

0150-07513-0002

TRANSMITTAL

TO
Eugene D. Seroka, Executive Director
Harbor Department

DATE

MAR 15 2017

COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT
15

**PROPOSED FIRST AMENDMENT TO AGREEMENT NO. 13-3125 ISSUED TO
WESTREC MARINA MANAGEMENT, INC.**

Transmitted for further processing and Council consideration.
See the City Administrative Officer report attached.



Ana Guerrero

MAYOR

RHL:ABN:10170100t

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 10, 2017

CAO File No. 0150-07513-0002

Council File No.

Council District: 15

To: The Mayor

From: Richard H. Llewellyn, Jr., Interim City Administrative Officer

Reference: Correspondence from the Harbor Department dated February 22, 2017; referred by the Mayor for report dated February 26, 2017

Subject: **PROPOSED FIRST AMENDMENT TO AGREEMENT NO. 13-3125 ISSUED TO WESTREC MARINA MANAGEMENT, INC.**

RECOMMENDATIONS

That the Mayor:

1. Approve the Harbor Department (Port) Board of Harbor Commissioners Resolution No. 17-8057 authorizing the proposed First Amendment to Agreement 13-3125 with Westrec Marina Management Inc. (Westrec) for the operation, management, and maintenance of the Cabrillo Way Marina, its structures, and facilities located in San Pedro; and,
2. Return the document to the Port for further processing, including Council consideration.

SUMMARY

The Harbor Department (Port) Board of Harbor Commissioners (Board) requests approval of Resolution No. 17-8057 authorizing the proposed First Amendment to Agreement 13-3125 (Agreement) with Westrec Marina Management Inc. (Westrec) to continue as the operator on behalf of the Port to operate, manage, and maintain the Cabrillo Way Marina (Marina), its structures, and facilities located in San Pedro. The Port selected Westrec through a competitive bid process. The original Agreement was approved for five years, from July 2013 through June 2018, with two five-year renewal options. The renewal options are based on annual operational performance evaluations as well as monthly financial reports and documentation. The proposed Amendment includes changes to the scope of work for the Marina, in order to reflect updates to the current operational requirements and provide clearer direction on the areas of responsibility for the Port and Westrec.

The Marina is located within the West Channel Basin in San Pedro and consists of the following: approximately 64.14 acres of land and water area; 697 recreational berthing ships; 400 dry boat tenant and storage areas; two cranes for boat hoisting; and other related boater and public facilities. Services include management, operation, security, maintenance and repair, and submission of an annual marketing plan to achieve increased tenancy in the Marina. Dry boat tenants pay a monthly fee to park and store their boat trailers within the dry boat storage area. All improvements for the Marina are owned by the Port and maintained by Westrec.

ATTACHMENT

EXISTING	PROPOSED
<p>Section 1. Premises:</p> <p>1.1.1 Slips:</p> <p>697 recreational slips, with slip sizes ranging from 28 feet to 130 feet.</p>	<p>1.1.1 Slips:</p> <p>Amending slip count from 697 recreational slips to 692. The larger slips were initially constructed to berth 10 vessels 130 feet long, side by side. However, due to the width of the slips (58 feet) and the average beam of a 130 foot vessel is 28 to 30 feet, only 5 vessels can be berthed.</p>
<p>1.1.2 Dry Boat Storage:</p> <p>The dry boat storage area includes accommodations for out of water vessel storage for approximately 400 boats and trailers. Storage stalls range from 18 feet to 46 feet in length and nine feet to 10 feet in width.</p>	<p>1.1.2. Dry Boat Storage:</p> <p>Amending out-of-water boat trailer stalls from 400 to 325, which required modification due to the turning ratio of boat trailer's capability.</p>
<p>1.1.3 Crane Hoist:</p> <p>Two crane hoists are provided for dry boat storage use. The crane hoists can lift a reasonable variety of boats up to 45 feet in length, depending upon the weight capacity of the crane hoists.</p>	<p>1.1.3 Crane Hoists:</p> <p>Amending language "Capacity of four crane hoists. Two crane hoists are currently provided for dry boat storage use. Upon budget approved for FY 2016/2017 a Third crane hoist is to be installed on or after June 1, 2016 with the fourth to be installed sometime in the future, if needed. All crane hoists shall be incorporated as part of the improvements and all terms of this Agreement shall apply without further Board or Council action."</p>
<p>Section 7. Facilities Maintenance</p> <p>7.2.2 Mandatory Facilities Maintenance:</p> <p>Maintenance work shall be performed using best management practices. Mandatory maintenance is applicable, but not limited to, the facilities and equipment set for below.</p> <p>(k) Irrigation systems (in coordination with the Construction and Maintenance Division)</p>	<p>7.2.2 Mandatory Facilities Maintenance:</p> <p>(k) Deleting "coordination with Construction and Maintenance." Westrec will maintain all irrigation systems throughout the Cabrillo Way Marina premises</p> <p>(s) Adding item: "fire extinguishers, fire hoses and fire boxes"</p>
<p>7.4.1 Irrigation Breaks:</p> <p>Operator shall provide immediate notification to City of any irrigation breaks by contacting the Construction and Maintenance Division.</p>	<p>7.4.1 Irrigation Breaks:</p> <p>This section is being deleted entirely. Westrec will be responsible for all irrigation repairs.</p>

The proposed Amendment plans to revise and implement the changes to the existing scope of work for Westrec. The Attachment includes a side-by-side comparison of the amended items. Below is an overview of the revisions and updates to the scope of work and Agreement:

- Change the berthing (boat) slips (vessel docking spaces) from 697 to 692. This is being amended due to space constraints to accommodate certain larger sized vessels;
- Change the dry boat storage stall spaces from 400 to 325. Adjustment to the operation to allow maximum utility would require a redesign layout that only accommodates 325 boats;
- Install a third and fourth crane for boat hoisting to meet the high demand for boat hoisting operations. The two existing cranes cannot meet current demand. Westrec expects to install a third crane in FY 2016/2017 and will evaluate the need for the fourth crane in the future; and,
- Add facilities maintenance requirements, to be performed by Westrec, and delete certain listed coordinating and reporting items to the Port.

In addition to the amended changes to the scope of work, Westrec will be required to provide all fire equipment and lighting maintenance to the Marina properties. Currently, the Port provides these services. According to the Port, Westrec has included these maintenance services in its 2016/2017 fiscal year budget. The additional maintenance services will increase the expense budget for Westrec by approximately \$150,000.

Pursuant to Charter Section 606 and LAAC Section 10.5, Council approval is required since the Agreement exceeds five years. Installation of the Marina and the four cranes were previously evaluated as part of the Supplemental Environmental Impact Report and the proposed actions are exempt from the relevant California Environmental Quality Act provisions. The City Attorney has approved the Amendment as to form.

FISCAL IMPACT STATEMENT

The net income to the Harbor Department (Port) from the original Agreement with Westrec Marina Management (Westrec) was approximately \$4.5 million. The proposed Amendment with Westrec will include additional maintenance responsibilities, which are currently performed by the Port, and increase its maintenance expense budget by \$150,000. The estimated cost for Westrec to install a third crane is approximately \$100,000. Westrec will pay for the cost to purchase and install the third crane and the fourth crane, if needed in the future. These costs items and all other amended costs in the revised scope of work are included and accounted for in the FY 2016/2017 budget of Westrec.