



Legislation Text

File #: 12-0147, **Version:** 1

Recommendation to authorize City Manager to amend Contract No. 31687 with Bellingham Marine Industries, Inc., for an additional \$541,847 for change order expenditures associated with Phase 1 of the Alamitos Bay Marina rebuild project; execute all documents necessary to complete the final construction of Basin 4 in the Alamitos Bay Marina, for a revised contract amount not to exceed \$18,771,847; and increase appropriations by \$541,847 in the Marina Fund (TF 403) in the Department of Parks, Recreation and Marine (PR). (District 3)

On February 16, 2010, the City Council authorized the City Manager to enter into a design-build contract with Bellingham Marine Industries, Inc. (Bellingham), for the design, engineering, and construction of Basin 4 in the Alamitos Bay Marina, in an amount not to exceed \$11,800,000. Due to the magnitude of the Alamitos Bay Marina rebuild project, the Department of Parks, Recreation and Marine (PRM) and Bellingham agreed to segregate the rebuild into phases. Contract No. 31687, as originally executed, represents Phase 1A, which includes all in-water work for Basin 4 and the longdock adjacent to the Long Beach Yacht Club.

On August 16, 2011, the City Council authorized the first amendment to Contract No. 31687 for Phase 1 B, adding \$6,430,000 to the contract, for a revised contract amount of \$18,230,000 (Attachment A). Phase 1 B includes all land-based construction of Basin 4, and the construction of an eelgrass mitigation area in Marine Stadium. Both Phase 1A and Phase 1 B are funded through Department of Boating and Waterways (DBW) loan funds totaling \$18,220,000, and \$6,200,000 of accumulated funds in the Marina Fund, totaling \$24,420,000. The total project amount represents the Bellingham contract, plus other project costs incurred to date, including the cost of engineering, EIR, design, project management, and permitting costs.

On September 17, 2011, the City of Long Beach (City) broke ground on Phase 1. As of February 2012, the construction of Phase 1 was approximately 80 percent complete. However, since the execution of the contract, several factors, which require resolution prior to completing Phase 1, were identified (Attachment B). These unforeseen expenditures are necessary due to additional mandates from the California Coastal Commission, as well as site conditions that are directly related to the age of the facilities.

These expenditures represent 3.2 percent of the contract amount, which is within the standard ten percent contingency threshold for all capital projects.

PRM is requesting authorization to increase Contract No. 31687 to incorporate the change orders referenced herein, for an amended contract amount not to exceed \$18,771,847. The additional \$541,847 would come from the existing available fund balance in the Marina Fund (TF 403).

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

- **Compensation:** Bellingham will receive compensation up to \$541,847 for changes approved

by the Department of Parks, Recreation and Marine.

All other provisions of Contract No. 31687 remain the same.

This matter was reviewed by Deputy City Attorney Gary J. Anderson and Budget Management Officer Victoria Bell on March 12, 2012.

City Council action is requested on April 3, 2012, in order to amend Contract No. 31687 with Bellingham Marine Industries, Inc., so that they may complete the construction of Phase 1 of the Alamitos Bay Marina rebuild project.

The DBW loan is solely borne by the marina enterprise through a gross pledge of marina revenue (slip and concession fees). The \$541,847 increase to the Bellingham contract will be funded solely from the existing available fund balance in the Marina Fund (TF 403). Therefore, an appropriation increase of \$541,847 is requested in the Marina Fund (TF 403) in the Department of Parks, Recreation and Marine (PR). The recommended action will result in a positive impact on jobs. Approximately 100 jobs have been created since the commencement of this project.

Approve recommendation.

GEORGE CHAPJIAN
DIRECTOR OF PARKS, RECREATION AND MARINE

APPROVED:

PATRICK H. WEST
CITY MANAGER