



File #:2023-0239

DATE: December 5, 2023

ENGINEERING-CONSTRUCTION RESOURCES

A. UPDATE ON ENGINEERING-CONSTRUCTION DEPARTMENT STAFFING AND RESOURCES.

B. RESOLUTION AUTHORIZING AMENDMENT NO. 3 WITH AECOM TECHNICAL SERVICES, ARCADIS U.S., INC., HARRIS & ASSOCIATES, INC., AND HDR ENGINEERING, INC. FOR THE FIVE-YEAR AS-NEEDED AGREEMENTS TO INCREASE, AT NO FISCAL IMPACT TO THE DISTRICT, THE COMBINED CONTRACT CAPACITY BY \$7,000,000 FOR PROJECT MANAGEMENT/CONSTRUCTION MANAGEMENT SERVICES, INCREASING THE AGGREGATE TOTAL FOR CURRENT AND FUTURE FISCAL YEARS FROM \$4,050,000 TO \$11,050,000, THEREBY INCREASING THE CAPACITY OF THESE AGREEMENTS TO A LEVEL ALLOWING CONTINUED EXECUTION ON BUDGETED PROJECTS WITH NO CORRESPONDING BUDGET INCREASE.

EXECUTIVE SUMMARY:

At the August 8, 2023, Board of Port Commissioners meeting, the Board approved Amendment No. 2 with AECOM Technical Services, Arcadis U.S., Inc., Harris & Associates, Inc., and HDR Engineering, Inc. to increase the combined capacity for the five-year as-needed project management/construction management agreements by \$800,000 (Agenda Item No. 2023-0153). As part of that agenda item, Port Staff indicated it would return to the Board to present a plan for continued project execution of FY24 Engineering-Construction projects and provide an update on personnel resources. In accordance with District staff's prior representation, this agenda item provides:

- A.) A staff presentation led by People Services on findings from an independent staffing and benchmarking study conducted by Black & Veatch.
- B.) A recommendation for a capacity increase to the existing as-needed services agreements for Project Management/Construction Management (PM/CM) to assist staff in executing the existing budgeted projects and others that are likely to be added in the foreseeable future.

RECOMMENDATION:

- A.) Receive staff presentation on findings from the Black & Veatch staffing analysis of the Engineering-Construction department.
- B.) Adopt a Resolution authorizing Amendment No. 3 with AECOM Technical Services, Arcadis

U.S., Inc., Harris & Associates, Inc., and HDR Engineering, Inc. to increase, at no fiscal impact, the combined contract capacity for the as-needed agreements by \$7,000,000 for Project Management/Construction Management services, increasing the aggregate total of the agreements for current and future Fiscal Years from \$4,050,000 to \$11,050,000, thereby increasing the capacity of these agreements to a level allowing execution on budgeted projects with no corresponding budget increase.

FISCAL IMPACT:

Approval of this agenda item will have no fiscal impact on the FY2024 budget.

There will be no increase to the District's major program budgets as a result of this resolution. Funds for the current fiscal year are included in the FY 2024 Major Maintenance, FY 2024 Other Capital, and FY 2024 Balanced Capital Programs. Funds required for future fiscal years will be budgeted in the appropriate fiscal year and will be submitted for Board approval.

COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goal(s).

- A thriving and modern maritime seaport.

DISCUSSION:

At the August 8, 2023, Board of Port Commissioners meeting, the Board approved Amendment No. 2 with AECOM Technical Services, Arcadis U.S., Inc., Harris & Associates, Inc., and HDR Engineering, Inc. to increase the combined capacity for the five-year as-needed project management/construction management agreements by \$800,000 (Agenda Item No. 2023-0153). As part of that agenda item, Port Staff indicated it would return to the Board to present a plan for continued project execution of FY24 Engineering-Construction projects and provide an update on personnel resources. This agenda item addresses that plan in two parts:

Findings from Black & Veatch Staffing Study

Staff will present findings from an independent staffing and benchmarking study recently conducted by Black & Veatch.

In response to a recent spike in employee turnover within the Engineering-Construction Department (Department), Black & Veatch was retained by the People Services department to update a 2020 Staffing Study on the Department, which benchmarked with similar organizations within comparable agencies to the Port of San Diego, including the Port of Long Beach and Port of Los Angeles.

This update will provide a high-level staffing recommendation based on an assessment of the Department's internal and external staffing resources required to adequately address the totality of the budgeted projects approved by the Board of Port Commissioners. Staffing recommendations will also consider the likelihood of approving additional projects for the Department's workload in the

foreseeable future.

Recommendation to increase to As-Needed Project Management/Construction Management Services agreements.

While Staff is actively engaged in the process of addressing personnel shortages, the demand for continued project implementation necessitates immediate attention. This proposed action will approve Amendment No. 3 with AECOM Technical Services, Arcadis U.S., Inc., Harris & Associates, Inc., and HDR Engineering, Inc. for as-needed services for Project Management/Construction Management (PM/CM) necessary for the implementation of the District's Major Maintenance (MM), Other Capital Projects (OC), and Balanced Capital Programs (BCP), and increase the aggregate five-year agreement capacity by \$7,000,000 from \$4,050,000 to \$11,050,000.

On October 13, 2021, the Board authorized these five-year agreements for an aggregate amount of \$2,500,000. Since the original adoption of these five-year agreements, the Engineering-Construction department has experienced an inverse trend of decreased staffing and increased project volume. This considerable increase in project volume is largely a result of the District capitalizing on unprecedented grant-funded project opportunities and has resulted in a higher-than-expected reliance on external staffing resources.

This inverse trend has required the department to heavily utilize the as-needed Project Management/Construction Management agreements to continue to execute projects without delay. As shown in the following amendments, the agreements' capacity has been previously increased:

1. Amendment No. 1: On June 2023, Staff approved a \$750,000 capacity increase (30% administratively) as allowed per Board Policy 110 to an aggregate amount of \$3,250,000.
2. Amendment No. 2: At the August 8th, BPC Meeting, Board approved a \$800,000 capacity increase to an aggregate amount of \$4,050,000.

Approval of Amendment No. 3 will enable Engineering-Construction to secure the necessary support capacity through the rest of the five-year cycle as Staff work towards fully staffing the department.

This Board Action does not require an increase to any fiscal budget. Since costs incurred under these agreements are funded under approved project budgets within the District's Major Maintenance, Other Capital Projects, and Balanced Capital Programs. There is no fiscal impact associated with the proposed action. Work performed under these agreements is administered in accordance with District policies and procedures.

GENERAL COUNSEL'S COMMENTS:

The Office of the General Counsel has reviewed this agenda as presented to it and approves the same as to form and legality.

ENVIRONMENTAL REVIEW:

The presentation regarding findings from the Black & Veatch staffing analysis for the Engineering-Construction department and the proposed Board action, including without limitation, authorizing Amendment No. 3 with AECOM Technical Services, Arcadis U.S., Inc., Harris & Associates, Inc., and HDR Engineering, Inc. to increase the combined contract capacity for the as-needed agreements by \$7,000,000 for Project Management/Construction Management services, do not constitute a project under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Sections 15352 and 15378 because no direct or indirect changes to the physical environment would occur. CEQA requires that the District adequately assess the environmental impacts of projects and reasonably foreseeable activities that may result from projects prior to the approval of the same. Any project developed as a result of the presentation and proposed Board action requiring the District or the Board's discretionary approval resulting in a physical change to the environment would be analyzed in accordance with CEQA prior to such approval. CEQA review may result in the District, in its sole and absolute discretion, requiring implementation of mitigation measures, adopting an alternative, including without limitation, a "no project alternative" or adopting a Statement of Overriding Consideration, if required. The exercise of this discretion is in no way limited by this presentation and the proposed Board action. Therefore, no further CEQA review is required.

The presentation and proposed Board action comply with Sections 21 and 35 of the Port Act, which allows for the Board to pass resolutions; and to do all acts necessary and convenient for the exercise of its powers. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the presentation and proposed Board action are consistent with the Public Trust Doctrine.

The presentation and proposed Board action do not allow for development, as defined in Section 30106 of the California Coastal Act, or new development, pursuant to Section 1.a. of the District's Coastal Development Permit (CDP) Regulations because there will not be, without limitation, a physical change, change in use or increase the intensity of uses. Therefore, issuance of a Coastal Development Permit or exclusion is not required. However, development within the District requires processing under the District's CDP Regulations. Future development would remain subject to its own independent review pursuant to the District's certified CDP Regulations, Port Master Plan (PMP), and Chapters 3 and 8 of the Coastal Act. The exercise of the District's discretion under the District's CDP Regulations is in no way limited by the presentation and proposed Board action.

DIVERSITY, EQUITY, AND INCLUSION PROGRAM:

Due to limited known sub opportunities no SBE goal was established for this agreement. Each of the firms have identified SBEs as part of their team.

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ATTACHMENT(S):

- Attachment A: Amendment No. 3 to Agreement No. 76-2021SN with AECOM Technical Services
- Attachment B: Amendment No. 3 to Agreement No. 74-2021SN with Arcadis U.S., Inc.
- Attachment C: Amendment No. 3 to Agreement No. 75-2021SN with Harris & Associates, Inc.
- Attachment D: Amendment No. 3 to Agreement No. 77-2021SN with HDR Engineering, Inc.