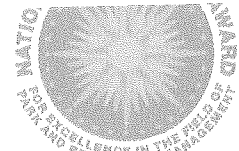




CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE

R-14



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September 22, 2015

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute the Eleventh Amendment to Contract No. 31687 with Bellingham Marine Industries, Inc., for Phase 8 of the Alamitos Bay Marina rebuild project, and increase the contract amount by \$28,636,597, plus a \$1,431,830 contingency, for a total contract amount not to exceed \$96,555,525;

Execute the Third Amendment to Agreement No. 29587 with Concept Marine Associates, a Division of TranSystems Corporation, for continued construction management of the Alamitos Bay Marina rebuild project; increase the contract amount by \$1,463,060, for a total contract amount not to exceed \$8,036,549; and extend the term to December 31, 2019; and

Increase appropriations in the Marina Fund (TF 403) in the Parks, Recreation and Marine Department (PR) by \$49,244,796, offset by bond proceeds. (District 3)

DISCUSSION

In February 2010, the City of Long Beach (City) embarked on the rebuild of the Alamitos Bay Marina (ABM) following a 2007 Request for Proposal process that resulted in the selection of Bellingham Marine Industries, Inc. (BMI), for the design, engineering, and construction of seven of the eight marina basins. One basin (Basin 8) had been completed earlier in 2002. Due to the magnitude of the ABM rebuild project and potential funding issues, the Department of Parks, Recreation and Marine (PRM) and BMI agreed to segregate each basin rebuild into phases. To date, Basin 4 (Phase 1); Basin 1 (Phase 2); Basin 5 (Phase 3); the electrical infrastructure upgrade for Basins 2 and 3 (Phase 4); Docks 6, 7, 8 and 9 (new numbering system) in Basin 2 (Phase 5); and partial demolition and disposal of existing docks in Basin 3 (Phase 7) have been completed. Phase 6 consists of the reconstruction of Docks 10 through 14 in Basin 2, and is scheduled for completion by the end of June 2016.

On March 17, 2015, the City Council authorized the Second Amendment to Agreement No. 29587 (Agreement) with Concept Marine Associates (CMA), a Division of TranSystems Corporation, to increase the contract authority by \$871,489, for a total amount not to exceed \$6,573,489. Per the terms of the Agreement, CMA has been instrumental in providing preconstruction and construction services, such as project management, engineering, materials testing, and inspection services for Basins 1, 2, 4, and 5. These services are also required in order to continue with the next phase of the ABM rehabilitation. PRM is requesting authorization to extend the term of the Agreement through December 31, 2019, and to increase the contract authority by \$1,463,060, thus allowing for the completion of Basins 3, 6, and 7.

On May 5, 2015, the City Council authorized the issuance of Marina Revenue Bonds, Series 2015, for waterside improvements to ABM, and to prepay existing Division of Boating and Waterways (DBW) Harbors and Watercraft Revolving Fund loans. The Marina Revenue Bonds were successfully sold on May 20, 2015. Prepayment of all outstanding loans was submitted to DBW on June 3, 2015, resulting in net remaining bond proceeds of \$49,244,796 available for the rebuild project.

The last waterside phase of the rebuild project, Phase 8, includes the reconstruction of Basins 3, 6, and 7, and the California Coastal Commission requirement to construct a 100-space dry boat storage area and oil recycling station in Basin 2. The reconstruction will include demolition, dredging, and the manufacture and installation of a new concrete dock system in Basins 3, 6, and 7. The estimated cost of Phase 8 is \$33,477,631, and includes the following: BMI compensation up to \$30,068,427, which includes a contingency of \$1,431,830; construction management costs of \$1,463,060; and \$1,946,144 for permits, inspections, and labor contract compliance. Funding for this phase will be provided through bond proceeds. Upon completion of Phase 8, all waterside reconstruction will be complete.

Reconstruction of Basin 3 is preliminarily scheduled to begin in spring 2016 and continue through the end of 2017. The construction of the dry boat storage area will run concurrently with the reconstruction of Basin 3. During calendar year 2018, the City anticipates completing Basins 6 and 7. BMI demobilization is anticipated during the beginning of calendar year 2019.

This matter was reviewed by Deputy City Attorney Linda Vu on August 28, 2015, and by Budget Management Officer Victoria Bell on September 1, 2015.

TIMING CONSIDERATIONS

City Council action is requested on September 22, 2015, in order to amend Contract No. 31687 with Bellingham Marine Industries, Inc., and to amend Agreement No. 29587 with Concept Marine Associates, providing contract authority to both firms to ensure the continued progress of the project, and limit both escalation costs and standby expenditures.

FISCAL IMPACT

The estimated cost of Phase 8 is \$33,477,631. The estimated cost of Phase 6 is \$16,082,133, which will no longer be funded through the DBW Harbors and Watercraft Revolving Fund loan, approved by the City Council on March 17, 2015. The combined cost of both phases is \$49,559,764, which will be funded by net remaining bond proceeds of \$49,244,796, and Marina Fund operating revenue of \$314,968 that is currently budgeted for the rebuild project.

Authorization to expend the net remaining bond proceeds is requested through an appropriation increase of \$49,244,796 in the Marina Fund (TF 403) in the Parks, Recreation and Marine Department (PR).

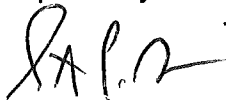
The Series 2015 Marina Revenue Bonds are special, limited obligations of the City, secured solely by a pledge of Marina Fund revenues, primarily from monthly slip rent for boat docking. These bonds are not a debt of the City, nor was the credit or taxing power of the City pledged in support of these bonds. Slip revenues comprise over 80 percent of total Marina Fund revenues. Throughout the term of the bonds, the City is required to maintain the Marina Fund in a sound financial condition, with a minimum debt service coverage ratio of 1.25. Therefore, an annual slip rent increase of a minimum of two percent is required for the foreseeable future. The FY16 Proposed Budget includes the two percent increase of approximately \$401,000.

The recommended action will result in a positive impact on jobs. Approximately 30 jobs will be created to complete Phase 8 of the Alamitos Bay Marina rebuild project.

SUGGESTED ACTION:

Approve recommendation.

Respectfully Submitted,



STEPHEN SCOTT
INTERIM DIRECTOR OF PARKS, RECREATION AND MARINE



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

SS:JG:EH

APPROVED:



PATRICK H. WEST
CITY MANAGER