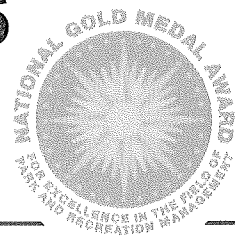


R-16

CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE



June 18, 2013

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HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute the Sixth Amendment to Contract No. 31687 with Bellingham Marine Industries, Inc., for an additional \$3,116,468, plus a \$100,000 contingency, for a total increase of \$3,216,468, for Phase 3 of the Alamitos Bay Marina rebuild project, for a revised contract amount not to exceed \$39,331,765; execute all documents necessary to complete Basin 5 in the Alamitos Bay Marina; increase appropriations in the Marina Fund (TF 403) in the Department of Parks, Recreation and Marine (PR) by \$3,981,633; and direct staff to include a slip fee increase equivalent to two percent in the FY14 Master Fee Schedule, to be presented with the adoption of the FY14 Budget. (District 3)

DISCUSSION

In February 2010, the City of Long Beach (City) embarked on the rebuild of the Alamitos Bay Marina (ABM). Through the Request for Proposal process, the City selected Bellingham Marine Industries, Inc. (BMI), for the design, engineering, and construction of the project. Due to the magnitude of the ABM rebuild project, the Department of Parks, Recreation and Marine (PRM) and BMI agreed to segregate each basin rebuild into phases. To date, Basin 4 (Phase 1) has been completed, and Basin 1 (Phase 2) is scheduled to be completed by August 31, 2013.

Phase 3 is the reconstruction of Basin 5, located at the end of the Peninsula. The project includes the complete rebuild of the 30 slips, and will include some dredging and rock revetment activity.

The following reflects the changes to the major provisions of the proposed amendment:

- Scope of Work for Basin 5: Design, engineering, and construction of a marina dock system; replacing the wood docks with a state-of-the-art concrete system; and dredging, rock revetment, and repairing seawalls, as needed.
- Compensation: BMI will receive compensation up to \$3,216,468 for Basin 5, and will be paid as design, engineering, and construction milestones are met, with the first payment scheduled in October 2013.

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- Pre-staging: BMI will begin constructing docks and purchasing materials in August 2013, approximately two months prior to demolition and construction.
- Demolition/Construction: BMI will begin demolition and construction in October 2013, which is estimated to last approximately six months.

All other provisions of BMI's Contract No. 31687, such as scope of work, contract term, payment procedures, bonds, insurance, and reporting requirements will remain the same.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on May 31, 2013 and by Budget Management Officer Victoria Bell on May 30, 2013.

TIMING CONSIDERATIONS

City Council action is requested on June 18, 2013, in order to amend Contract No. 31687 with Bellingham Marine Industries, Inc., and provide BMI with contract authority, which allows for the two-month lead time needed for the manufacture of the docks and the purchase of the piles.

City Council action at this time will ensure that the project can be facilitated after the busy summer season and completed before the next sailing season. Demolition and construction will begin in October 2013. The project is estimated to take approximately six months. Basin 5 is being recommended as the sailing venue for the 2015 Special Olympics World Games and pre-Olympic events scheduled in the summer of 2014.

FISCAL IMPACT

The estimated cost of Phase 3, Basin 5, is \$3,981,633, which includes a contract increase of \$3,216,468, and \$765,165 estimated for permits, inspection, utilities, and construction management. Authorization for the expense is requested through an appropriation increase of \$3,981,633 in the Marina Fund (TF 403) in the Department of Parks, Recreation and Marine (PR). The Department of Parks, Recreation and Marine represents that this appropriation amount will be adequate for this phase of the project, and is confident the amount will not be exceeded because of the predictable nature of the work and previous experience with actual costs in earlier phases.

Basin 5 will be funded by using surplus operating revenue that is expected to be generated by normal Marina Fund operations in FY13 and FY14. Upon completion of Basin 5, the overall ABM rebuild project will be approximately 45 percent complete. Approximately \$54 million in improvements remain to be accomplished and financing has not yet been identified. Annual slip fee rate increases of approximately two percent in current and subsequent years are essential to set the framework for completion of the remainder of the rebuild within a reasonable time-period. As a result, the Department of Financial Management supports this phase provided there is a slip fee increase.

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Staff recommends the City Council direct staff to include a slip fee increase equivalent to two percent overall in the FY14 Master Fee Schedule, and continue future two percent minimum slip fee increases, every year, for a number of years, as necessary, as an essential component of the marina rebuild, including this Phase 3. Should future financial projections indicate that these annual slip fee increases are not necessary, this recommendation may be modified.

The recommended action will result in a positive impact on jobs. Approximately 30 jobs will be created during the course of this phase.

SUGGESTED ACTION:

Approved recommendation.

Respectfully submitted,



GEORGE CHAPJIAN
DIRECTOR OF PARKS, RECREATION AND MARINE



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

GC:JG:MS:eh/vhd

APPROVED:



PATRICK H. WEST
CITY MANAGER