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**CITY OF LONG BEACH**

Department of Parks, Recreation and Marine

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March 25, 2003

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Agreement With Concept Marine Associates, Inc., for Construction Management Services for the Long Beach Shoreline and Rainbow Harbor Marinas (District 2)

DISCUSSION

In April 2002, the California Department of Boating and Waterways (DBAW) approved a \$16,720,000 consolidation loan for funds to improve the Long Beach Shoreline and Rainbow Harbor Marinas (Downtown Marinas). Following this approval, the Department of Public Works and the Department of Parks, Recreation and Marine determined that the most efficient means of commencing the improvement project would be to employ a construction management firm. Using a competitive Request for Proposal process, the firm Concept Marine, Inc. (CMA) has been selected, and City Council approval for the necessary contract is now requested.

Over time, the City has received several DBAW loans for the purpose of improving the 1,830-slip Downtown Marinas. The decision to consolidate these loans was made in response to a request from DBAW and was approved by the City Council on June 19, 2001 (see attachment). The rehabilitation of the facilities is necessary since they were built in the mid-1980s with amenities that are functional rather than attractive, such as double slips, minimal landscaping and only basic restroom facilities. This low level of facilities makes the rental slips in these marinas much less desirable than those in the surrounding areas and results in higher vacancy rates, especially during difficult economic times. As an example, the marinas had a 40 percent vacancy rate in the early 1990s.

The \$16,720,000 DBAW loan will be repaid over 30 years using funds obtained from occupancy increases, the elimination of boater discounts, and increases to slip fees. Sufficient funding in the Tidelands funds has been identified to repay the annual debt service, estimated to be \$1,016,000, associated with the loan.

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CMA was one of six firms who submitted a proposal to be considered to manage the improvement project. A review of these proposals by a Consultant Review Committee determined that four of these firms were qualified and, following interviews and a review of references, the Committee selected CMA.

The proposed agreement with CMA will have the following terms and conditions:

- Term: The term of the agreement will be for three years.
- Scope of Work: The work performed by CMA will be divided into three phases: pre-construction, construction, and post-construction. Pre-construction services will include project management and refinement of the design-build specifications now being finalized by Bluewater Design, a separate engineering firm. During the construction phase, CMA will provide general management and engineering services including inspection. Following construction, CMA will be responsible for completion of pertinent documents and drawings and for project document storage.
- Compensation: CMA will be providing the majority of engineering, design review, and inspection services for the project at a cost of \$1,606,418. Contracting with CMA is expected to significantly reduce the total expenditures required for these services.

This matter was reviewed by Deputy City Attorney Donna Gwin on February 24, 2003, and Budget Manager Michael Killebrew on March 7, 2003.

TIMING CONSIDERATIONS

City Council action is requested on March 25, 2003 in order to allow sufficient time to execute the contract.

FISCAL IMPACT

The total engineering, design and inspection costs for the improvement project are estimated to be \$2,000,000. This estimate includes \$1,606,418 for the CMA contract, and \$400,000 for plan check services, City oversight and project contingencies. The DBAW loan, which allows up to 10 percent of construction costs for these services, will be used to fund \$1,520,000 of these costs. The remaining \$480,000 will be paid for using funds currently budgeted in the Tidelands Fund (TF) for the current fiscal year.

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IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute an agreement with Concept Marine Associates, Inc., in the amount of \$1,606,418 for construction management for the Long Beach Shoreline and Rainbow Harbor Marinas for a three-year term.

Respectfully submitted,

Phil T. Hester

PHIL T. HESTER
DIRECTOR OF PARKS, RECREATION AND MARINE

Christine F. Shippey

CHRISTINE F. SHIPPEY
DEPUTY CITY MANAGER,
ACTING DIRECTOR, PUBLIC WORKS

APPROVED:

Gerald R. Miller

GERALD R. MILLER
ACTING CITY MANAGER

PTH:MS:DR
Attachment