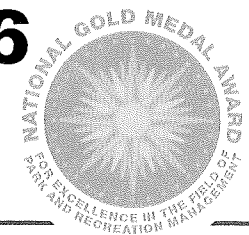




R-16

CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE



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May 1, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to amend Contract No. 31687 with Bellingham Marine Industries, Inc., for an additional \$3,632,150 for expenditures associated with Phase 2A of the Alamitos Bay Marina rebuild project; execute all documents necessary to complete Basin 1 – Phase 2A, the demolition and dredging of Basin 1 in the Alamitos Bay Marina, for a revised contract amount of \$22,403,997; and increase appropriations by \$3,895,898 in the Marina Fund (TF 403) in the Department of Parks, Recreation and Marine (PR). (District 3)

DISCUSSION

In October 2007, a design-build Request for Proposal for the rebuild of Alamitos Bay Marina (ABM) was issued. Based on the proposals, experience, and use of local subcontractors, the evaluation committee selected Bellingham Marine Industries, Inc. (BMI). BMI has over 50 years of experience in the marina construction business, and has built numerous dock and marina systems throughout the world. The rebuild proposal includes the design and engineering of a marina dock system, upgrading the dock system to a state-of-the-art concrete system, upgrading utility services, upgrading and replacing restroom facilities, dredging the marina to the original design depth, repairing seawalls as needed, and repairing and replacing hardscape on the land side of the marina.

Due to the magnitude of the Alamitos Bay Marina rebuild project, the City of Long Beach (City), through the Department of Parks, Recreation and Marine (PRM), and BMI agreed to segregate the rebuild into phases. On September 17, 2011, the City broke ground on Phase 1 of the project. Phase 1 includes the demolition, dredging, and reconstruction of Basin 4; the construction of an eelgrass mitigation site area in Marine Stadium; reconstruction of the boatowner restroom; and various landscaping and parking lot improvements for Basin 4. The total cost of Phase 1 is \$24,961,847, of which \$18,220,000 was funded through loans from the Department of Boating and Waterways (DBW), and the remaining \$6,741,847 was funded through accumulated funds in the Marina Fund. Phase 1 progress up to March 31, 2012, is illustrated in Attachment A, and the entire project is expected to be completed by May 31, 2012.

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PRM is requesting authorization to proceed with Phase 2A of the Alamitos Bay Marina rebuild project and amend Contract No. 31687 to include the design, engineering, and construction required under Phase 2A. Phase 2A includes demolition of all slips in Basin 1, removal of all existing pilings, dredging to original depths, and biological monitoring during the dredging process.

The main focus of Phase 2A involves the removal and transportation of approximately 60,000 cubic yards of dredged material. During the California Environmental Quality Act process, mercury was found in approximately 40,000 cubic yards of material. BMI contracted with Moffatt and Nichol, acting as the engineer of record to BMI, to develop dredge plans and determine the volume of cubic yards for both clean and contaminated material requiring dredging in Basin 1. PRM contracted with Anchor QEA, L.P. (Anchor) to verify and review the dredging plans. Anchor determined that the dredge plan, as submitted, is consistent with agency regulations and permit requirements. This material, which is not suitable for ocean disposal, has been approved for deposit in the Middle Harbor of the Port of Long Beach in a manner that meets environmental regulatory requirements. The remaining non-contaminated silt will be deposited in a designated fill area in the open ocean. This process must be completed by the end of June 2012, in order to meet Middle Harbor project deadlines for acceptance of fill. It is estimated that alternative methods of transporting, unloading, and placing the material would add approximately \$9 million to the cost of the Basin 1 project.

The total cost for Phase 2A is estimated at \$3,895,898. This amount includes a \$3,632,150 increase to BMI Contract No. 31687, which will be utilized to fund the demolition and dredging costs for Phase 2A; \$174,680 for Anchor for biological monitoring and reporting, as required by the California Regional Water Quality Control Board; \$50,000 for construction management through TranSystems, an independent construction manager; and \$39,068 for project management costs. Phase 2A will be funded through available funds in the Marina Fund (TF 403). The scope of the project and associated costs have been reviewed by Anchor and TranSystems. PRM has letters on record that the BMI contract and estimated costs are reasonable and appropriate. Therefore, cost overruns are not likely, and no contingency has been built into these costs. If unforeseen circumstances result in cost overruns, the Marina Fund has ample available funds to address the issues.

This Phase 2A projection and funding is independent of any future work or funding for the Phase 2B and Phase 2C construction stage of the Basin 1 rebuild project. Staff is currently working with a financial consultant to prepare a full financial analysis of Phase 2B and Phase 2C, which involves rebuilding the marina structures in Basin 1. After the financial analysis is complete, staff will come back to the City Council to request approval for the contract authority necessary to proceed with the full construction of Basin 1. Until that time, no construction will occur on Basin 1.

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

- Scope of Work: Remove and demolish the existing docks, dredge, and dispose of the mercury-laden silt in the Middle Harbor of the Port of Long Beach and the clean silt in a designated offshore location.
- Compensation: BMI will receive compensation up to \$3,632,150, and will be paid throughout the contract as design, engineering, and construction milestones are met.

All other provisions of BMI's Contract No. 31687 will remain the same.

Anchor will receive compensation up to \$174,680 under the provisions of their current as-needed engineering services Contract No. 32472, which expires on December 30, 2014.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on April 23, 2012, and Finance Director John Gross on April 21, 2012.

TIMING CONSIDERATIONS

City Council action is requested on May 1, 2012, to amend Contract No. 31687 with BMI, so that they may commence with the demolition and dredging of Basin 1 in the Alamitos Bay Marina in order to meet the Port of Long Beach's dredging deadline of June 30, 2012. If dredge material is not received within the established Middle Harbor project fill period, the City will have to seek significantly more expensive alternative methods for placing the contaminated dredge material. The next opportunity to dispose of dredge material as part of the Middle Harbor program will be in the second phase of that project, which is anticipated in 2015.

FISCAL IMPACT

The total cost of Phase 2A, which includes the demolition and dredging, as well as the requisite biological monitoring of Basin 1, is \$3,895,898. Phase 2A will be funded through available funds in the Marina Fund (TF 403). PRM will seek reimbursement for the demolition and dredging costs through an approved DBW loan in the amount of \$1,738,000. However, it is unclear whether DBW will approve the reimbursement prior to the City approving Phase 2B and Phase 2C, the reconstruction portion of Basin 1. Therefore, an appropriation increase of \$3,895,898 is requested in the Marina Fund (TF 403) in the Department of Parks, Recreation and Marine (PR). The Department of Financial Management has determined that sufficient fund balance is currently available to support this project and that projected revenues are sufficient to cover debt service on the DBW loans. The recommended action will result in a positive impact on jobs. Approximately 30 jobs will be created to complete this project.

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May 1, 2012
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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



GEORGE CHAPJIAN
DIRECTOR OF PARKS, RECREATION AND MARINE

GC:MS:JK:eh

Attachment

APPROVED:



PATRICK H. WEST
CITY MANAGER



BASIN 4 @ Alamitos Bay Marina

Photos taken March 31, 2012