



Legislation Text

File #: 12-1004, **Version:** 1

Recommendation to authorize City Manager to execute the Fifth Amendment to Contract No. 31687 with Bellingham Marine Industries, Inc., for an additional \$5,197,682, plus a \$150,000 contingency, for a total of \$5,347,682, for Phase 2C of the Alamitos Bay Marina rebuild project, for a revised contract amount not to exceed \$36,115,297; execute all documents necessary to proceed with this phase of the reconstruction of Basin 1 in the Alamitos Bay Marina; and increase appropriations by \$1,798,413 in the Marina Fund (TF 403) in the Department of Parks, Recreation and Marine (PR). (District 3)

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, utility services and restrooms; dredging the marina to the original design depth; and repairing seawalls as needed.

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 has been completed. Phase 1 included: 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. BMI received compensation in the amount of \$18,771,847 upon completion of Phase 1.

Phase 2 is the reconstruction of Basin 1 and 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.

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. Phase 2B was approved by City Council on September 4, 2012, increasing the BMI contract by \$8,363,618. This phase includes rebuilding 51 new slips in Docks 1 and 2. PRM anticipates the completion of Phase 2B by April 30, 2013.

PRM is requesting authorization to proceed with Phase 2C, which includes: rebuilding 98 slips in Docks, 3, 4, and 5, including piling and upgraded utilities; repairing seawalls as needed; and implementation of regulatory requirements.

The total cost for Phase 2C is estimated at \$5,803,659, which includes the \$5,347,682 increase to BMI Contract No. 31687, and \$455,977 for construction and project oversight. PRM's independent construction manager, TranSystems Corporation, has opined that the project costs submitted by BMI,

plus the \$150,000 contingency (totaling \$5,347,682), should be more than sufficient for Phase 2C.

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 \$5,347,682 for Phase 2C, 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 and Budget Management Officer Victoria Bell on November 2, 2012.

City Council action is requested on November 20, 2012, in order to facilitate the release of Basin 1 loan funding from the Department of Boating and Waterways (DBW), and to amend Contract No. 31687 with Bellingham Marine Industries, Inc., so that they may commence with the manufacture of the docks and the purchase of the piles.

The estimated cost of Phase 2C of \$5,803,659 will be funded by \$2,468,246 from an existing DBW loan and \$3,335,413 of available funds in the Marina Fund, of which \$1,537,000 is currently budgeted. An appropriation increase of \$1,798,413 is requested to complete the \$3,335,413 Marina Fund contribution. Liability for the DBW loan is solely borne by the marina enterprise through a gross pledge of marina revenue (slip and concession fees). A two percent marina slip fee increase was approved for FY 13, 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.

The financing plan developed by PRM has been reviewed by an outside financial advisor and found to be reasonably conservative and satisfactory. It is important to note that the financial plan assumes that two percent slip fee 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.

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

Approve recommendation.

GEORGE CHAPJIAN
DIRECTOR OF PARK, RECREATION AND MARINE

APPROVED:

PATRICK H. WEST
CITY MANAGER