

**R-15**

# CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE

September 4, 2012 2760 N. Studebaker Road, Long Beach, CA 90815-1697  
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HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager to execute the Fourth Amendment to Contract No. 31687 with Bellingham Marine Industries, Inc., for an additional \$8,013,618, plus a \$350,000 contingency, for a total of \$8,363,618 for Phase 2B of the Alamitos Bay Marina rebuild project, for a revised contract amount not to exceed \$30,767,615; execute all documents necessary to proceed with this phase of the reconstruction of Basin 1 in the Alamitos Bay Marina; and increase appropriations by \$4,682,000 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 ABM 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. 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. The in-water portion of this phase and the parking lot improvements were completed in May 2012. PRM anticipates the completion of the boatowner restroom and landscaping upgrades no later than September 30, 2012.

Phase 2 includes the demolition, dredging, and reconstruction of Basin 1. Phase 2 has been divided into three sub-phases. Phase 2A includes the demolition and dredging of Basin 1; Phase 2B is the manufacture and installation of Docks 1 and 2; and Phase 2C is the manufacture and installation of Docks 3, 4, and 5. Each sub-phase shall be presented to the City Council as the project progresses.

*"We create community and enhance the quality of life through people, places, programs and partnerships"*

On May 1, 2012, the City Council approved increasing the BMI contract by \$3,632,150 in order to proceed with Phase 2A, which includes the demolition of Basin 1, dredging to the original design depths, and removal and transportation of approximately 60,000 cubic yards of dredged material.

PRM is requesting authorization to proceed with Phase 2B of the ABM rebuild project. This phase includes rebuilding 51 new slips, including piling and upgraded utilities; repairing seawalls as needed; and biological monitoring of marine life, as required by the California Coastal Commission.

The total cost for Phase 2B is estimated at \$9,602,254, which includes the \$8,363,618 increase to BMI Contract No. 31687, and \$1,238,636 for construction, permit, and project oversight. PRM's independent construction manager, TranSystems Corporation, has verified that the project costs submitted by BMI, plus the \$350,000 contingency, should be more than sufficient for Phase 2B.

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

- Scope of Work for Basin 1: Design, engineering, and construction of a marina dock system; replacing the wood docks with a state-of-the-art concrete system; and repairing seawalls as needed.
- Compensation: BMI will receive compensation up to \$8,363,618 for Phase 2B, 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.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on August 7, 2012, and Budget Management Officer Victoria Bell on August 3, 2012.

#### TIMING CONSIDERATIONS

City Council action is requested on September 4, 2012, to amend Contract No. 31687 with Bellingham Marine Industries, Inc., so that they may commence with the manufacture of the docks, the purchase of the piles, and the installation of the 51 slips in Basin 1.

#### FISCAL IMPACT

The estimated cost of Phase 2B of \$9,602,254 will be funded by \$8,100,254 from an existing Department of Boating and Waterways (DBW) loan of \$12,105,000, and \$1,502,000 of available funds in the Marina Fund. Liability for the DBW loan is solely borne by the marina enterprise through a gross pledge of marina revenue (slip and concession fees). PRM has included a two percent marina slip fee increase in the FY 13 Proposed Budget, which is part of the funding needed to complete Basin 1, and to begin repayment of the DBW loan debt. The annual debt payment is estimated at \$123,858 in FY 13, which is based on an anticipated payment start date of August 1, 2013, increasing to \$743,145 in FY 14, and for each year of the remaining 30-year loan term.

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Due to anticipated project phasing, the \$12,105,000 DBW loan was partially appropriated at \$8,925,000. In order to continue with this project, it is now necessary to appropriate the remaining loan amount of \$3,180,000, plus \$1,502,000 of accumulated funds in the Marina Fund, for a total increase of \$4,682,000 in the Marina Fund (TF 403) in the Department of Parks, Recreation and Marine (PR).

The financing plan developed by PRM has been reviewed by an outside financial advisor and found to be reasonably conservative and satisfactory. However, it is important to note that the financial plan assumes that two percent revenue increases (or equivalent operating expense reductions) may be necessary in subsequent years to ensure adequate debt repayment coverage over the 30-year DBW loan term. Since expenditure decreases cannot be guaranteed, the soundness of the financing plan is contingent upon the City Council being willing to approve future two percent slip fee increases on an annual basis, as necessary.

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

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



GEORGE CHAPJIAN  
DIRECTOR OF PARKS, RECREATION AND MARINE

GC:MS:JK:eh

APPROVED:



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PATRICK H. WEST  
CITY MANAGER