

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES and BUDGET AND FINANCE COMMITTEES' REPORT relative to the Third Construction Projects Report for Fiscal Year (FY) 2019-20.

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

1. AUTHORIZE the Controller to transfer \$34,510,896 between departments and funds as specified in Attachment 1 of the City Administrative Officer (CAO) report dated January 16, 2020, attached to Council File No. 19-0926-S2.
2. AUTHORIZE the Controller to transfer \$8,935,664 between accounts within departments and funds as specified in Attachment 2 of said CAO report.
3. AUTHORIZE the Controller to appropriate \$2,640,863 between accounts within departments and funds as specified in Attachment 3 of said CAO report.
4. AUTHORIZE the Controller to transfer \$1,187,713 between departments and funds from General Obligation Bond Funds as specified in Attachment 4 of said CAO report.
5. AUTHORIZE the Controller to reimburse the General Fund with Municipal Improvements Corporation of Los Angeles (MICLA) funds, upon CAO approval and receipt of requesting department's labor services, construction materials and supplies invoices for completed work, including the department's labor services documentation that must contain an hourly breakdown with task codes detailing the completed MICLA eligible work, relative to the respective departmental accounts designated for the following projects:

North Valley (Sunland Tujunga) City Hall Renovation (Item C)
South LA Animal Shelter and Getty House (Item II)
Nate Holden Performing Arts Center Repairs (Item KK)
North Hollywood Police Security Door Installation (Item RR)
West Valley Municipal Building Parking Lot (Item W)
CD8 Constituent Service Center (Item AAA)
6. AUTHORIZE the CAO to make technical corrections, as necessary, to the transactions authorized through this report, as required to implement the Mayor and Council's intentions.
7. REAUTHORIZE \$5.5 million in MICLA financing included in the FY 2019-20 Adopted Budget for the Madrid Theatre Project (Item Z).
8. AUTHORIZE the Controller to process payment of \$500,000 from the new Capital Improvement Expenditure Program (CIEP) account established for the Department of Public Works, Bureau of Street Services (BOSS) Replacement Yard (Item CCC), to fund the payment of the Sixth Street Viaduct Replacement Project, Construction Package B Progress Payment Request No. 9 for the contractor, Skanska Stacy and Witbeck, Contract No. C-123545, Project No. E700231F.
9. AUTHORIZE the Controller to appropriate revenue receipts of up to \$150,000 to a CIEP

account to be established for Civic Center Hydration Stations (Fund No. 100/54/TBD) for reimbursements received through the Hydration Station Initiative Program, upon CAO approval and verification of receipt of revenue within the Department of General Services (GSD) Fund No. 45E/40, and Revenue Source No. 5188 (Item EE).

- REPLACE the Controller instructions reflected in Attachment 2 of said CAO report for Item No. AAA - CD8 Constituent Service Center - Tenant Improvements in its entirety, as needed to provide additional transfers of \$405,058 to the GSD Construction Forces and the Information Technology Agency (ITA) in order to meet critical deadlines for completion of the subject project, as follows:

From:

<u>Fund/Department Account Title</u>	<u>Amount</u>
298/40, MICLA 40P21K Council District 8 Constituent Center	\$1,330,000
298/40, MICLA TBD Council District 8 Constituent Center Interior	<u>1,194,740</u>
	\$2,524,740
100/54 CIEP 00P297 CD8 Cost Recovery	<u>\$78,595</u>
	Total: \$2,603,335

To:

<u>Fund/Department Account Title</u>	<u>Amount</u>
298/32, MICLA TBD Council District 8 Constituent Center Interior	\$405,058
100/32, ITA 001100 Hiring Hall	\$66,063
100/32, ITA 001190 Hiring Hall Overtime	<u>12,532</u>
	\$78,595
100/40, GSD 001014 Construction Salaries	\$127,180
100/40, GSD 001101 Hiring Hall, Construction	635,905
100/40, GSD 001121 Benefits, Hiring Hall, Construction	508,724
100/40, GSD 003180 Construction Materials and Supplies	<u>847,873</u>
	\$2,119,682
	Total: \$2,603,335

Fiscal Impact Statement: The CAO reports that transfers, appropriations, and expenditure authority totaling \$46.78 million are recommended in this report. Of this amount, \$12.74 million is for transfers, appropriations, and expenditure authority for Public Works, BOSS, \$11.66 million for the GSD, and \$21.38 million is for other City Funds. All transfers and appropriations are based on existing funds, reimbursements, or revenues. There is no immediate impact on the General Fund for operations and maintenance costs as a result of these recommendations (Attachment No. 5 of said CAO report).

Debt Impact Statement: The issuance of MICLA debt is a General Fund obligation. The issuance of MICLA debt for the Madrid Theatre Project would cause the City to borrow \$5,500,000 at an approximate 5.5 percent interest rate over 20 years. The total estimated debt service is \$9,200,000, including interest of approximately \$3,700,000. During the life of the bonds, the estimated average annual debt service is \$460,000 over 20 years. Actual interest

rates may differ as rates are dependent on market conditions at the time of issuance. It cannot fully be predicted what interest rates will be in the future. In accordance with the City's Debt Management Policy, the City has an established debt ceiling to guide in evaluating the affordability for future debt. The debt ceiling for non-voted direct debt as a percentage of General Fund revenues is 6.0 percent. The City is currently at 3.92 percent for FY 2019-20. The issuance of the debt for this project will not impact the City's debt capacity for non-voted approved debt as the issuance of debt for this project is already included in the debt ratio.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on January 22, 2020, the Information, Technology, and General Services Committee (ITGS) considered the CAO report, dated January 16, 2020, relative to the FY 2019- 20 Third Construction Projects. The CAO states that the report provides updates on the current activities and financial status of capital repair and infrastructure programs managed or implemented by Departments that typically includes the Department of Public Works Bureaus and the GSD, along with recommended authorities needed to proceed with scheduled activities, address funding shortfalls, or other implementing authorities required to accomplish the defined scope of work for the respective projects outlined in the report. CAO representatives presented and read into the record amendments to Attachment 2 of the CAO report, as reflected in Recommendation No. 10. After providing an opportunity for public comment, the ITGS Committee moved to approve the recommendations contained in the CAO report as amended, as detailed above.

At its regular meeting held on January 27, 2020, the Budget and Finance Committee also considered the recommendations contained in the amended CAO report. After providing an opportunity for public comment, the Budget and Finance Committee moved to concur with the ITGS Committee's approval of the recommendations contained in the CAO's report as amended, as detailed above. This matter is now transmitted to the Council for its consideration.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
LEE:	YES
BLUMENFIELD:	YES
RODRIGUEZ:	YES



BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
PRICE:	YES
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	ABSENT



MM1-27-20 Council File No. 19-0926-S2

-NOT OFFICIAL UNTIL COUNCIL ACTS-