

AGENDA RELATED

AUG 07 2007

#

7

San Diego Unified Port District

Date: July 27, 2007

To: Board of Port Commissioners

From: Rita Vandergaw,
Director, Marketing

Tony Heinrichs
Senior Director, Facilities/Chief Engineer

Subject: Recommended Amendment to Design Services Agreement for
Additional Work, Cruise Ship Terminal, Broadway Pier

At the August 7, 2007 Board meeting, staff will recommend that the Board authorize an amendment to the design services agreement for the Interim Cruise Ship Terminal at Broadway Pier, reflecting an expanded scope of work, increasing the design fee and extending the expiration date accordingly. Project scope increases, explained below, have caused the total project budget estimate for improvements at the B Street and Broadway Piers to increase to approximately \$13,700,000 (hard and soft cost estimates). The FY 2008-2012 CDP contains an approved budget amount of \$12,750,000. Carnival Cruise Lines has agreed to loan a maximum of \$12,000,000 for improvements made to the B Street and Broadway Piers. The current projected shortfall is approximately \$1,000,000. Since the Broadway pier building design is not yet complete a final cost estimate has not been prepared. Once the plans are complete and construction bids are received (sometime this Fall), staff will address any project funding issues with the Board.

Background

On June 6, 2006, the Board authorized an agreement in the amount of \$700,000 with Bermello Ajamil and Partners, Inc (B&A) to provide planning and design services for improvements at Broadway Pier as required under the District's Financing and Berthing Agreement with Carnival Cruise Lines (Carnival). Since B&A started design activities last year, stakeholder facility requirements have caused significant changes to the project scope and budget. These scope changes have resulted in a revised project budget estimate of \$13,700,000 (hard and soft costs). Of this amount, approximately \$1,000,000 has been spent to date on improvements made to the B Street Cruise Terminal Facility.

Concurrently, the scope of professional services required from B&A has expanded beyond those defined in the original agreement to accommodate the need for work on the following:

- Replace Planned Tent Terminal with Pre-Engineered Metal Building, and related Building and Fire Code Compliance Changes
- Customs and Border Patrol Facility Requirements
- Pier Deck Structural Upgrade Changes
- Pier Utility Relocation and Upgrades
- Design Vessel and Ship Gangway System Changes

B&A requested a fee increase of \$682,507 for this additional work. Staff negotiated a final increase in the amount of \$562,507, which includes an \$80,000 allowance for additional design services to be used only if necessary, upon District staff's authorization. This negotiated fee increase of \$562,507 is included in staff's revised project budget of \$13,700,000.

If you have any questions or would like a briefing on this item, please call Rita Vandergaw at (619) 686-6546 or via email at rvanderg@portofsandiego.org, or Tony Heinrichs at (619) 725-6026 or via email at theinric@portofsandiego.org.