

TRANSMITTAL

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| TO Council | DATE 10-03-18 | COUNCIL FILE NO. 18-0933 |
| FROM Municipal Facilities Committee | | COUNCIL DISTRICT 14 |

At its meeting held on August 30, 2018, the Municipal Facilities Committee (MFC) adopted the recommendations of the attached General Services Department (GSD) report, which is hereby transmitted for Council consideration with technical corrections to the report recommendations as reflected below. Adoption of the recommendations would authorize GSD to execute a Fourth Amendment to Contract No. C-126951 with CBRE Inc. for project management services for the Towers of Figueroa Plaza located at 201 and 221 N. Figueroa Street. There is no additional impact on the General Fund as the monies from the Engineering Equipment and Training Trust Fund will fully fund the recommended increase in the contract ceiling.

It is recommended that the City Council, subject to the approval of the Mayor:

1. Authorize the General Services Department (GSD) to execute a Fourth Amendment to Contract No. C-126951 with CBRE Inc. to increase the ceiling limit from \$21 million to \$23.62 million and extend the term to December 31, 2019, subject to the approval of the City Attorney;
2. Authorize the City Engineer to appropriate up to \$4,047,574 in available funds from the **Engineering Equipment and Training Trust Fund No. 568**, Department No. 50, into a new account within the Fund entitled "DSP Figueroa Plaza Renovations", for the Bureau of Engineering (BOE) to provide funding to the Department of General Services (GSD) for costs associated with the office space renovation project for the BOE Development Services Program (DSP);
3. Authorize the **Office of the Controller** to transfer and appropriate up to \$4,047,574 from the "DSP Figueroa Plaza Renovations" account in Fund 568/50 to GSD's Fund 100, Department 40, Account 003040, for costs associated with the phased completion of the **Figueroa Plaza Renovations** as described in this report upon review and approval of **Public Works: Bureau of Engineering**;
4. Authorize GSD to encumber and expend the transferred and appropriated funds of up to **\$4,047,574** from the "DSP Figueroa Plaza Renovations" account in Fund 568/50 to the contract with CBRE for this project, subject to the submission of proper documentation by GSD and upon satisfactory review by the BOE; and,
5. Authorize Public Works, Bureau of Engineering to make any technical corrections or clarifications to the above instructions to effectuate the recommendations.



Richard H. Llewellyn, Jr.
City Administrative Officer
Chair, Municipal Facilities Committee

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



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August 30, 2018

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 395, City Hall
Los Angeles, CA 90012

Attention: John White, Legislative Assistant

FIGUEROA PLAZA 201/221 TOWERS FINAL RESTACK PROJECT REQUEST FOR REVISED SPACE ASSIGNMENTS AND CONTRACT AMENDMENT

This report requests authority to execute a Fourth Amendment to the project management contract with CBRE, provides recommendations for revised space assignments, and summarizes the overall activities and progress for the Fig Plaza 201/221 Final Restack Project (Project) through August 17, 2018.

At the May 31, 2018 meeting of the MFC, GSD reported that space assignments would need to be amended to coincide with the revised space plans to address issues with fitting BOE into their assigned 3rd floor space. GSD also reported a contract amendment was required to cover additional costs for BOE/BOS/LAFD, DCP, DCR, and HCID-Code Staff.

Recommended revisions to the May 25, 2017 space assignments are as follows:

| Department/Program | Original Space Assignment | Revised Space Assignment |
|---------------------------|--|---|
| LAFD/Building Standards | 201 Tower, 2 nd Floor, Ste. 200 | 201 Tower, 3 rd Floor |
| BOE/Land Dev. Svs./LDG | 201 Tower, 3 rd Floor | 201 Tower, 2 nd Floor Ste. 200 |
| BOS/Watershed Protection | 201 Tower, 2 nd Floor, Ste. 200 | 201 Tower, 2 nd Floor Ste. 280 |
| 2-HCID, 1-CRA, 1-OOF | 201 Tower, 3 rd Floor | 201 Tower, 2 nd Floor Ste. 280 |
| HCID/Code Staff | 201 Tower, 7 th Floor, Ste. 770 | No change |



Budget:

- The initial estimated budget for the Project was \$4.01 million. Estimated costs have increased by \$2.62 million to a total cost of \$6.63 million (see attached Budget Summary). The higher costs are primarily due to increased square footage from adding Suite 280 to the project, infrastructure for Q-Matic equipment needed by BOE, structural shoring work for DCP, and rising labor and materials costs.
- Funding for the project is comprised of Departmental funds (\$5,534,462) and CIEP (\$1,090,743).
- BOE will provide funding for the project from their Engineering Special Services Fund in phases generally in accordance with the schedule below, noting that adjustments may be necessary due to variances in costs of each phase:

| | |
|---|--------------|
| Upon Council approval of fund project funding | \$ 2,000,000 |
| Upon substantial completion of Phase 1 | \$ 700,000 |
| Upon substantial completion of Phase 2 | \$ 700,000 |
| Upon substantial completion of Phase 3 | \$ 647,574 |

Total \$ 4,047,574

- A budgetary breakdown of project components is provided in the attached Budget Summary.

Master Project Schedule:

| DEPT | SPACE | SCOPE OF WORK | EXPECTED COMPLETION |
|------|-----------------|---|---------------------|
| DCA | 201, 14TH Floor | Partial suite remodel. One new office, four new cubicles. | Completed 2/8/2018 |
| DCP | 221, 13th Floor | Public counter, three new offices, cubicle reconfiguration, demising walls. | Completed 3/23/18 |
| DCP | 221, 14th Floor | Structural shoring for file rooms | Nov 2018 |
| DCR | 221, 12th Floor | Three additional offices for City Attorney staff | Oct 2018 |

Phasing for 2nd, 3rd, and 7th Floors of the 201 Tower

| DEPT | Phase | SPACE | SCOPE OF WORK | EXPECTED COMPLETION |
|------|---------|---------------------------------|--|---------------------|
| BOS | Phase 1 | 201, 2 nd Fl Ste 280 | Full suite remodel | Dec 2018 |
| BOE | Phase 1 | 201, 2 nd Fl Ste 200 | Full suite remodel | Dec 2018 |
| LAFD | Phase 2 | 201, 3 rd Floor | Portion of 3 rd Fl TI's Limited scope | March 2019 |
| BOE | Phase 3 | 201, 3 rd Floor | Portion of 3 rd Fl TI's | June 2019 |
| BOE | Phase 4 | 201, 3 rd Floor | Portion of 3 rd Fl TI's | Sept 2019 |
| HCID | Phase 5 | 201, 7 th Fl Ste 770 | Public counter, conference room expansion, cubicle reconfiguration. | Nov 2019 |

Project Status:

- Department of Cultural Affairs (DCA) - The TI's were completed and the space was occupied on February 8, 2018.
- Department of City Planning (DCP) -
 - TI's on the 13th Floor were completed on March 23, 2018. Move-in occurred on April 6th.
 - TI's on the 14th Floor were completed on March 23, 2018.
 - On August 10, 2018, City Council approved \$441,822 to cover the additional cost of the structural shoring required for their two file rooms. Structural work commenced in August 2018 with an estimated 16 weeks to completion. The move of DCP's Records Section to Fig Plaza will occur once the structural work is completed and the files can be relocated from City Hall. Move is anticipated to occur in November 2018.
- Department of Cannabis Regulation (DCR) – TI's were completed on April 13.

The CAO subsequently approved the construction of three additional offices for City Attorney staff which will support the DCR program. Work on the offices commenced in August 2018 with an estimated five to seven weeks to completion.

- BOE, BOS, and LAFD – The original space assignment called for LAFD and BOS staff to move from the 3rd to the 2nd floor. This would have allowed BOE to consolidate staff from 2nd, 3rd, and 7th floors to the 3rd floor. Space plan iterations and delays have resulted from issues with fitting BOE on the 3rd floor, incorporating the specific programming needs of the multiple BOE groups, and those of the co-located BOS and LAFD groups.

As reported to the MFC on May 31, 2018, LAPD vacated Suite 280 making it available for assignment to another agency. In this report, GSD is recommending assignment to BOS and the four co-located employees from HCID (2), CRA (1), and OOF (1). This allows LAFD to remain in their current space on the 3rd floor and BOE to continue to occupy Suite 200 on the 2nd Floor. BOE and BOS have reviewed and approved construction drawings for the 2nd and 3rd Floors.

LAFD Space Request

Upon learning that they could be staying in their current 3rd Floor space, LAFD brought up concerns over its adequacy and requested that a portion of the square footage assigned to BOE be reassigned to LAFD to accommodate additional staff. To address their concerns, the CAO asked LAFD to submit a formal space request detailing their program needs and justification. LAFD submitted the request on July 19, 2018 asking to accommodate a total of 23 staff, inclusive of one Captain and three Fire Inspectors authorized in the 2017-18 and 2018-19 budgets, and counter space for two additional plan check stations.

The density of BOE's approved 3rd floor space plan makes it difficult to reduce their square footage while still accommodating their staff and operational needs. As a result, LAFD's existing space was reviewed for efficiencies that could potentially offer increased capacity within the same foot print. A preliminary space plan that accomplishes this was developed and presented to LAFD on August 16, 2018. However, LAFD has expressed that the plan is inadequate and requests an additional 300-400 square feet on the 3rd floor. A reduction of 300-400 square feet to BOE's 3rd floor space plan would negatively impact their ability to place their employees on the floor and result in loss of plan check counters.

Also at the August 16 meeting, LAFD informed GSD and the CAO that they required six additional workstations for new staff that would be processing permits relating to cannabis sales. The CAO has determined that this request would be treated as a separate space assignment as they cannot be incorporated into the existing area.

As shown on the attached Budget Summary, the majority of funding for the LAFD space is provided by BOE's Engineering Special Services Fund with \$100,000 coming from CIEP. LAFD does not have funds to contribute to the project.

- The HCID project on the 7th floor is contingent upon BOE vacating the suite which cannot occur until the 2nd and 3rd floors are completed. HCID is currently reviewing a preliminary space plan based on their initial programming information.

Project Management Contract:

In August 8, 2017, pursuant to the June 27, 2017 City Council action, a Second Amendment to the sole service contract (C-126951) was executed with CBRE as project manager for 201/221 Final Restack Project increasing the limit by \$4 million to \$20.5 million. Pursuant to an October 18, 2017 Council action, a subsequent Third Amendment for management of TI's associated with the Department of Cannabis Regulation was executed on December 12, 2017, increasing the limit by \$500,000 to \$21 million. These contract amendments provide CBRE with a three percent project management fee for the oversight of subcontractors providing design, construction, furniture, architectural, engineering, moving, and other services as necessary, and will also cover costs for payment processing services.

A Fourth Amendment is required to raise the contract ceiling by \$2.62 million to cover the increased cost estimate and extend the term to December 31, 2019.

Sole Source Findings:

- CBRE is already in place to best meet the critical timeline. Their team is already staged in the 201/221 Towers and is familiar with the common area renovations required on the subject floors.
- CBRE has detailed knowledge of the building's infrastructure and have prototypes established for electrical, plumbing, lighting and other building systems that they can readily duplicate.

- This is an amendment to a sole source contract.
- GSD has complied with all City procedures, applicable laws and policies relative to the award of this contract.
- Funding will come from various sources as per the May 25, 2017 CAO report to Municipal Facilities Committee.
- GSD, Real Estate Services Division will be the administrator of the Agreement.
- The contractor is not an employee or official of the City, and is free to make recommendations or perform services specified in the contract independent of the control of City officials, and has no authority with respect to the City's decision beyond fulfilling the provisions of the contract.

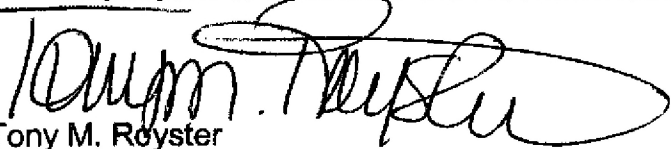
RECOMMENDATION:

That the MFC revise the May 25, 2017 space assignment as follows:

| | Department/Program | Original Space Assignment | Revised Space Assignment |
|----|---------------------------|--|---------------------------------------|
| 1. | LAFD/Building Standards | 201 Tower, 2 nd Fl, Ste 200 | 201 Tower, 3 rd Floor |
| 2. | BOE/Land Dev. Svs./LDG | 201 Tower, 3 rd Floor | 201 Tower, 2 nd Fl Ste 200 |
| 3. | BOS/Watershed Protection | 201 Tower, 2 nd Fl, Ste 200 | 201 Tower, 2 nd Fl Ste 280 |
| 4. | 2-HCID, 1-CRA, 1-OOF | 201 Tower, 3 rd Floor | 201 Tower, 2 nd Fl Ste 280 |

That the City Council:

1. Authorize the Department of General Services to execute a Fourth Amendment to sole source contract #C-126951 with CBRE Inc. to increase the ceiling limit from \$21 million to \$23.62 million and extend the term to December 31, 2019; and
2. Authorize the City Engineer to appropriate up to \$4,047,574 in available funds within the Engineering Special Services Fund No. 568, Department No. 50 (568/50), into a new account entitled "DSP Figueroa Plaza Renovations" for the Bureau of Engineering (BOE) to provide funding to the Department of General Services for costs associated with the office space renovation project for the BOE Development Services Program; and
3. Authorize the Controller to transfer up to \$4,047,574 from BOE's Fund 568/50 Account Figueroa Plaza Renovations account to GSD's Fund 100/40 Account 3040 for encumbrance to the contract with CBRE in phases as described in this report; and
4. Authorize the Department of General Services (GSD) to and expend the funds encumbered to the contract with CBRE for this project, subject to the submission of proper documentation by GSD and upon satisfactory review by the BOE; and
5. Authorize the BOE to make any technical corrections or clarifications to the above instructions to effectuate the recommendations.


 Tony M. Royster
 General Manager

**201/221 Final Restack Project
Budget Summary**

| Section I. Project Budget | | | | | | |
|----------------------------------|-----------------|-------------------|----------------|------------------------|--------------|---|
| | Approved Budget | Revised Cost Est. | Variance | Revised Funding Source | | Comments |
| | | | | Dept Funds | CIEP | |
| Total Cost Estimate | \$ 4,010,000 | \$ 6,625,205 | \$ (2,615,205) | \$ 5,534,462 | \$ 1,090,743 | Revised cost of \$6.62M represents a projected increase of \$2.61M. |
| Funding Received | | | | \$ 1,326,800 | \$ 1,170,000 | <u>Dept Funds:</u> DCP- FY 18 3rd CPR - \$800K, FY 19 \$441K Transfer from DSTF BOE- FY 18 \$42K Transfer HCID- FY 18 \$43K Transfer <u>CIEP:</u> FY 17 2nd CPR - \$200K CIEP; FY 18 1st CPR - \$370K CIEP; FY 18 2nd CPR - \$500K CIEP; FY 18 4th CPR - \$100K (City Atty offices for DCR) |

| Section II. Detail by Department | | | | | | |
|--|---------------------|---------------------|-----------------------|---------------------|---------------------|--|
| Department/Program | Approved Budget | Revised Cost | Variance | Funding Source | | Comments |
| | | | | Dept Funds | CIEP | |
| City Planning - Develop Svcs/ Automated Records | \$ 700,000 | \$ 1,494,950 | \$ (794,950) | \$ 1,224,950 | \$ 270,000 | Higher than estimated initial scope of interior suite TI's and multiple change orders, added approximately \$400K. Additional estimated cost of approximately \$400K due to file room shoring required by the buildings structural engineer. Total increase of \$795K. |
| HCID/AHP | \$ 100,000 | \$ 63,031 | \$ 36,969 | \$ 53,288 | \$ 9,743 | Costs associated with construction of two demising walls and conference room. |
| DCA | \$ 110,000 | \$ 112,335 | \$ (2,335) | \$ - | \$ 112,335 | Cost increase due unanticipated Title 24 work. |
| DCR | \$ 500,000 | \$ 598,665 | \$ (98,665) | \$ - | \$ 598,665 | Three additional offices are planned for City Attorney staff that will support the program. Estimated cost of \$120K to be funded by DCR. Additional \$100K in 4th CPR of FY 18 |
| HCID/ERO Code Staff | \$ - | \$ 208,650 | \$ (208,650) | \$ 208,650 | \$ - | HCID has asked for modifications to the suite including a revised public counter, expanded conference room, and cubicle reconfiguration. A preliminary space plan is under HCID review. Costs are estimated and will be funded by HCID. |
| BOE/Central District | \$ 2,000,000 | \$ 3,274,123 | \$ (1,274,123) | \$ 3,274,123 | \$ - | Originally to be consolidated on the 3rd floor, 21,154 sf. Revised plan splits BOE between 2nd & 3rd for an increased sf of aprox 6,000 sf, or a revised sf total of 27,022. Projection has increased due to increased square footage, rising labor and materials costs, and infrastructure for Q-Matic equipment. Funded by BOE's Equipment & Training Trust Fund |
| BOS/Watershed Protection | \$ 300,000 | \$ 392,095 | \$ (92,095) | \$ 392,095 | \$ - | 2nd floor assignment to remain as approved. TI's will be funded by BOE's Equipment & Training Trust Fund |
| LAFD/Building Standards | \$ 300,000 | \$ 481,356 | \$ (181,356) | \$ 381,356 | \$ 100,000 | Originally assigned to 2nd floor Suite 200. Revised plan has them staying in their current location on 3rd floor. These TI's are to be funding with \$100K CIEP funds and BOE's Equipment & Training Trust Fund. LAFD has no funds to contribute. |
| Total | \$ 4,010,000 | \$ 6,625,205 | \$ (2,615,205) | \$ 5,534,462 | \$ 1,090,743 | |