

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to the assignment of office space for the new Department of Cannabis Regulation (DCR) and increasing the property management contract amount for related site improvements.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. **APPROVE** the assignment for the DCR to occupy 221 North Figueroa Plaza Tower, Suite 1220, along with other co-located positions to include four interim position authorities currently pending authorization for the Office of Finance.
2. **INSTRUCT** the Department of General Services (GSD) to report within 30-60 days on final cost estimates and construction timeline for all active space modifications at Figueroa Plaza, including modifications for the space recommended for assignment to the DCR.
3. **FIND**, in accordance with Charter Section 371(e), that the proposed third amendment to City contract No. C-126951 with CBRE, the City's current property manager for Figueroa Plaza, may be awarded on a sole source basis, since CBRE has special qualifications to expedite completion of the desired scope of work due to its experience managing and restoring the property, and that these services are also of a temporary nature such that competitive bidding would not be practicable or advantageous.
4. **AUTHORIZE** the GSD to negotiate and execute a third amendment to Contract No. C-126951 with CBRE, using sole source authority to include the oversight of subcontractors providing design, construction, furniture, architectural, engineering, moving and other services as necessary, for all work associated with tenant improvements to the 12th floor of the 221 Tower, and increase the contract ceiling by \$500,000, from the current funding limit of \$20.5 million, to a revised limit of \$21 million, subject to the approval of the City Attorney as to form and legality.
5. **AUTHORIZE** the Controller to encumber total funding of up to \$500,000 for the third amendment to C-126951, using \$500,000 in Capital Improvement Expenditure Program (CIEP) funds appropriated within Fund No. 298/40, Account No. 40P20L - Space Optimization on Tenant Work.
6. **AUTHORIZE** the City Administrative Officer (CAO) to make technical adjustments as necessary in identifying and transferring the required funding for the third contract amendment.

Fiscal Impact Statement: The CAO reports that this action will not impact the General Fund. The current estimated costs of \$500,000 for all modifications and improvements associated with the recommended space assignment will be funded with 2017-18 CIEP monies budgeted for space optimization work.

Community Impact Statement: None submitted.

(Rules, Elections, and Intergovernmental Relations Committee waived consideration of the above matter)

SUMMARY

In a report to the Municipal Facilities Committee (MFC) dated September 28, 2017, the CAO presents various recommendations for the assignment and improvement of office space for DCR. Proposed improvements are required to address security and other operational needs. DCR will use the site in conjunction with the Office of Finance. According to the CAO, the proposed space assignment can accommodate the current positions authorized for DCR along with co-located positions pending approval for Finance. The suite consists of three private offices, 37 additional workstations, a reception area, and a divisible conference room. This space is sufficient to accommodate growth anticipated for the staffing levels of both DCR and Finance, while also providing space to co-locate related positions authorized for other departments on an interim or permanent basis. At its meeting held September 28, 2017, the Municipal Facilities Committee (MFC) approved the CAO's recommendations.

At its meeting held October 10, 2017, the Information, Technology, and General Services Committee recommended that Council approve the above recommendations for the assignment of office space for DCR, and related actions, as recommended by the CAO and MFC.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
RODRIGUEZ:	YES
BLUMENFIELD:	YES
O'FARRELL:	YES

jaw

-NOT OFFICIAL UNTIL COUNCIL ACTS-