



Legislation Text

File #: 10-0186, **Version:** 1

Recommendation to authorize City Manager to enter into a design-build contract with Bellingham Marine Industries, Inc., and execute all documents necessary for the design, engineering, and construction of Basin 4 in the Alamitos Bay Marina, in an amount not to exceed \$11,800,000; and increase appropriations in the Marina Fund in the Department of Parks, Recreation and Marine by \$11,800,000.

(District 3)

The City of Long Beach (City) has embarked on a rebuild program for the City's marinas utilizing loan funds from the State of California, Department of Boating and Waterways (DBW) and funds accumulated in the Marina Fund. DBW offers loan funds for new and rebuild marinas, with terms of 4.5 percent interest over a 30-year period. Over the past several years, City Council has authorized DBW marina rebuild loan applications totaling \$98,223,000. Of the \$98 million in loan requests, DBW has approved \$55,823,000. To date, the City has utilized \$2,650,000 to build Basin 8 in the Alamitos Bay Marina (ABM), and \$31,718,000 for the rebuild of the Shoreline and Rainbow Marinas. The remaining balance of \$21,455,000 will be used to begin the phased rebuild of ABM.

In October 2007, a design-build Request for Proposal for the rebuild of ABM was issued. Two proposals were received, including one from a Long Beach firm, Connolly-Pacific Company. TranSystems, the construction manager for this project, as approved by the City Council on December 20, 2005, assisted the City in reviewing the proposals. Based on the proposals and subsequent formal presentations, the evaluation committee selected Bellingham Marine Industries, Inc. (Bellingham), of Dixon, California. The Bellingham bid was nearly \$3 million lower than the bid from Connolly-Pacific Company. In addition, the Bellingham bid contained subcontractors that are local, including Moffatt and Nichol Engineering and Manson Construction.

Bellingham has over 50 years of experience in the marina construction business, and has built numerous dock and marina systems. Bellingham's comprehensive 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 marina utility services, upgrading and replacing marina restroom facilities, dredging the marina to the original design depth, repairing seawalls as needed, and repair and replacement of hardscape on the land side of the marina.

The current cost estimate for this proposal from Bellingham is approximately \$92 million. Of the entire proposal, Parks, Recreation and Marine (PRM) staff has worked with Bellingham to segregate the project into phases. Phase 1A, which includes all inwater work and the boatowner restroom for Basin 4, is estimated to cost \$11,800,000. This phase can be completed utilizing \$6,800,000 in available loan funds from DBW and \$5,000,000 in unallocated funds accumulated in the Marina Fund. The remaining DBW funds are contractually obligated to Basin 1, which is Phase 2 of the rebuild.

ABM is in poor overall condition and in need of immediate extensive repairs (Attached). In order to replace the degraded docks and remain competitive, it is critical that the rebuild of the ABM begin as

soon as fiscally feasible. In addition, DBW is anxious for the City to utilize approved loan funds in order to protect these funds from raids for other non-marina-related purposes. This contract will work to alleviate the concerns of DBW and the customers of ABM, demonstrating that the City plans to address the aging marina infrastructure. PRM will return to City Council for authorization to act upon any other segment of the Bellingham proposal after full funding has been identified.

The following are major provisions of the proposed contract with Bellingham Marine Industries, Inc.:

- Term of the Contract: Four years, commencing upon award of the contract.
- Term of Financing: DBW loan terms are 30 years at 4.5 percent, and an annual debt service of \$413,455.
- Scope of Work: For Basin 4: Design, engineering, and construction of a marina dock system, upgrading the dock system to a state-of-the-art concrete system, upgrading marina utility services, upgrading and replacing the boatowner restroom, dredging the marina to the original design depth, and repairing marina seawalls, as needed.
- Compensation: Bellingham will receive compensation of \$11,800,000, which will be paid throughout the contract as design, engineering, and construction milestones are met.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on December 16, 2009, and Budget and Performance Management Bureau Manager David Wodynski on December 18, 2009.

City Council action is requested on February 16, 2010, in order to enter into the contract with Bellingham Marine Industries, Inc., so that they may complete the design and engineering, and begin the construction of Basin 4 in the Alamitos Bay Marina.

There will be no impact to the General Fund; liability for the DBW loan is solely borne by the marina enterprise through a gross pledge of marina revenue (slip and concession fees) without General Fund backing. The combination of a \$6,800,000 loan from DBW and \$5,000,000 from unallocated funds accumulated in the Marina Fund will fund the final design, engineering, and construction of Basin 4 in the Alamitos Bay Marina. An appropriation increase of \$11,800,000 in the Marina Fund (TF403) in the Department of Parks, Recreation and Marine (PR) is requested to utilize this funding.

Approve recommendation.

PHIL T. HESTER
DIRECTOR, PARKS, RECREATION AND MARINE

NAME
TITLE

APPROVED:

PATRICK H. WEST
CITY MANAGER

