

TRANSMITTAL

TO Council	DATE 01-07-19	COUNCIL FILE NO. 18-0957
FROM Municipal Facilities Committee		COUNCIL DISTRICT 8

At its special meeting held on December 20, 2018, the Municipal Facilities Committee (MFC) adopted the recommendations of the attached General Services Department (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendations would authorize GSD to fund additional tenant improvements and furniture at the Council District Eight (CD 8) field office located at 5401 Crenshaw Boulevard with savings identified in GSD's Leasing Account.

On September 27, 2018, MFC approved a new lease to establish a Crenshaw Field Office for CD 8, which was subsequently approved by Council. That report identified one-time cost for improvements as \$65,500 which includes allowances for communication, installation of repurposed workstations and other related moving expenses. The revised scope of work increases previously approved one-time costs by \$218,572, for a revised total of \$284,072. This revised total includes: communication (\$25,000), moving (\$13,500), construction with floor and new paint (\$115,572), new furniture (\$110,000) and two months rental (\$20,000). There is no additional impact on the General Fund as monies within GSD's Leasing Account are sufficient to fully fund the additional improvements.



Richard H. Llewellyn, Jr.
City Administrative Officer
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December 20, 2018

Richard H. Llewellyn Jr., Chair
Municipal Facilities Committee
200 North Main Street, Suite 1500
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**REQUEST TO FUND ADDITIONAL TENANT IMPROVEMENTS
AT COUNCIL DISTRICT 8 FIELD OFFICE AT 5401 CRENSHAW BOULEVARD**

The General Services Department (GSD) is requesting authority to fund \$218,572 in tenant improvements and furniture through lease savings for a revised scope of work at the CD8 field office at 5401 Crenshaw Boulevard.

BACKGROUND

On September 27, 2018, the Municipal Facilities Committee (MFC) approved an 18 month lease for office space to relocate staff from the Constituent Service Center. The landlord is only able to offer a short term tenancy due to a litigation issue expected to be resolved over the next 18 months. At that time, the City would negotiate a long term deal for this office suite with a tenant improvement allowance and potentially more space within the building.

The original one-time cost of \$65,500 was approved for communication, installation of repurposed workstations and other related moving expenses. CD8 has reevaluated the carpet condition and now requests it be replaced with concrete flooring at a cost of \$90,275, new paint for the entire suite at \$11,550 and \$13,747 for miscellaneous items such as floor tile, new base boards and plexiglass for a total construction cost of \$115,572.

Unisource has advised they do not have sufficient repurposed furniture for the Crenshaw project as it was used for the temporary relocation of City staff from the Vermont Constituent Service Center to the 1968 W. Adams. The estimated cost of new furniture for CD8 at Crenshaw is roughly \$110,000 with a six week lead time. CD8 is

considering a two month rental at \$10,000 per month as they would like to relocate by January 21, 2019.

With the communication (\$25,000), moving (\$13,500), construction with floor and new paint (\$115,572), new furniture (\$110,000) plus two months rental (\$20,000) the total one-time cost for the revised scope of work and furniture is \$284,072, or \$218,572 over what was previously approved for this project.

GSD has identified \$258,789 savings in the leasing account to offset the cost of the tenant improvements and furniture. This includes \$130,925 in projected savings due to later than expected move-in dates for the 1968 W. Adams lease (\$29,925) and this Crenshaw lease (\$101,000).

FISCAL IMPACT

There is no additional impact to the General Fund as the improvements will be funded with lease savings.

RECOMMENDATION

That the Municipal Facilities Committee authorize GSD to fund the tenant improvements and furniture at the CD8 field office at 5401 Crenshaw Boulevard with lease savings.



Tony M. Royster
General Manager