

REPORT FROM


OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 8, 2022

CAO File No. 0220-05445-0007
Council File No. 13-1526-S2
Council District: All

To: The City Council
The Mayor

From: Matthew W. Szabo, City Administrative Officer
Chair, Proposition O Administrative Oversight Committee



Reference: Proposition O Administrative Oversight Committee Recommendations

Subject: **PROPOSITION O PROGRAM – BUDGET ADJUSTMENTS AND FUNDING CONSIDERATIONS**

RECOMMENDATIONS

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

1. Approve the modified Master Schedule for 2021-22 in Attachment A;
2. Approve the release of \$5,123,641 in total savings from the following Proposition O projects to the Program Budget Contingency:
 - a. Authorize a decrease in the Argo Drain Sub-Basin Facility Project by \$2,500,000, from \$38,087,269 to \$35,587,269;
 - b. Authorize a decrease in the Catch Basin Phase IV Project by \$249,941, from \$6,160,000 to \$5,910,059;
 - c. Authorize a decrease in the Machado Lake Ecosystem Rehabilitation Project by \$1,350,000, from \$94,657,563 to \$93,307,563;
 - d. Authorize a decrease in the Penmar Water Quality Improvement Phase II Project by \$757,525, from \$5,830,200 to \$5,072,675; and,
 - e. Authorize a decrease in the Temescal Canyon Park Stormwater Phase II Project by \$266,175, from \$5,056,565 to \$4,790,390.

3. Approve final project budgets for the completed projects as provided in the table below:

PROJECT	FINAL BUDGET
Albion Dairy Park - Demolition & Remediation	\$ 6,325,458
Albion Dairy Park - Land Acquisition	\$ 14,465,528
Albion Riverside Park	\$ 18,457,704
Broadway Neighborhood Stormwater Greenway	\$ 4,550,380
Catch Basin Opening Screen Covers Phase III	\$ 43,477,927
Hansen Dam Wetlands Restoration	\$ 1,812,791
Machado Lake-Phase I (Wilmington Drain)	\$ 26,510,479
Mar Vista Recreation Center Stormwater BMP (Phase I & II)	\$ 4,065,258
Penmar Water Quality Improvement (Phase I)	\$ 17,598,355
Santa Monica Bay Low Flow Diversion Upgrades, Pkg. 3	\$ 11,607,354
Santa Monica Bay Low Flow Diversion Upgrades, Pkg. 3 Phase 2	\$ 13,697,567
Santa Monica Bay Low Flow Diversion Upgrades, Pkg. 4	\$ 3,575,048
Temescal Canyon Park Stormwater BMP (Phase I)	\$ 14,503,267

4. Authorize an increase in the Taylor Yard Water Quality Project of \$4,000,000, from \$16,400,000 to \$20,400,000;
5. Approve the Westwood Supervisory Control and Data Acquisition (SCADA) Communication System Project and approve Proposition O funding in the amount of \$400,000; and,
 - a. Authorize the City Controller to transfer and appropriate \$400,000 in Proposition O funds in Fund 16V/50, Account No. 50JYCT, Program Contingency, to a new account entitled "Westwood SCADA Communication System" within the same fund; and,
6. Authorize the City Administrative Officer, in coordination with the Bureau of Engineering and the Bureau of Sanitation, to make technical corrections as needed to the above recommendations to implement Mayor and Council intentions.

SUMMARY

At its meeting held on March 31, 2022, the Proposition O (Prop O) Clean Water General Obligation Bond Administrative Oversight Committee (AOC) considered the Bureau of Engineering's (Bureau) reports that were communicated by the Prop O Citizens Oversight Advisory Committee (COAC) at its meeting of March 21, 2022. The AOC approved the recommendations contained in the Bureau of Engineering's reports relative to the updated Master Schedule for 2021-22, staffing appropriation for 2021-22, project budget adjustments, budget increase for the Taylor Yard G2 Water Quality Project, and funding request for the Westwood Supervisory Control and Data Acquisition (SCADA) Communication System. The staffing appropriation was transmitted in the 2021-22 Fifth Construction Projects Report for Council consideration. The remaining items are hereby transmitted for Council consideration.

UPDATED MASTER SCHEDULE FOR 2021-22

The Master Schedule for 2021-22 has been updated to reflect two new projects, modified project schedules for four projects, and the close-out of three projects. See Attachment A.

BUDGET ADJUSTMENTS

The Bureau has identified project savings, totaling over \$5.1 million, from five projects. Additionally, the Bureau reported on the final project budgets on previously completed projects. See Attachment B. Additional savings will be identified upon the close-out of two projects, the Argo Drain Sub-Basin Facility and the Machado Lake Ecosystem Rehabilitation. Typically, project savings are added to the Program Contingency to address any potential cost increases on existing projects. This ensures that sufficient funds exist to complete projects in progress. Approval of the recommendation in this report will increase the Program Contingency by \$5,123,641, from \$8,000,000 to \$13,123,641.

TAYLOR YARD G2 WATER QUALITY IMPROVEMENTS PROJECT

The Prop O Program provided \$16.4 million in funds for the Taylor Yard G2 Water Quality Improvements Project, with up to \$4 million to be reimbursed by the Mountains Recreation and Conservation Authority (MRCA) from the State Prop 1 grant funds it received. As provided in Attachment C, the Bureau is requesting an additional \$4 million, from \$16.4 million and \$20.4 million, for project cost increases (\$1.7 million) and additional public access and habitat restoration improvements (\$2.3 million). Funding this request will reduce the Program Contingency by \$4 million, from \$13,123,641 to \$9,123,641.

WESTWOOD SCADA COMMUNICATION SYSTEM

The original scope of the Westwood Neighborhood Greenway Project included the SCADA communication system to provide remote monitoring and control of the project pump stations from the Venice Pumping Station. Due to delays with implementing the SCADA communication system and the need to meet project grant deadlines, the project was constructed without the SCADA system. The estimated cost to install the SCADA system is \$400,000 as provided in Attachment D. Funding this request will reduce the Program Contingency by \$400,000, from \$9,123,641 to \$8,723,641.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund for project implementation as funding will be provided by the Proposition O Bond Fund. Potentially, there may be an impact to the General Fund for operation and maintenance (O&M) costs. These O&M costs will be addressed through the City's annual budget process.

It should be noted that the available Program Contingency is \$8,000,000. Of this amount, \$2 million is budgeted for staffing needs, \$2 million for project optimization, and \$4 million for cost increases on existing projects. The approval of the release of funds of \$5,123,641 from various projects to Program Contingency will increase the Program Contingency from \$8,000,000 to \$13,123,641.

Funds requested for the Taylor Yard G2 Water Quality Project (\$4,000,000) and the Westwood SCADA Communication System (\$400,000) will reduce the Program Contingency by \$4,400,000, from \$13,123,641 to \$8,723,641. These funds will be budgeted for future staffing costs (\$2 million), project optimization (\$2 million), and cost increases on existing projects (\$4,723,641).

FINANCIAL POLICIES STATEMENT

The recommendations of this report comply with the City's Financial Policies as funding for the proposed projects is provided primarily from bond proceeds which are supported by voter-approved property tax revenue.

MWS:SMC:06220133

ATTACHMENTS

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: March 17, 2022

To: Proposition O Citizens Oversight Committee (COAC)
Proposition O Administrative Oversight Committee (AOC)

From: Christopher F. Johnson, PE, GE
Principal Civil Engineer
Bureau of Engineering

Subject **PROPOSITION O MASTER SCHEDULE UPDATE FOR 2021-2022**

Recommendations

1. Add the Penmar Water Quality Improvement Phase III and Taylor Yard Water Projects to the Master Schedule.
2. Approve four modified project schedules, as shown in the Proposition O Master Schedule (Attachment) and described in this correspondence.

Projects Added to Master Schedule

Penmar Water Quality Improvement Phase III

Taylor Yard Water Quality

Four Projects with Modified Schedules

Aliso Creek – Limekiln Creek Restoration Project:

It is recommended that the design phase be extended 12 months ending in January 2022. This will extend bid and award completion to July 2022, construction completion to July 2024, and post construction completion to July 2025.

Although design is complete, a Memorandum of Agreement has yet to be completed between LASAN and LA County Flood Control District. Additionally, land use agreements are still being negotiated with the Department of Recreation and Parks.

Argo Drain Sub-Basin Facility

It is recommended that the construction phase be extended 18 months ending in June 2022. This will extend post construction completion to June 2023.

The time extension is required for the contractor to complete commissioning of the facility and training of LASAN staff.

Machado Lake Ecosystem Rehabilitation

It is recommended that the post construction phase be extended 12 months ending in December 2021.

The time extension will allow additional time for the Board of Public Works acceptance of the project.

Rory M. Shaw Wetlands Park:

It is recommended the design phase be extended to December 2025, the bid and award phase completion be extended to August 2026, the construction phase completion be extended to September 2028, and the post-construction phase completion be extended to September 2029.

LA County, which controls the schedule of this project, has recommended these changes to the schedule. The schedule has been extended due to on-going design challenges and the existence of unsuitable soil at the site and also to reflect completion of all phases of the project, including Phase 3 above grade improvements.

Project Close Outs

Albion Riverside Park

Post construction phase is complete.

Temescal Canyon Stormwater BMP Phase II:

Post construction phase is complete.

Penmar Water Quality Improvement Phase II:

Post construction phase is complete.

Attachment

CFJ/cj

Q:\Master Schedule\Master Schedule Memos\Master Schedule 2021-2022

cc: Rafael E. Prieto, CLA
David Hirano, CAO
Salyna Cun, CAO
Alfred Mata, BOE
Brett McReynolds, BCA
Shahram Kharaghani, BOS
Michael Scaduto, BOS
Master File

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: March 17, 2022

To: Proposition O Citizens Oversight Advisory Committee (COAC)
Proposition O Administrative Oversight Committee (AOC)

From: Christopher F. Johnson, PE, GE
Bureau of Engineering (BOE)
Proposition O Project Implementation Program Manager



Subject: **PROPOSITION O - 2021/2022 BUDGET ADJUSTMENTS**

RECOMMENDATIONS

1. Authorize a decrease in the Argo Drain Sub-Basin Facility total project budget by \$2,500,000, from \$38,087,269 to \$35,587,269.
2. Authorize a decrease in the Catch Basin Phase IV total project budget by \$249,961 from \$6,160,000 to \$5,910,059.
3. Authorize a decrease in the Machado Lake Ecosystem Restoration total project budget by \$1,350,000 from \$94,657,563 to \$93,307,563.
4. Authorize a decrease in the Penmar Water Quality Improvement Phase II total project budget by \$757,524 from \$5,830,200 to \$5,072,675.
5. Authorize a decrease in the Temescal Canyon Park Stormwater BMP Phase II total project budget by \$266,175 from \$5,056,565 to \$4,790,390.
6. Recognize adjusted budgets for projects that had completed close-out at the time of the Council approval on June 15, 2021, (C.F. 13-1526) as described in the City Administrative Officer's Report, dated May 19, 2021, relative to the use of remaining Proposition O Program contingency funds.
7. Authorize the City Administrative Officer, in coordination with LASAN and BOE Program Managers, to make technical corrections, as needed, to the recommendations in this correspondence.

BACKGROUND

The BOE continues to complete partial and final project budget close-outs. The project budget close-outs calculate total project expenditures, compare expenditures to total project budgets, and adjust project budgets accordingly. Total project expenditures consist of the following costs: City labor, engineering consultant services, permitting fees, the construction contract, construction inspection, post-construction, and land acquisition. Individual recommended project budget savings and increases are summarized below.

PROJECT SAVINGS / BUDGET DECREASES

Argo Drain Sub-Basin Facility

The project budget is recommended to be reduced by \$2,500,000, from \$38,087,269 to \$35,587,269. Project construction is substantially complete. This is a preliminary budget close-out. A final project close-out will be performed when the Board of Public Works (BPW) accepts the project, which is anticipated in June 2023.

Catch Basin Phase IV

The project budget is recommended to be reduced by \$249,961 from \$6,160,000 to \$5,910,059. Project construction and post-construction are complete. This is a final budget close-out.

Machado Lake Ecosystem

The project budget is recommended to be reduced by \$1,350,000 from \$94,657,563 to \$93,307,563. The project is in the post-construction phase. Preparation of the Board Acceptance Report is in-progress. This is a preliminary budget close-out. A final project close-out will be performed when the BPW accepts the project, which is anticipated in June 2022.

Penmar Water Quality Improvement Phase II

The project budget is recommended to be reduced by \$757,524 from \$5,830,200 to \$5,072,675. The BPW accepted the project on January 26, 2021. This is a final budget close-out.

Temescal Canyon Park Stormwater BMP Phase II

The current project budget is recommended to be reduced by \$266,175 from \$5,056,565 to \$4,790,390. The BPW accepted the project on January 17, 2020. This is a final budget close-out.

Project savings from the above projects total \$5,123,660.

PROGRAM CONTINGENCY

The Program Budget Contingency was established to fund unforeseen project expenditures, when the expenditures exceed the individual Project Contingency. Therefore, the savings from the projects above are recommended to be added to Program Contingency to address any potential cost increases on existing projects.

BUDGET RESERVE

The program currently reserves \$4M for possible future cost increases for the Aliso Creek - Limekiln Creek Restoration, Penmar Water Quality Phase III, and Taylor Yard G2 Water Quality projects.

We recommend reserving \$4M of savings from the Argo Drain Sub-basin project savings for scope and cost adjustments for the Taylor Yard Water Quality project.

BUDGET ADJUSTMENTS FOR OLDER PROJECTS

The projects listed in the table below have been completed. Since there was no prior action to adjust the original/approved budget for these projects upon close-out, it is recommended that the project budgets be adjusted to reflect total project expenditures (Final Budget) as shown in the table below. Savings from these projects have already been programmed.

Project Title	Final Budget
Albion Dairy Park - Demolition & Remediation	\$ 6,325,458
Albion Dairy Park - Land Acquisition	\$14,465,528
Albion Riverside Park	\$18,457,704
Broadway Neighborhood Stormwater Greenway	\$ 4,550,380
Catch Basin Opening Screen Covers Phase III	\$43,477,927
Hansen Dam Wetlands Restoration	\$ 1,812,791
Machado Lake-Phase I (Wilmington Drain)	\$26,510,479
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Santa Monica Bay Low Flow Diversion Upgrades, Pkg. 3 Ph 2	\$13,697,567
Santa Monica Bay Low Flow Diversion Upgrades, Pkg. 4	\$ 3,575,048
Temescal Canyon Park Stormwater BMP (Phase I)	\$14,503,267

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: March 17, 2022

To: Proposition O Citizens Oversight Advisory Committee (COAC)
Proposition O Administrative Oversight Committee (AOC)

From: Christopher F. Johnson, PE, GE
Principal Civil Engineer
Bureau of Engineering



Christopher F. Johnson
cn=Christopher F. Johnson,
o=Department of Public Works,
Bureau of Engineering, ou=Clean
Water Division,
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rg, c=US
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Subject: **TAYLOR YARD G2 WATER QUALITY IMPROVEMENTS PROJECT
BUDGET INCREASE**

RECOMMENDATIONS

1. Authorize an increase in the Taylor Yard Water Quality total project budget by \$4,000,000 from \$16,400,000 to \$20,400,000 from available funds in the Proposition O Program.
2. Authorize the City Administrative Officer, in coordination with the Bureau of Engineering, to make technical corrections, as needed, to the recommendations in this correspondence.

BACKGROUND

The project budget is recommended to be increased by \$4,000,000 from \$16,400,000 to \$20,400,000.

On February 16, 2021, City Council approved Proposition O funding in the amount of \$16.4M for the Taylor Yard G2 Water Quality Improvements project per the cost estimate provided in the Taylor Yard G2 Water Quality Improvements Project Concept Report. The Mountains Recreation & Conservation Authority (MRCA) is contributing to this project by reimbursing Proposition O up to \$4M in Proposition 1 Grant funding awarded by the Santa Monica Mountains Conservancy. The terms of the MRCA's grant agreement requires the project to include the implementation of additional public access and habitat restoration improvements at the G2 parcel; however, the cost estimate in the Project Concept Report did not include the additional public access and habitat restoration components. The Project Concept Report assumed that restoration of the site would occur as part of the Taylor Yard G2 River Park project; however, implementation of that project will now not likely occur before 2028.

An updated BOE analysis of the project budget indicates that the project requires additional funds. The updated project cost estimate of \$17.8M for the Water Quality project is \$1.4M over budget. The estimate for required additional public access and habitat restoration improvements adds another \$2.6M, increasing the total project cost to \$20.4M, which is \$4.0M over the approved budget. Therefore, BOE is recommending

an additional \$4M in Proposition O funding to implement the full scope of the required project.

Funding for this budget increase is anticipated to be available using project savings from the Argo Drain Sub-basin Facility, Machado Lake Ecosystem Rehabilitation, and Catch Basins Phase IV projects.

CFJ/bp

Q:\Los Angeles River Projects\Projects\Taylor Yard River Park\Funding\CTIEP\2021-22

cc: Rafael E. Prieto, CLA
David Hirano, CAO
Salyna Cun, CAO
Alfred Mata, BOE
Frank Rinaldi, BCA
Barbara Romero, BOS
Shahram Kharaghani, BOS
Master File

FORM GEN. 160 (Rev. 11-02)

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: March 17, 2022

To: Proposition O Citizens Oversight Advisory Committee (COAC)
Proposition O Administrative Oversight Committee (AOC)From: Christopher F. Johnson, PE, GE
Principal Civil Engineer
Bureau of EngineeringSubject: **REQUEST FOR PROPOSITION O FUNDING TO CONSTRUCT A SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) COMMUNICATION SYSTEM FOR THE WESTWOOD NEIGHBORHOOD GREENWAY SCADA PROJECT (WESTWOOD SCADA PROJECT)****RECOMMENDATIONS**

1. Approve a budget in the amount of \$400,000 for the Westwood SCADA Project.
2. Approve the transfer of funds from the Proposition O Program Contingency to the project account to fund the project in the amount of \$400,000.
3. Authorize the Bureau of Engineering (BOE), in coordination with LA Sanitation and Environment (LASAN), to fully develop and implement the Westwood SCADA Project.
4. Authorize the City Administrative Officer, in coordination with the Proposition O Implementation Manager of BOE and the Proposition O Planning Manager of LASAN, to make technical corrections, as necessary, to the transaction included in this memorandum.

BACKGROUND

The Westwood Neighborhood Greenway Project (Westwood Project) was completed in December 2020. The Westwood Project is located adjacent to the Exposition Light Rail line at the Westwood/Rancho Park Station. The Westwood Project provides treatment of urban runoff for dry and wet weather flows from drainage areas surrounding the project site.

The components of the Westwood Project include a diversion structure at the existing storm drain in Overland Avenue, a sand filter, two bioswales, two pump stations, two hydrodynamic separators, native and drought tolerant landscaping, interpretive signs, and electrical and instrumentation control components.

The Westwood Project diverts dry-weather flow from the storm drain in Overland Avenue to capture runoff from 2400 acres of drainage area. Diverted stormwater is lifted to the project bioswales for physical and biological treatment by flowing through various plant communities, soil medium, and through exposure to sunlight.

The Westwood Project pump stations are currently operating locally under Programmable Logic Controllers (PLCs); however, LASAN requires remote monitoring and control of the pump stations from the Distributed Control System (DCS) located at the Venice Pumping Station. The original scope of the Westwood Project included a SCADA communication system to provide remote monitoring and control of the project pump stations from the Venice Pumping Station. Due to delays in implementing the SCADA communication system, it was decided to defer the SCADA communication system to this Westwood SCADA Project.

This Westwood SCADA Project will construct the SCADA communication system to allow remote monitoring and control of the project pump stations from the Venice Pumping Station.

SCHEDULE

Task	Start	End
Design	7/1/22	12/30/22
Bid and Award	1/1/23	6/30/23
Construction/Implementation	7/1/23	6/30/24