contributed Funds before they are received and available.

5. Subject to the conditions of the regulatory permits and conditions set forth in permits by state or local agencies and boards, and subject to the receipt of funds, the Government shall use all Contributed Funds for construction of the Work, except excess Contributed Funds, which are addressed in paragraph 9.b of this MOA.

a. Except for construction on the Project utilizing Corps funds, the Government will perform or provide, on behalf of the Contributor, construction and construction management services at the sole expense of the Contributor using funds contributed under this MOA. The Contributor shall be solely responsible for all such costs of the Work performed or provided by the Government under this paragraph and shall pay all such costs in accordance with paragraphs 1, 2, and 3 of this MOA.

b. The Contributor shall bear all additional costs of the Work for which funds are accepted including any additional environmental compliance costs including costs to comply with regulatory permits issued by the Government. The Contributor shall be solely responsible for all costs of environmental compliance and monitoring resulting from operation and maintenance of IR Site 7 and the Catalina Landing.

6. It is understood and agreed that the Contributor has voluntarily paid all costs of engineering and design for the Pier G Slip Fill, IR Site 7, and Catalina Landing.

7. If liability of any kind is imposed on the United States relating to the Government's provision of construction services under this MOA, the Contributor shall remain responsible for providing such funds as are necessary to discharge the liability, and all related costs. This obligation extends to all funds legally available to discharge this liability. Should the Contributor have insufficient funds legally available, including funds that may be made legally available through transfer, reprogramming or other means, the Contributor remains responsible for seeking additional funds for such purpose.

8. Nothing in this MOA is intended or will be construed to create any rights or remedies for any third party and no third party is intended to be a beneficiary of this MOA.

9. The Government shall provide the Contributor with quarterly accountings of its expenditures of Contributed Funds for construction of the Work.

a. The first such accounting shall be provided within 30 days after the final day of the first complete Government fiscal year quarter following receipt of the Contributed Funds, and subsequent accountings shall be provided within 30 days after the final day of each succeeding quarter until the Contributed Funds are completely expended or the Government concludes construction on the Project.

b. Within 90 days of completing the Work, the Government shall conduct an accounting to determine the actual costs of the work. Within 30 days of completion of this accounting, the Government shall return to the Contributor any funds advanced in excess of the actual costs as then known, or the Contributor shall provide any additional funds necessary to cover the actual costs as then known. Such an accounting shall in no way limit the Contributor's duty in accordance with paragraph 7 to pay for any costs, such as contract claims or other liability, which may become known after the final accounting.

10. Unless directed in law, the Government shall not reimburse the Contributor for Contributed Funds expended by the Government for the Work.

11. The Government shall not credit the Contributor for the Contributed Funds so as to reduce any obligation for which the Contributor is otherwise responsible or would be required of the Contributor pursuant to the Project Cooperation Agreement entered into by the Government and Contributor on July 27, 1998 governing the construction of all or part of the Project.

12. The Government, subject to the availability of funds and subject to the approval by the Secretary of the Army, shall return to the Contributor Contributed Funds not expended by the Government.

13. Nothing herein shall constitute, or be deemed to constitute, an obligation of future appropriations by the United States. Nothing in this agreement shall be construed to imply that Congress will appropriate funds sufficient to meet any liability under this MOA.

14. Nothing herein shall constitute, or be deemed to constitute, an assurance or promise of the Government to take any action whatsoever to perform further construction on the Project, including but not limited to amending the Project Cooperation Agreement with the Contributor.

15. Before any party to this MOA may bring suit in any court concerning an issue relating to this MOA, such party must first seek in good faith to resolve the issue through negotiation or other forms of nonbinding alternative dispute resolution mutually acceptable to the parties.

16. All claims and disputes by contractors arising under or relating to contracts awarded by the Corps shall be resolved in accordance with Federal law and the terms of the individual contract. The Corps shall have dispute resolution authority for these claims. Any contracting officer's final decision may be appealed by the contractor pursuant to the Contract Disputes Act of 1978 (41 U.S.C. § 601-613). The Armed Services Board of Contract Appeals (ASBCA) is designated as the appropriate board of contract appeals. In lieu of appealing to the ASBCA or its successor, the contractor may bring an action in the United States Court of Federal Claims. The Corps shall be responsible for handling all litigation involving disputes and appeals arising out of constructing the Work and for coordinating with the Department of Justice as appropriate. The Corps shall notify the

Contributor of any such litigation and afford the Contributor an opportunity to review and comment on the litigation proceedings and any resulting settlement negotiations.

17. The Contributor shall hold and save the Government free from all damages arising from the design, construction, operation, maintenance, repair, replacement, and rehabilitation of the Project and any Project-related betterments, except for damages due to the fault or negligence of the Government or its contractors.

18. Federal and State Laws. In the exercise of their respective rights and obligations under this MOA, the Contributor and the Government agree to comply with all applicable Federal and State laws and regulations, including, but not limited to, Section 601 of the Civil Rights Act of 1964, Public Law 88-352 (42 U.S.C. 2000d), and Department of Defense Directive 5500.11 issued pursuant thereto, as well as Army Regulations 600-7, entitled "Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army".

19. Relationship of Parties. In the exercise of their respective rights and obligations under this MOA, the Government and the Contributor each act in an independent capacity, and neither is to be considered the officer, agent, or employee of the other.

20. Officials Not to Benefit. No member of or delegate to the Congress, nor any resident commissioner, shall be admitted to any share or part of this MOA, or to any benefit that may arise therefrom.

21. Notices.

a. Any notice, request, demand, or other communication required or permitted to be given under this MOA shall be deemed to have been duly given if in writing and either delivered personally or by telegram or mailed by first-class, registered, or certified mail, as follows:

If to the Port:

Port of Long Beach  
925 Harbor Plaza  
Long Beach, CA 90802

If to the Government:

U.S. Army Corps of Engineers  
ATTN: CESPL-PM-N  
915 Wilshire Boulevard  
Los Angeles, CA 90017

b. A party may change the address to which such communications are to be directed by giving written notice to the other party in the manner provided in this paragraph.

c. Any notice, request, demand, or other communication made pursuant to this paragraph shall be deemed to have been received by the addressee at the earlier of such time as it is actually received or seven days after it is mailed.

IN WITNESS WHEREOF, the parties have executed this MOA as of the day, month, and year first above written.

THE DEPARTMENT OF THE ARMY

BY: \_\_\_\_\_

Thomas H. Magness  
Colonel, Corps of Engineers  
District Commander

THE PORT OF LONG BEACH

BY: \_\_\_\_\_

Richard D. Steinke  
Executive Director  
The Port of Long Beach

Approved as to Form:

Robert E. Shannon  
City Attorney

By: \_\_\_\_\_

## CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

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Richard D. Steinke  
Executive Director  
Port of Long Beach

DATE: \_\_\_\_\_

**Appendix A**  
**Army Corps of Engineers**  
**Port of Long Beach Deepening and Other Long Beach Projects**  
**Background and Detail for Each Project**

Appendix A provides background and detail on the proposed individual dredging and landfill projects, contained in the U.S. Army Corps of Engineers (Core) Main Channel contract documents titled *Port of Long Beach Deepening and Other Long Beach Projects*. In 2007, the Pier G North Slip Fill site was identified as the disposal location for dredged material the Main Channel Deepening Phase 2 project. The confined slip fill however has capacity to accommodate additional material and is ideal for accommodating dredge material chemically unsuitable for open ocean disposal which allows material from other Port of Long Beach priority projects to be placed at Pier G. The dredge and landfill projects included in the Port of Long Beach Deepening and Other Long Beach Projects contract documents include:

1. Port of Long Beach (Main Channel) Deepening Phase 2 at the Middle Harbor turning basin
2. Pier T, West Basin, IR Site 7 Sediment Remediation dredging
3. Catalina Express Terminal Maintenance Dredging
4. Pier G North Slip Dike and Fill including West Anchorage Borrow Site dredging

The Port and Corps agreed to combine all work components into a single project to be bid, awarded, and administered by the Corps. Benefits of this approach include:

1. With a single project, the plans and specifications will control the order of dredged sediment placement within the disposal site. Dredge material from the IR Site 7 Sediment Remediation element is unsuitable for ocean disposal and must be contained and placed deep in the fill to satisfy the U.S. Environmental Protection Agency (USEPA) and the Department of Toxic Substances Control (DTSC) requirements governing the work: a joint project will ensure that these needs are met.
2. The combining of the projects is anticipated to realize cost savings due to higher economies of scale.
3. Performance of work by a single contractor will eliminate potential conflicts between multiple dredging contractors potentially depositing sediments in the slip at the same time and therefore minimize contractor claims.

**Background – Port of Long Beach (Main Channel) Deepening**

The Main Channel Deepening program is a joint Corps of Engineers/Port of Long Beach project to provide a 76-foot deep channel to the liquid bulk import terminal at Berth T121. As the local, or non-federal, sponsor for the project, the Port is responsible for approximately 60 percent of the total project cost, which is budgeted at \$43.8 million.

Initial segments for deepening of the Main Channel from a depth of approximately -60 feet to -76 feet were performed by the Port in 1991-1992 when the Pier J landfill was expanded to create a new terminal for Maersk. The Corps at the time did not have authorized funds to undertake the work, so the Port chose to fund and do the dredging on its own. Meanwhile, the Port also continued to work at the Corps' District and Federal level to secure full funding for the Project, including reimbursement for the costs covered by the Port for the initial deepening work.

In 1999, the Corps received funds from Congress for the Main Channel Deepening Project (generally referred to by the Port as Queens Gate Deepening) and negotiated a Project Cooperation Agreement with the Port that allowed the Port to receive a credit for the previously completed dredging work. The Port also entered into a separate cost sharing agreement with ARCO, the beneficiary of the Queens Gate

Deepening. In that agreement, ARCO (now BP) contributed \$5.7 million of the \$7.7 million non-federal sponsor's share of the Queens Gate Deepening costs. The 1999 authorization allowed the Corps to dredge the entrance to the Main Channel in the vicinity of the Queens Gate to -76 feet. The project dredged approximately five million cubic yards and placed the majority of the material in the Port's Western Anchorage Sediment Storage Site. Much of the material was later removed from the temporary storage site and used to widen the Navy Mole for the Pier T container terminal intermodal rail yard project.

Funding received by the Corps in 1999 was not sufficient to complete all portions of the project described in the government's 1995 Final Feasibility Study. While the majority of the Main Channel deepening was accomplished, a ship turning basin near T121 was not dredged. Once the Corps confirmed that the excess funds from the Queens Gate Deepening project could be used to complete the turning basin, dredging design began and a disposal site was identified. The Western Anchorage Temporary Disposal Site was not available at that time due to restrictions placed by regulatory agencies. The dredge material was then slated to be placed in a Pier J landfill. However, when the EIR for the Pier J Marine Terminal Redevelopment was withdrawn in 2004, the Corps suspended further work on the project. The Corps indicated they would continue to try to preserve the federal funds appropriated for the channel deepening; however, project work was suspended until the Port could identify a disposal site for the dredge material.

Deepening of the turning basin and associated work is being referred to under the current project as Port of Long Beach Deepening and includes an estimated total dredging quantity of 600,000 cubic yards. \$3.545 million of Federal funds for this project were confirmed for the Corps Fiscal year (FY) 2008 budget and remain available for the work. In addition, the Corps received \$2.445 million of Federal Stimulus funding in 2009 for this work.

Following completion of the channel deepening work, the Corps will retain responsibilities for maintenance of channel depth and to complete any required maintenance dredging work.

The Corps' estimate for cost of the Port of Long Beach Deepening Phase 2 work is \$6 million, including \$5.5 million for the construction contract, \$150,000 for design, and \$350,000 for construction management. Under the Project Cooperative Agreement between the Corps and the Port and consistent with previous congressional appropriations, the Port is responsible for \$3 million of the total \$6 million dollar cost.

#### **Background - Pier G North Slip Fill & West Anchorage Borrow Site dredging**

The Pier G Terminal Redevelopment Program was initiated in 2000 to combine and modernize the previous ITS terminal at Pier G and the northern portion of Pier J. The program includes landfills to combine the terminal's two landmasses, including the Pier G North Slip Fill. Included in the work to be performed by the Corps is construction of a rock dike and sheet pile cut off wall, minor terminal improvement work, and dredging of approximately 150,000 cubic yards from the West Anchorage Borrow Site. The dredged material will be used as a source of clean surcharge and to cap the chemically unsuitable sediments that are placed at the Pier G Slip Fill. Under the terms of a proposed Memorandum of Agreement (MOA) with the Corps, the Port will be responsible to pay 100% of the Corps administration and construction costs, estimated at \$23 million for this work. Upon completion, the project will create 12.3 acres of new land, suitable for terminal development for the current Port tenant, ITS.

#### **Background – Installation Restoration (IR) Site 7 Sediment Remediation dredging work**

Under the terms and conditions of the Lease in Furtherance of Conveyance (LIFOC) with the Navy for the former Long Beach Naval Station and Naval Shipyard, the Port is responsible for the cleanup of the West Basin. The majority of the north portion of the basin was cleaned up through dredging during construction of the Pier T container terminal. Two cleanup sites remain and are identified by the Navy as Areas of

Ecological Concern (AOEC) A and C. Once these sites are dredged all IR Site 7 sediment remediation at the former Long Beach Naval Complex will be complete.

The Navy's site characterization studies determined the sediments AOEC A and C are suitable for use as fill material, i.e., have elevated concentrations of contaminants making them unsuitable for ocean disposal, but within sediment management objectives to allow placement in a confined in-water fill.

The Pier G North Slip Fill site was selected as the disposal site since it is a confined fill and represents an opportunity to perform this necessary work in a timely and economical manner. The total volume to be dredged is anticipated to be approximately 650,000 cubic yards. The project also includes the removal of several sunken barges and demolition of an existing pier in the West Basin. Under the terms of a proposed MOA with the Corps, the Port will be responsible to pay 100% of the Corps administration and construction costs, estimated at \$19 million for this work.

#### **Background - Catalina Express Terminal Maintenance Dredging**

The City of Long Beach Parks and Recreation Department is responsible for maintenance dredging of approximately 50,000 cubic yards of material at the Catalina Express Terminal. Catalina Basin is adjacent to the Los Angeles River Estuary and includes materials that are chemically unsuitable for open-ocean or beach disposal. The City used a consultant for the engineering design and has requested the Corps to perform the maintenance dredging under the *Port of Long Beach Deepening and Other Long Beach Projects* program. Reimbursement of the dredge costs to the Port is addressed in an agreement between Parks and Recreation Department and the Port. Under the terms of a proposed MOA with the Corps, the City will be responsible to pay 100% of the Corps administration and construction costs, estimated at \$2 million for this work.



**LONG BEACH HARBOR DEPARTMENT  
PROJECT APPROVAL REQUEST**

**TYPE:** Capital Work Order **PROJECT No.** HA1092

**DATE:** July 20, 2009 **SUPPLEMENT No.** 4

**PROJECT TITLE:** Queens Gate Deepening

**PROJECT BUDGET:** \$2,900,000<sup>(1)</sup> \$13,927,000<sup>(3)</sup>  
(original) (revised 7/8/09)

- (1) COE Total Project Estimated at \$18,000,000, POLB Responsible for \$2,900,000.  
(2) COE Total Project Estimate Revised to \$25,710,000, POLB Responsible for \$7,721,442  
(3) COE Total Project Estimate Revised to \$34,082,788, POLB Responsible for \$13,089,273

**PROJECT DESCRIPTION:**

This Capital Work Order is for deepening the Main Channel to -76 feet by the U.S. Army Corps of Engineers with sponsorship by the Port of Long Beach.

**SUPPLEMENT N<sup>o</sup> 4:** (Index Code HACA\_\_\_\_\_)

This supplement, in the amount of \$5,400,000 is for the Port's share as the non-federal project sponsor for completion of the U.S. Army Corps of Engineers Main Channel Deepening project. The work includes dredging the turning basin in the vicinity of Berth T121, plus miscellaneous dredging in the vicinity of the berth to -76 feet. This authorization will be allocated as follows:

<u>Project Detail</u>	<u>Amount</u>	<u>Description</u>
B6DA	\$ 5,400,000	Construction, Dredging (Contractor)

<b>Amount approved through Supplement N<sup>o</sup> 3</b>	<b>\$8,527,000</b>
<b>Additional amount requested</b>	<b>\$5,400,000</b>
<b>Total amount for which Board of Harbor Commissioners approval is requested</b>	<b>\$13,927,000</b>

Requested by:

Reviewed by:

Approved by:

\_\_\_\_\_  
Chief Harbor Engineer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**LONG BEACH HARBOR DEPARTMENT  
PROJECT APPROVAL REQUEST**

**TYPE:** Capital Work Order

**PROJECT NO.** HA1213

**DATE:** July 20, 2009

**SUPPLEMENT NO.** TBD

**PROJECT TITLE:** Pier G Terminal Redevelopment

**PROJECT BUDGET:** \$ TBD  
(current)

**PROJECT DESCRIPTION:**

Design, permitting, and construction of dikes, landfills, and wharves in the ITS terminal, and development of the combined terminal, including container terminals, green buildings, roads, railyards, and other improvements to be determined.

**SUPPLEMENT No. TBD** (Index Code HACA - - - -)

The proposed draft supplement in the amount of \$26,305,000 provides funding in the amount of \$20,030,000 for the United States Army Corps of Engineers (ACOE) to contract for and perform the dredging of various locations within the Port, to fill the Pier G north slip, and perform additional construction work related to the Pier G north slip. It also provides \$2,000,000 to the ACOE for a construction contract contingency, and \$1,400,000 to cover the cost of ACOE construction management support. The supplement also provides \$620,000 for in-house and on-call consultant construction management and inspection support, \$900,000 for in-house surveying support, \$250,000 for in-house program management and on-call consultant support, \$25,000 for in-house design support, \$10,000 for in-house maintenance support, \$20,000 for environmental planning support, \$90,000 for environmental planning on-call consultant support, \$360,000 for Pier G design consultant support, \$300,000 for electrical dredging costs, and \$300,000 in project general contingency. Allocations are as follows:

1H2340	\$26,195,000	Construction Phase
1B2340	\$ 110,000	Environmental Planning

**Amount previously approved** \$258,535,000

**Additional amount requested** \$ 26,305,000

**Total amount for which the Board of Harbor Commissioners approval is requested** \$284,840,000

Requested by:

Reviewed by:

Approved by:

\_\_\_\_\_  
Chief Harbor Engineer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**LONG BEACH HARBOR DEPARTMENT  
PROJECT APPROVAL REQUEST**

**TYPE:** Capital Work Order **PROJECT No.** HA1304

**DATE:** July 13, 2009 **SUPPLEMENT No.** TBD

**PROJECT TITLE:** IR Site 7 Sediment Clean-up

**PROJECT BUDGET:** TBD  
(current)

**PROJECT DESCRIPTION:**

Investigation, permitting, design, and dredging at the West Basin in Installation Restoration (IR) Site 7, per the terms and conditions of the Lease in Furtherance of Conveyance for the Long Beach Naval Station and Naval Shipyard and the Consent Agreement with the U.S. Environmental Protection Agency (USEPA) and the California Department of Toxic Substances Control (DTSC).

**SUPPLEMENT No. TBD** (Index Code HACA\_\_\_\_): This proposed draft supplement in the amount of \$24,515,000 provides funding in the amount of \$15,300,000 for the United States Army Corps of Engineers (ACOE) to contract for and perform the dredging of the *Pier T West Basin IR Site 7 Sediment Remediation* project and transport and place dredged sediments in the Pier G north slip, demolish Pier 11 at the Navy Mole, and perform additional construction work at the Navy Mole and at Pier Echo, Berth T127. It also provides \$2,000,000 to the ACOE for a construction contract contingency, and \$1,500,000 to cover the cost of ACOE construction management support. The supplement also provides \$40,000 for on-call consultant construction management and inspection support, \$380,000 for in-house surveying support, \$240,000 for in-house program management and on-call consultant support, \$30,000 for in-house design support, \$70,000 for environmental planning support, \$690,000 for environmental planning on-call consultant support, \$500,000 for Professional Services Contract HD-6784 with KPF Consulting Engineers for design and construction support, \$1,300,000 for electrical dredging costs, and \$265,000 in project general contingency. Lastly, it includes \$2,200,000 million for the City of Long Beach's Catalina Express Terminal Maintenance Dredging work until the entire amount is repaid by the City under a proposed MOU. Allocations are as follows:

The funding will be allocated according to the following work breakdown structure:

<u>Detail</u>	<u>Amount</u>	<u>Description</u>
1H2319	\$23,755,000	Construction Phase
1B2319	\$ 760,000	Environmental Planning
	\$24,515,000	Total Supplement N <sup>o</sup> (TBD)

<b>Amount approved through Supplement No. 1</b>	\$ 1,885,000
<b>Additional amount requested</b>	<u>\$24,515,000</u>
<b>Total amount for which Board of Harbor Commissioners approval is requested</b>	\$26,400,000

Requested by: \_\_\_\_\_ Reviewed by: \_\_\_\_\_ Approved by: \_\_\_\_\_

_____ Chief Harbor Engineer	_____ Chief Financial Officer	_____ Executive Director
_____ Date	_____ Date	_____ Date