REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: November 26, 2014

To: Mayor
   Council

From: Miguel A. Santana, City Administrative Officer

Reference: City Capital Projects


SUMMARY

Our Office is transmitting for your consideration the Second Construction Projects Report (CPR) for Fiscal Year 2014-15. This report recommends funding adjustments needed to keep construction projects on track. The financial transactions are for projects in the City's Capital Improvement Expenditure Program (CIEP), various recreational facility projects, General Obligation Bond (GOB) funded projects and General Services Department (GSD) construction projects.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Transfer $604,205 between departments and funds as specified in Attachment 1;

2. Transfer $1,892,319 between funds and other financings, as specified in Attachment 2;

3. Transfer $841,724 between accounts within departments and funds as specified in Attachment 3;

4. Transfer $4,424,704 between departments and funds from General Obligation Bond Funds as specified in Attachment 4;

5. In accordance to Attachment 2, authorize the Controller to transfer cash from Special Funds to reimburse the General Fund on an as-needed basis upon proper documentation from the departments and approval of the Program Managers and the City Administrative Officer;
6. In accordance to Attachment 4, authorize the Controller to transfer cash from the appropriate General Obligation Bond Funds to reimburse the General Fund on an as-needed basis upon proper documentation from the departments and approval of the Program Managers and the City Administrative Officer;

7. Authorize the Controller to increase appropriations to a Capital Finance Administration Fund, Commercial Paper Account No. 0316, totaling $195,694 for quarterly payments paid by the Greater Los Angeles Zoo Association (GLAZA) for the Elephants of Asia Exhibit MICLA Debt Service;

8. As specified in Attachment 2, authorize the Controller to transfer appropriations from U.S. Department of Justice Asset Forfeiture Fund 44D/70, Account No. 70JH42 to GSD Construction Forces Division for the construction of a climate controlled area;

9. As specified in Attachment 4, authorize the Controller to appropriate interest from RSRC 4903 in Fund 156/50, General Obligation Bond Elec89 Fire Construction and Fund 163/50, City Buildings Fire Sprinkler General Obligation Bond to GSD Construction Forces Division for the completion of the City Hall East Fire Life Safety project;

10. Authorize the City Administrative Officer to make technical corrections, as necessary, to those transactions included in this report to implement Mayor and Council intentions.

FISCAL IMPACT STATEMENT

Transfers, appropriations and expenditure authority totaling $7,762,952 are recommended in this report. Of this amount, $4,438,726 is for transfers, appropriations, and expenditure authority to the General Services Department and $3,324,226 is for other City funds. All transfers and appropriations are based on existing funds, reimbursements or revenues. There is an estimated annual impact due to operations and maintenance costs as a result of these recommendations (Attachment No. 5).
DISCUSSION

This report contains the specific financial adjustments recommended for Capital Improvement Expenditure Program (CiEP) or General Services Department (GSD) construction projects and for General Obligation Bond (GOB), Municipal Improvement Corporation of Los Angeles (MICLA), other Special Funds and various grant funded projects. The following is a discussion regarding recommendations included in the report and is presented in two sections: Construction Projects and Bond Projects.

1. CONSTRUCTION PROJECTS

The following are brief descriptions, by department, of budgetary adjustment recommendations included in this report for General Fund, Special Fund or MICLA financed projects.

A. Bureau of Engineering (BOE) – Survey Support Work for the Alameda Street Widening From Anaheim Street to Harry Bridges
   Engineering Special Service Fund
   Attachment No. 2
   Recommendation No. 2

   An appropriation of $57,275 from BOE to GSD Construction Forces Division is recommended for Hiring Hall survey support on the Alameda Street Widening Project from Anaheim Street to Harry Bridges (Work Order No. E1907671). With the addition of Hiring Hall workers, the BOE Survey Division will be able to conduct preliminary surveys, determine legal property boundaries to facilitate designs on capital projects, and ensure the preservation of primary control monuments prior to road reconstruction. These monuments serve as markers that identify legal property boundaries and the preservation of these survey monuments are mandated by State law. Council approval is required to appropriate the funds to GSD’s budgetary accounts. O&M Fiscal Impact: There is no General Fund impact for operations and maintenance since these costs are financed by special funds.

B. BOE - Street Resurfacing Program – Survey Support Work
   BOE Budgetary Accounts
   Attachment No. 1
   Recommendation No. 1

   A transfer of $250,000 from BOE to GSD Construction Forces Division is recommended to provide Hiring Hall survey support for the City’s Street Resurfacing Program. The funds for Hiring Hall survey support are budgeted in BOE’s budget through an appropriation from the Measure R Traffic Relief and Rail Expansion Fund. The survey support work includes determination and preservation of legal property boundaries as mandated by State law which assists in completing designs on City capital projects. Hiring Hall survey support is needed for the entire fiscal year in support of the City’s Street Resurfacing Program. Council approval is required to appropriate the funds to GSD’s budgetary accounts. O&M Fiscal Impact: There is no General Fund impact for operations and maintenance since these costs are financed by special funds.
C. BOE — San Miguel Street Erosion Control
Engineering Special Services Fund
Attachment No. 3
Recommendation No. 3

An appropriation of $3,828 within the Engineering Special Services Fund revenue source to a new account entitled San Miguel Street Erosion Control is recommended. The pavement on the downslope side of this street has settled, most likely due to the long-term settlement of the fill underlying the downslope side of the roadway. According to City Ordinance No. 76898, San Miguel Street was withdrawn from public use in 1936; however, it has not been officially vacated by the City of Los Angeles. Therefore, according to the City Attorney, the City has to maintain a non-vacated street in a safe condition or it can be held liable for any damages associated with it. An appropriation of $3,828 is needed in order to construct and implement the erosion control measures. Council approval is required to appropriate the funds to a new project account. O&M Fiscal Impact: There is no General Fund impact for operations and maintenance since this is an existing infrastructure.

D. BOS — Central Los Angeles Recycling and Transfer Station (CLARTS) Improvements
CLARTS Trust Fund
Attachment No. 2
Recommendation No. 2

An appropriation of $29,686 from the CLARTS Trust Fund to GSD Construction Forces Division is recommended to pay for heating, ventilation, and air conditioning (HVAC) work at the facility. This work includes replacing the existing windows with more energy efficient dual-pane glass windows and replacing the existing HVAC ducts. This work will be completed by June 2015 and is necessary to maintain proper temperatures in employee work spaces. Council approval is required to appropriate the funds to GSD’s budgetary accounts. O&M Fiscal Impact: There is no General Fund impact for operations and maintenance since these costs are financed by special funds.

E. BOS — Wastewater Collection Services Division (WCSD) Yard
Sewer Operations and Maintenance Fund
Attachment No. 2
Recommendation No. 2

An appropriation of $165,398 from the Sewer Operations and Maintenance Fund to GSD Construction Forces Division is recommended to pay for the demolition and modification of the existing canopy parking structure at the WCSD Yard located at 2335 Dorris Place. These modifications are required to accommodate the new Compressed Natural Gas (CNG) vehicles that need additional ventilation and specialized lighting. These modifications will prevent escaped gas from the vehicles from being trapped in the canopy soffit and igniting from the overhead lighting. This project will be completed by June 2015. Council approval is required to appropriate the funds to GSD’s budgetary accounts. O&M Fiscal Impact: There is no General Fund impact for operations and maintenance since these costs are financed by special funds.
F. Citywide Building Hazard Mitigation Program – Various Projects
CIEP
Attachment No. 1
Recommendation No. 1

An appropriation of $199,882 from CIEP funds to GSD Construction Forces Division is recommended for the following projects:

<table>
<thead>
<tr>
<th>Project</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Van Nuys Police Station: Abatement of asbestos-containing material (ACM) pipe insulation and re-insulation of pipes throughout the building,</td>
<td>$ 189,700</td>
</tr>
<tr>
<td>Van Nuys Police Station: Abatement of ACM fire-proofing in Parking Structure corridor area,</td>
<td>10,182</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 199,882</strong></td>
</tr>
</tbody>
</table>

Funding for this work is provided within the 2014-15 CIEP Citywide Building Hazard Mitigation Program. Council approval is required to appropriate the funds to GSD’s budgetary accounts. **O&M Fiscal Impact:** There is no additional General Fund impact for operations and maintenance since these are existing facilities.

G. LA Zoo – Elephants of Asia Exhibit
GLAZA Debt Service Payment
MICLA
Attachment No. 3
Recommendation No. 3 and 7

An appropriation of $195,694 from a Capital Finance Administrative Fund (CFAF) revenue source to the CFAF commercial paper debt service account is recommended. This appropriation represents MICLA debt service payments relative to the Elephants of Asia Exhibit (EAE) at the Los Angeles Zoo. On January 2009, Council approved a financing agreement whereby GLAZA would pay the debt service on MICLA commercial paper notes used to build the EAE (C.F. 08-2850). Council approval is required to appropriate the funds to the CFAF. **O&M Fiscal Impact:** This is an administrative matter and there is no associated General Fund impact for operations and maintenance.

H. GSD – Pacoima Neighborhood City Hall (NCH)
Community Development Block Grant (CDBG) and AB1290 Funds
Attachment No. 2
Recommendation No. 2

An appropriation totaling $600,000 from CDBG ($500,000) and AB1290 ($100,000) funds to GSD Construction Forces Division is recommended for construction of a first
floor community center and cafe within the Pacoima NCH. The Pacoima NCH is located at 13520 Van Nuys Boulevard in Pacoima and was completed in 2011. $600,000 is needed to build out a 2,370 square foot community center on the first floor. The community center includes a 500 square foot area that will be used by a local cafe. The $600,000 construction budget, estimated in May 2014, is to install utility lines/fixtures, kitchen, restrooms, drywall, and other finishes. Pacoima Beautiful, a local non-profit, will provide programming and other community services in the space. The small cafe space will be subleased to a local cafe; the rents collected from the cafe space will be used to pay for some of the operating costs of the community center space. Council approval is required to appropriate the funds to GSD’s budgetary accounts. O&M Fiscal Impact: There is no additional General Fund impact for operations and maintenance since this is an existing facility.

I. GSD – Eagle Rock NCH
CIEP
Attachment No. 1
Recommendation No. 1

An appropriation of $70,096 from CIEP funds to GSD Construction Forces Division is recommended to fund final expenses for repairs to the Eagle Rock NCH. The overall cost of repairs totals $256,096, which includes a prior transfer of $186,000 authorized by Council on October 8, 2014 (C.F. 14-1284). The scope of work is scheduled for completion in November 2014, which includes fencing, graffiti removal, and exterior building repairs, clean-up and site security. Council approval is required to appropriate the funds to GSD’s budgetary accounts. O&M Fiscal Impact: There is no additional General Fund impact for operations and maintenance since this is an existing facility.

J. GSD – Energy Efficiency Lighting Retrofit Program
GSD Revenue Source Account
Attachment No. 3
Recommendation No. 3

An appropriation of $113,696 from a GSD revenue source to GSD Construction Forces Division for the Energy Efficiency Lighting Retrofit Program is recommended. GSD was awarded a $348,777 loan from the California Energy Commission (CEC) to retrofit lighting at 27 City buildings (C.F. 09-2979). GSD previously received $235,081 in reimbursements, which was appropriated in the 2013-14 Fourth CPR (C.F. 13-1498). This appropriation addresses the balance of the loan. Council approval is required to appropriate the funds to GSD’s budgetary accounts. O&M Fiscal Impact: There is no additional General Fund impact for operations and maintenance as these are existing facilities.

K. GSD – ADA Restroom in the LA Mall
CIEP
Attachment No. 1
Recommendation No. 1

An appropriation of $84,227 from CIEP funds to GSD Construction Forces Division is
recommended to construct one restroom at the LA Mall. This is a critical ADA compliance issue. The scope of work includes the installation of new fixtures, relocation of fire sprinklers, and plumbing and ventilation. The work is expected to be completed within three months from the onset of construction. Council approval is required to appropriate the funds to GSD's budgetary accounts. O&M Fiscal Impact: There is no additional General Fund impact for operations and maintenance as this is an existing facility.

L. Los Angeles World Airports (LAWA) TI Work
GSD Revenue Source Account
Attachment No. 3
Recommendation No. 3

An appropriation of $407,229 from a GSD revenue source to GSD Construction Forces Division is recommended for tenant improvement and renovation projects at the Los LAWAW. In accordance with the three-year Memorandum of Understanding (MOU) executed between LAWAW and GSD on March 1, 2012 for GSD to perform as needed construction services. GSD has invoiced and received payment for the following approved projects:

<table>
<thead>
<tr>
<th>Project</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demolition and reconstruction of ADA curbs and ramps along travel path of Terminals 1, 2, 4, 6, 7 and the East Entry</td>
<td>$ 407,229</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 407,229</strong></td>
</tr>
</tbody>
</table>

During this fiscal year, GSD estimates that a total of $2 million will be performed at LAWAW for this project. In the first CPR, a total of $324,728 was provided to GSD. Additional appropriations will be recommended as work progresses. Council approval is required to appropriate the funds to GSD's budgetary accounts. O&M Fiscal Impact: There is no General Fund impact for operations and maintenance since these costs are financed by special funds.

M. GSD – West Valley Municipal Building
MICLA
Attachment No. 2
Recommendation No. 2

An appropriation of $400,000 from MICLA funds to GSD Construction Forces Division is recommended to fund needed improvements to the West Valley Municipal Building. Council authorized total funding of $900,000 for the project as part of the 2014-15 Adopted Budget (C.F. 14-0600). The scope of work will include ADA restroom renovations, tenant improvements, security upgrades and interior improvements. Additional appropriations will be recommended as work progresses. The work is expected to be completed by September 2015. Council approval is required to transfer the funds within GSD’s budgetary accounts. O&M Fiscal Impact: There is no additional General Fund impact for operations and maintenance since this is an existing facility.
N. GSD – Standards Division Materials Testing Construction
GSD Laboratory Testing Expense Account
Attachment No. 3
Recommendation No. 3

A transfer of $121,277 within GSD’s accounts to GSD Construction Forces Division is recommended for tenant improvements needed at the Standards Division testing lab space. A transfer was included in the 2014-15 First CPR and this request is for Phase II of the construction to make the lab space functional (C.F. 14-1284). Council approval is required to transfer the funds within GSD’s budgetary accounts. O&M Fiscal Impact: There is no additional General Fund impact for operations and maintenance since this is an existing facility.

O. Los Angeles Police Department (LAPD) – Piper Technical Center Space 260 Climate Control Area Construction
California State Asset Forfeiture Fund
Attachment No. 2
Recommendation No. 2 and 8

A transfer of $139,960 from the LAPD’s California State Asset Forfeiture Fund to GSD Construction Forces Division is recommended for the construction of a Climate Controlled Area around the existing freezers and related installation of the necessary HVAC and electrical components in the Property Division Warehouse at Piper Technical center. There is sufficient funding in the California State Asset Forfeiture Fund Supplemental Police Account Plan for operational expenses related to Information/Contraband expenditures. Construction of the Climate Controlled Area around the freezers will allow LAPD to maximize use of the warehouse with a smart-rack system which will result in increased capacity to store biological evidence that no longer needs to be maintained in a freezer. Council approval is required to transfer the funds to GSD’s budgetary accounts. O&M Fiscal Impact: There is no additional General Fund impact for operations and maintenance since this is an existing facility.

P. Northeast Police Station
California State Asset Forfeiture Fund
Attachment No. 2
Recommendation No. 2

An appropriation of $500,000 from the California State Asset Forfeiture Fund to the CIEP for the Northeast Police Station project is recommended. Mayor and Council action in July 2011 authorized a new project to replace the Northeast Police Station with a budget of $29.45 million (C.F. 11-1008). The action provided $28.45 million from Proposition Q Citywide Public Safety Facilities GOB Program funds and $1 million from asset forfeiture funds. The Police Department identified the first $500,000 in asset forfeiture monies and it was addressed in the 2013-14 Third CPR (C.F. 13-1498). The balance of $500,000 is addressed in this report. The Northeast Station project is currently in construction and is expected to be completed in the spring of 2015. Council approval is required to appropriate funds into the CIEP. O&M Fiscal Impact: There is no
additional General Fund impact for operations and maintenance since this is an existing facility.

2. BOND PROJECTS

The following are brief descriptions of budgetary adjustments included in this report for GOB projects.

A. City Hall East (CHE) Fire Life Safety (FLS)

FLS GOB
Attachment No. 4
Recommendation No. 4, 6, and 9

An appropriation of $1.8 million from Fire Life Safety GOB funds to GSD Construction Forces Division is recommended for the CHE FLS project. BOE presented a budget, timeline and scope of work to the Municipal Facilities Committee for CHE and LA Mall FLS work at its meeting in January 2013. The MFC approved the fire life safety work at CHE and the L.A. Mall with a total budget of $5.22 million. Sufficient GOB funds have been identified for this project. An appropriation of $3.4 million was provided in the 2012-13 Third CPR to start the work (C.F. 12-1409-S3). This $1.8 million appropriation is the cost to complete the project by March 2015. Council approval is required to appropriate the funds to GSD’s budgetary accounts. O&M Fiscal Impact: There is no additional General Fund impact for operations and maintenance since this is an existing facility.

A. Proposition 2 – Police Facilities Bond Program

Police Academy Renovation Project
Attachment No. 4
Recommendation No. 4 and 6

Appropriations totaling $2,485,604 from Proposition 2 – Police Facilities GOB funds are recommended to be established for the Police Academy Renovation project. The Police Academy Renovation project is currently funded from the Proposition Q Citywide Public Safety Facilities GOB Program. The $2,485,604 in Proposition 2 funds recommended to be transferred to the Police Academy Renovation project are remnant funds within that program and their expenditure for the Police Academy project will effectively exhaust all remaining funds in the Proposition 2 program. BOE will subsequently disencumber $2,607,581 in Proposition Q monies currently allocated to the Police Academy Renovation project and move those funds to program contingency. Council approval is required to transfer and appropriate the funds. O&M Fiscal impact: There is no additional General Fund impact for operations and maintenance as this is an administrative action.
B. Proposition O - Clean Water Bond Program (Prop O)
Request for Audit of Prop O - Clean Water Bond Program
Attachment No. 4
Recommendation No. 4 and 6

A transfer of appropriations totaling $139,100 from Prop O GOB program contingency funds to the Controller's Audit Division is recommended to conduct an audit of the Prop O Program in accordance with the Ballot summary requirements. The Administrative Oversight Committee approved this appropriation on October 30, 2014.

In November 2004, the voters of Los Angeles authorized the City to issue $500 million in GOB for the purchase and/or improvements of property for projects that clean up polluted storm water and bacteria in the City's rivers, lakes, beaches and ocean. As part of this authorization, the voters also required that the City conduct periodic audits of the Prop O projects. In consultation with the Controller's Office, the audit will be comprehensive, covering the program as a whole, with the primary objective to ensure that Proposition O funds are being properly accounted for and that expenditures incurred have been properly supported and meet the bond program's eligibility requirements. The audit will focus on projects to be selected through a risk assessment. The Controller is requesting an appropriation of funds totaling $139,100 to issue a notice to proceed to their on-call pre-qualified auditors.

The audit is expected to be completed within six months from the time the notice to proceed is issued. Council approval is required to transfer and appropriate the funds to the Controller's budgetary accounts. O&M Fiscal Impact: There is no General Fund impact to the General Fund since this is an administrative action.

Donna Vong, Administrative Analyst II

APPROVED:

[Signature]
Assistant City Administrative Officer

MAS:DV:051500490

Attachments