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200 NORTH SPRING STREET ROOM 361, CITY HALL LOS ANGELES, CA 90012

TEL: (213) 978-0261 TDD: (213) 978-2310 FAX: (213) 978-0278

http://bpw.lacity.org

February 24, 2017

The Honorable Ron Galperin Controller City of Los Angeles 200 N. Main Street, Suite 300 Los Angeles, CA 90012 Date: 2-21-16

Submitted in 1007

Council File No:

Deputy Board of Public Works

Re: Street Damage Restoration Fee (SDRF) CF: (15-0600-S22) CF: (14-1571)

Dear Controller Galperin:

We are in receipt of your January 19, 2017 letter regarding the Street Damage Restoration Fee ("SDRF"). Thank you for the work you and your office have done regarding the SDRF, and for the collaborative nature with which you have approached this important issue.

We agree with your conclusion that an expanded scope of the Shahin and Associates report (the "Report"), reviewing the way the SDRF is calculated in order to recommend how to develop a new SDRF so the City will have the opportunity to fully recover the costs associated with street excavations, is needed and warranted. We also agree with the factors your letter sets forth as being critical to examine if the City is to optimize its collections (including "street type/designation" and "useful life"). Additionally, we agree with the points your letter raises regarding "cost recovery," "cost increases," and "concrete streets."

Thus, the Bureau of Street Services has asked Shahin and Associates to complete the analysis of the current scope of work and to expand the scope of the Report accordingly, and to expedite the Report.

Finally, we recognize that such an expanded scope accompanied by a request to expedite the Report will likely result in additional costs to produce the final version of the Report. Therefore, we will work with the City Administrative Officer to identify funding to be used to pay for the added costs related to the expanded scope and expediting of the Report.

Sincerely!

Kelvin James

President, Board of Public Works

Nazario Sauceda

Director, Bureau of Street Services

cc: Mayor Eric Garcetti; City Council

