

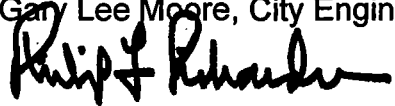
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**CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE**

2005 AUG -4 PM 1:30
CITY ADMINISTRATIVE OFFICER

Date: July 20, 2005

To: Seismic Governance Committee
William T Fujioka, City Administrative Officer, Chair
Gerry F. Miller, Interim Chief Legislative Analyst
Gary Lee Moore, City Engineer



From: Philip L. Richardson, Program Manager
Bridge and Seismic Bond, Street and Stormwater Program
Bureau of Engineering

Subject: **REQUEST FOR APPROVAL OF SEISMIC BOND PROGRAM BUDGET
ADJUSTMENTS AND FUND TRANSFERS FOR:**

- 1) Valley Municipal Building and Plaza
- 2) Barnsdall/Hollyhock House
- 3) Reimbursement of Staff Costs for Seismic Buildings, FEMA Hazard Mitigation and Bridge Improvement Program
- 4) Bridge Improvement Program

SUMMARY

This report discusses funding requirements for the renovation of the Valley Municipal Building, the renovation of the Barnsdall/Hollyhock House, project appropriations required for the Bridge Improvement Program and recommends fund transfers to repay loans from the General Fund, Reserve Fund, and other special funds that were needed to cover salaries of City staff for FY 04-05.

- Due to rain impact, added work and price increases during Phase II construction, the total cost for the Valley Municipal Building project is now estimated at \$28,501,942, a net increase of \$4,401,942 over the previously approved budget. To date, a total of \$19.4 million has been transferred to General Services Department (GSD) for Phase II construction. The Council approved a Reserve Fund loan of \$5,948,942 to GSD to cover their costs in completing the building and plaza by June 30, 2005 (C. F. No. 04-0600-S56). Funds for the increase in the budget are available from savings identified in other seismic project accounts.

Valley Municipal Bldg & Plaza Project Budget

	Approved Budget	Proposed Adjustments	Proposed Budget
Construction, Phase II	\$19,400,000	\$5,948,942	\$25,348,942
Design	1,160,000	-	1,160,000
Contingency	1,900,000	(1,547,000)	353,000
Phase I, plus other work	1,640,000	-	1,640,000
Total	\$ 24,100,000	\$4,401,942	\$28,501,942

- GSD performed the work on Phase II Barnsdall/Hollyhock House improvements to allow for its reopening to the public. Authority for an additional transfer of \$220,000 to GSD is needed for additional emergency work due to last year rains, including mold removal, water leaks and related damage repair, termite damage repair, including repair or replacement of ceilings, wall plaster, wood floors, windows and doors. Sufficient funds for this transfer are available in the project account.
- In December 2000, the City Council approved a \$307 million budget for the Bridge Improvement Program (C.F. No. 00-2433) created within the Seismic Bond Program to strengthen and improve 83 City-owned bridges. Funding came from Highway Rehabilitation and Replacement (HBRR) federal funds, Mandatory Seismic Safety state funds, with Seismic Bond funds serving as the local match. An appropriation of \$8,108,610 from available Seismic HBRR funds to specific project accounts is needed to complete 1 bridge under construction, start construction on 8 bridges, and pay consultants for final design work on 14 bridges.
- Finally, included as Attachments 8 and 9 are "Projected Disbursements and Reimbursements Summary" for the remainder of the Seismic Bond Program and a cash flow projection for the program.

DISCUSSION

VALLEY MUNICIPAL BUILDING & PLAZA

The restoration of the historic Valley Municipal Building, including seismic retrofit, fire life safety and ADA retrofit, as well as new mechanical, electrical and plumbing systems and construction of the new Bernardi plaza is substantially completed.

Construction Status: Staff prepared an analysis of the cost to complete the project, as of April 28, 2005, in order to forecast anticipated budgetary needs. See the Project Cost Report, included as Attachment 1. The status of construction as of the end of April was as follows. First and second floors of the building were completed except for finish work in the new Council District 6 office and ITA work in the Council Chamber. The 3rd to 8th floors had HVAC, electrical and plumbing roughed in, and all partitions in place. All materials for ceiling finish, bathroom finish and flooring were purchased awaiting installation. The Plaza itself was complete less 4 shade structures, and opened for use. The grand stairs and elevated slab on grade still needed to be constructed in the courtyard. The alley remained to be paved.

Budget and Expenditures: In September 2004, the City Council approved a revised total budget of \$24.1 million for the Valley Municipal Building (Van Nuys City Hall) and Plaza (C.F. No. 04-0600-S32). Due to rain impact, added work and price increases described in more detail later in the report, the total cost for the Valley Municipal Building project is now estimated at \$28,501,942, an increase of \$4,401,942 over the previously approved budget. The total budget is recommended to be increased from \$24,100,000 to \$28,501,942.

Though the project had an approved budget of \$24.1 million, appropriations to the project account were done on an as needed basis and as cash was available. Additional appropriations to the Valley Municipal Building and Plaza project accounts are needed to cover the contingency amount that was not appropriated under the original budget, as well as the amount for the budget increase. Savings from City Hall

and other Seismic accounts totaling \$5,948,942 are available to be transferred to the Valley Municipal Building & Plaza project. (See Attachment 4.)

By February 2005, it was apparent that the construction work would exceed the budget and a rough estimate of the need for an additional \$3 million was verbally communicated to the CLA and CAO. However, it was not clear until later that GSD had already exceeded their budget and that amount was not included in the \$3 million estimate. GSD continued working to prevent further damage due to water intrusion into the building, basement and exposed undrained surrounding foundations, and the need to make the building suitable for occupancy. Because the situation was not stable, it was difficult to prepare a comprehensive estimate of the cost to complete the work at that time.

By late April conditions were more stable and we had more confidence in the estimates being solid, as 90% of the building and plaza was complete. As shown in Attachment 1, construction costs incurred as of April 28, 2005 was \$22,578,942, or \$3,178,942 over the \$19.4 million construction budget.

GSD estimated the cost to complete their portion of the building at \$1.3 million. Adding \$500,000 for the remaining communication work, \$220,000 for fixed office furniture and relocation, and \$160,000 for work needed to make the Council Chamber fully functional for regular meetings (add railing, fixed work desks and installation of a big screen monitor, etc.), brought the total cost to complete to \$2,180,000 for the building. GSD estimated the cost to complete the Plaza at \$590,000. The total estimated cost to complete for GSD was \$2,770,000 as of April 28, 2005.

To date, a total of \$19.4 million has been transferred to General Services Department (GSD) for the construction of Phase II. GSD projected an additional cost of \$5,948,942 for the full Phase II construction costs of the building and plaza. This amount is the sum of the \$3,178,942 total over the current budget and the GSD cost to complete of \$2,770,000, which equals \$5,948,942. GSD committed to completing the project within this amount. In order for GSD to cover its obligations for FY 04-05, the City Council approved a Reserve Fund loan to GSD of \$5,948,942 in the Year End Budget Adjustment Report (C. F. No. 04-0600-S56). A transfer of funds is needed to reimburse Seismic Reimbursement Fund 608, since that fund was used to repay the Reserve Fund loan.

Explanation for Budget Increase - The need to increase the budget is the result of several factors, which include added work, rain impact and material price increases impact. A break down is provided in Attachment 2. It should also be noted that the project was originally approved as a "core and shell" improvement, meaning the major portion of the structure did not have tenants or a use identified. The City Council had to determine tenants, and once selected, the costs of the project increased substantially as the finish work had to be done, all in accordance with historic renovation guidelines.

- **Added Work** – Added work included unforeseen conditions and code required work. It also included additional work related to the historic building where the difficulty and quality of work, and amount of coordination needed exceeded normal criteria, requiring more time and labor from GSD than previously estimated. Examples include labor needed to protect existing historic elements in place, to remove others, crate and ship them off site for protection and refurbishing, added labor due to selective demolition and all crafts working in confined spaces due to existing

conditions and preservation of historic elements. Other improvements shown on plans and/or specs but not sufficiently accounted for in GSD estimates included floor covering, treatment of chilled water, access panels, additional switchgears for Valley Municipal Building. For the Plaza, several large items are \$146.7K for Plaza waterproofing, \$186.9K for an extra culvert under Sylmar St., \$66.6K for a grated trench drain in the alley, \$39.3K for soil amendment for the plaza. Added scope of work related to the Council chamber included upgrading to accommodate Council meetings twice a month instead of the originally projected twice a year. This decision occurred as construction was already well underway in the Council chamber. Refer to Attachment 2, Note 2 for details.

Other added scope of work included work not detailed in the plans, but necessary for safety, coherence and completeness of the project as described in Attachment 2, Note 1. In the Plaza, paving not completed by the underground parking contractor, and additional drainage, landscape and lighting in those areas, needed to be completed. The total estimated amount of the added work component of the expenditure increase is \$3,281,678.

- **Rain Impact** - The record rains of this past winter months resulted in an extraordinary amount of protective, repair and repeat work that was not anticipated. In the building, much of the ceiling and wall finish was damaged; some historic ceilings had to be replaced; water entered the basement and elevator shaft. In the Plaza, soils were saturated by the rains, and had to be removed and re-compacted two and three times. Additional pumps, vacuums and protective materials were bought. A substantial amount of additional labor was required to pump water, clean up and prepare for pending rains. Rain impacts also caused delays, which resulted in higher prices for materials. Subsequent clean up, repairs, repeat work were done by specific trades and embedded in the construction costs. The total estimated amount of the rain impact component of the expenditure increase is \$995,250.
- **Price Increases** - Material costs increased beyond expectations due to recent rapid escalation of material costs in the construction field. This fact was aggravated by a change in purchasing processes in GSD in the last year, requiring rebidding of many items, resulting in delays and further cost increases. Quantity of materials needed was also under-estimated. As an example, we had a bid for the shotcrete for \$95,000, installed. We then had to re-bid and the low bid increased to \$135,000. The purchase order could not be issued right away, and in the meantime, the company split up, so we lost the bid. GSD ended up forming and pouring the concrete in place. The concrete purchase alone was \$135,000 three months later, with forms and installation labor provided separately by GSD. The total estimated amount of the price increases component of the expenditure increase is \$1,672,014.
- **Overtime** - Overtime was needed to prepare for anticipated rain events, reduce potential rain damage to the existing structures, and catch up with rain delays and to try to maintain committed schedules. Additionally overtime is unavoidable when sufficient skilled workers are unavailable at the hiring halls and when needed to recover from delays. The primary delays on this project were as a result of the record rain and the changes in GSD's purchase order processing procedures. At this time, GSD has caught up with the schedule and no longer needs overtime. It should be noted that overtime cost is not an added cost to the project dollar for dollar. The costs in overtime are offset by the costs that would be incurred if the

work were done on straight time. The net difference for the project is about 24% greater cost to do work by overtime.

Comparison to other Rehabilitation Projects - In recent years the cost of full retrofit and rehabilitation of a historic building has been about \$300/sq ft. The Valley Municipal Building budget was very low for this type of work at \$203/sq ft initially, later raised to the current \$261/sq ft (see Attachment 1). As mentioned previously, the project was originally approved as a "core and shell" improvement, before a major portion of the structure had tenants or a use identified. The low budget was further impacted by record rains, significant escalation in construction costs and late upgrades to the scope of work. The final estimated cost of \$337/sq ft is not unreasonable under such conditions. In comparison, the same type of work on the historic San Pedro City Hall cost \$231/sq ft 6 years ago. At a conservative escalation of 5% per annum in construction costs, this would equate to \$300/sq ft at today's costs. City Hall was retrofitted at \$287/sq ft 3 years ago, equivalent to \$330/sq ft at today's costs.

BARNSDALL PARK/HOLLYHOCK HOUSE

The Barnsdall Park/Hollyhock House, a City-owned landmark damaged by the 1994 earthquake, was identified as an eligible project for the Seismic Bond Program and was included in the Seismic Bond report to the Council (C.F. No. 98-1960). The total approved budget for this project is \$12,375,000 consisting of 3 phases of work. Phase I was completed, Phase II is current and Phase III is not yet started.

On March 17, 2003, SGC approved \$6,415,355 from the Seismic Bond Fund for the Barnsdall/Hollyhock Phase I Project, which included the seismic repair of six historic structures, including the Hollyhock House and Residence A. Phase I was completed by Recreation and Parks Department through private contracting, with \$1,357,122 savings remaining in the project account. However, Phase I did not address all upgrades and safety issues needed to reopen as a residence museum.

In November 2003, Council approved the transfer of \$300,000 to GSD for a Phase II project to inspect and repair all electrical, plumbing, heating and ventilation systems, abate asbestos, clean and protect historic elements of the Hollyhock House and provide ADA access. The objective was to re-open the Hollyhock House for guided public tours.

In February 2004, while Phase II was underway, it was reported orally to the Seismic Governance Committee that additional emergency work was required due to significant rainwater intrusion causing partial ceiling collapse, with an estimated cost of \$150,000. Mold needed to be mitigated immediately and roof and ceiling repair, sealing and painting of all exterior wood was required due to rain damage aggravated by deferred maintenance. During mold removal work, termite, dry rot, and more water damage were discovered which required further work to replace wood floors, windows and doors.

Expenditures as of April 15, 2005 for Phase II amounted to \$484,000, which is \$184,000 over the \$300,000 transferred earlier to GSD. The majority of the work is completed and only a few items remain like leak repair and termite eradication, which are estimated to be \$22,000 and \$14,000 respectively. A transfer to GSD totaling \$220,000 is now needed to complete Phase II. Sufficient funds for the transfer are available in the project account. (See Attachment 6.)

BRIDGE IMPROVEMENT PROGRAM

Originally, the 83 HBRR funded replacement and widening projects were eligible for 80% reimbursement from FHWA. Approximately one third of those bridges are also categorized as Mandatory Seismic Safety retrofit projects and were to receive another 20% from the state. Due to State Assembly Bill 2996, which took effect in early 2003, the State no longer provides funds for the Mandatory Seismic Safety projects. As a result, the City absorbed the cost by shifting Seismic Bond matching funds away from 26 HBRR projects and reducing the scope of other active projects in order to give priority to the Mandatory Seismic projects (February 19, 2004 SGC Report). The total budget needed to complete the program with the remaining 57 bridges is \$232 million. The first 17 bridges are approved to proceed into construction (August 18, 2004 SGC Report).

An appropriation of \$5,122,087 to project accounts is needed for one bridge in construction and eight bridges in the bid and award phase that are ready to go to construction. An appropriation of \$2,986,523 is needed to pay for final design work either completed or in progress on 14 out of 30 bridges in the design phase. To provide the required funds, it is recommended that funds be transferred primarily from the available balance in the Bridge Program to the necessary accounts. Attachment 3 provides more detailed information and Attachment 7 provides the specific project appropriation instructions.

REPAYMENT OF LOANS FROM GENERAL FUND, RESERVE FUND AND SPECIAL FUNDS TO COVER FY 2004-05 STAFF COSTS

Because the Seismic bond reimbursement could not be processed before the end of Fiscal Year 2004-05, Council approved loans to the following departments from the Reserve Fund (C. F. No. 04-0600-S56):

General Services Department	\$5,948,942	Valley Municipal Bldg.
Board of Public Works	62,000	All Seismic Projects
Bureau of Engineering	<u>300,000</u>	All Seismic Projects
Total Reserve Fund Loan	\$6,310,942	

The Reserve Fund loan to General Services covered their full cost on the Valley Municipal Bldg. The Reserve Fund loans for the Board of Public Works and the Bureau of Engineering covered only partial costs. The Reserve Fund loan repayment was booked as coming from Fund 608, since cash was available. However, the original intent had been to use savings from other bond project accounts to fund portions of the projects, as indicated in Attachment 4. If the Seismic Governance Committee concurs, it is recommended that reimbursement to Fund 608 for the Reserve Fund loan repayment of \$6,310,942 be made as shown in Attachments 5 and 6 in order to reflect expenditures in the correct funds and accounts.

The Board of Public Works costs of \$236,641 not covered by the Reserve Fund loan were covered by various special funds and the General Fund: therefore reimbursements in the amount of \$236,641 to these Funds from Seismic Bond funds is recommended, as shown in Attachment 5.

The Bureau of Engineering costs of \$1,264,440 not covered by the Reserve Fund loan were covered by a loan from the Sewer Construction & Maintenance Fund 761 (SCMF). Reimbursement to the SCMF of that amount from the Seismic Bond funds is recommended, as shown in Attachment 5.

The Bureau of Street Lighting incurred costs on the Bridge Program of \$47,025 covered by a loan from the Street Lighting Maintenance Assessment Fund 347. Reimbursement of that amount from Seismic Bond funds is recommended, as shown in Attachment 5.

In addition, Related Costs totaling \$332,927 will be paid to the General Fund.

SEISMIC FUND PROJECTIONS

As requested by the Seismic Governance Committee the Bureau of Engineering has prepared a table of projected disbursements and reimbursements for the Seismic Bond fund programs (Attachment 8). Note the imbalance amounting to approximately \$4.3 million. Bureau of Engineering will report back to the Seismic Governance Committee with recommendations on resolving this imbalance. Attachment 9 shows the cash flow projection through Fiscal Year 2011-12. Several assumptions have to be made in doing this type of analysis, as we are projecting what will happen several years in the future. This information is provided for discussion purposes. The cash flow will be refined and presented to the Seismic Governance Committee again at a future meeting.

FISCAL IMPACT STATEMENT

There are sufficient funds available in the Seismic Bond funds to cover all project appropriations and fund transfers recommended in this report.

Repayment of \$6,310,942 in Reserve Fund loans from Fund 608 has occurred as part of the fiscal year 2004-05 year end closing. Reimbursement to Fund 608 from the correct project accounts is part of recommendations 4 and 5 of this report.

Funding to reimburse the General Fund by \$351,625 is provided by various Seismic Bonds. Of this amount, \$332,927 is to reimburse the General Fund for related costs. Transfer of \$1,529,408 from Seismic Bond funds to special funds will repay loans made to cover FY 2004-05 staff costs.

RECOMMENDATIONS:

That the Seismic Governance Committee request that the Council, subject to the approval of the Mayor:

1. Approve an increase in the budget for the Valley Municipal Building and Plaza Project, from \$24,100,000 to \$28,501,942, as shown in Attachment 1.
2. Approve the transfer of \$5,948,942, from savings in City Hall and other project accounts in the Seismic bond funds, to the Valley Municipal Building and Plaza Project accounts, as specified in Attachment 4.

3. Approve the transfer of \$1,075,463 to accounts within the Seismic Bond funds as specified in Attachment 4, so that subsequent transactions can be made from the proper accounts.
4. Approve transfer of \$2,243,033 to the General Fund and various special funds for repayment of loans made to cover FY 2004-05 City staff cost reimbursements, and within the various bond funds for Related Costs, as specified in Attachment 5.
5. Approve transfer of \$5,948,942 from various Van Nuys City Hall project accounts to Fund 608 for repayment of the loan made to cover the Department of General Services additional costs on the Valley Municipal Building and Plaza Project so that expenditures are reflected in the correct funds and accounts, as specified in Attachment 6.
6. Authorize the Controller to increase appropriations totaling \$220,000 from Barnsdall Hollyhock House project account to the Department of General Services to finish Phase II on the Hollyhock House, as specified in Attachment 6.
7. Authorize the Department of Public Works Office of Accounting to transfer cash from the bond and special funds to reimburse the General Fund, on an as-needed basis, upon proper demand and upon approval of the Program Manager and the City Administrative Officer for the Hollyhock House Phase II.
8. Within Fund 608-50 Seismic Reimbursement Fund approve the transfer of a total of \$8,108,610 from Account P000 Available Balance HBRR, designating \$5,122,087 for construction of 9 bridges and \$2,986,523 for continuing design of 14 bridges in the Bridge Improvement Program, as specified in Attachment 7.
9. Authorize the City Administrative Officer to make technical corrections as necessary to those transactions included in this report to implement the Mayor and Council instructions.
10. Request the Bureau of Engineering to report back to the Seismic Governance Committee with recommendations on how to balance the approximate \$4.3 million shortfall in anticipated revenues versus expenditures under the Seismic Bond, as shown in Attachment 8.
11. Request the Bureau of Engineering to report back to the Seismic Governance Committee with a refined cash flow projection and recommendations on dealing with the negative cash flow.

PLR:JK:DN:WH:aa
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Attachments

cc: J. Koo, D. Nghiem, W. Harano, M. Yang - BOE
J. Yoxsimer, R. Soto, R. Adams - CAO
R. Morales - CLA
N. Pendorf - GSD

VALLEY MUNICIPAL BUILDING PROJECT (VMB)

PROJECT COST REPORT

	Original Budget CF# 98-1960	Revised Budget CF # 02-2742	Cost/ SF	Revised Budget CF # 04-0600-S32	Cost/ SF	Expenditures As Of April 28, 2005	Cost/ SF	% Expen ded	% Compl ete	Balance	Estimated Cost to Complete (3)	Proposed Revised Budget	Cost/ SF (4)	Total Variance
				A		B				C=A-B	D	E		F=A-E
VMB Construction	\$12,500,000	\$13,000,000	\$203	\$16,700,000	\$261	\$19,410,400	\$303	116%	90%	(\$2,710,400)	\$2,180,000	\$21,590,400	\$337	(\$4,890,400)
Plaza Construction	\$0	\$1,800,000	\$26	\$2,700,000	\$39	\$3,168,542	\$46	117%	85%	(\$468,542)	\$590,000	\$3,758,542	\$54	(\$1,058,542)
Design	\$1,000,000	\$1,200,000		\$1,160,000		\$1,087,000		94%	96%	\$73,000	\$73,000	\$1,160,000		\$0
Contingency not transferred to GSD(1)	\$2,300,000	\$800,000		\$1,900,000		\$353,000		19%		\$1,547,000	\$0	\$353,000	\$6	\$1,547,000
Previous Expenditures(2)	\$700,000	\$700,000		\$1,640,000		\$1,640,000		100%	100%	\$0	\$0	\$1,640,000		\$0
Total	\$16,500,000	\$17,500,000		\$24,100,000		\$25,658,942		106%		(\$1,558,942)	\$2,843,000	\$28,501,942		(\$4,401,942)

Note 1: Expenditures in contingency covers relocation of tenants, 132K, DWP removal of power poles for underground lines, 200K, Virtual Design 21K, with a total of \$353K.

Note 2: A part of previous expenditure was overlooked in total budget. Previous expenditure included previous design fees of \$671K by Tanzmann & Associates for an A&E Report after the 94 EQ and for design of phase 1 EQ repair after the 94 EQ & old phase 2 rehab. It also includes 969K construction of Phase 1 EQ repair after the 94 EQ. The total is \$1,640,000.

Note 3: GSD provided cost to complete from Apr 28th, 2005 of \$1.3 million for the building and \$0.59 for the Plaza. The amount of \$2,180,000 for the building includes \$500,000 cost to complete for ITA, \$220,000 of fixed furniture and a recent change of \$160,000 for 2 projectors, a big screen monitor and for railing and 4 work desks for the Council chamber.

Note 4: The final cost of \$337/sft to retrofit and restore the historic 64,000 sft VMB is reasonable considering record rains and unusual price increases in the construction industry. For comparison, the 80,000sft San Pedro City Hall was retrofitted and rehabilitated at \$231/sft 6 years ago. At a conservative escalation of 5% per annum in construction costs, this cost would have been \$300/sft at today's cost. The 910,000 sft main City Hall was retrofitted at \$287/sft 3 years ago, the equivalent of \$330/sft at today's cost.

Note 5: The total transfer of \$5,948,942 to GSD to complete the project consists of the existing construction overrun of \$3,178,942 (2,710,400+468,542) plus all costs to complete except for \$73,000 used by BOE to pay the consultants (2,843,000-73,000=\$2,770,000).

VALLEY MUNICIPAL BUILDING (VMB)

Reasons for Additional Funding Needs for VMB and Plaza

Category	VMB	Plaza	Total	Comments
Added Work				
Unforeseen Conditions	\$171,623	\$32,614	\$204,237	
Code Required	\$328,953	\$24,718	\$353,671	
Additional work related to historic building, and other specialized improvements.	\$1,022,937	\$491,164	\$1,514,101	Note 3
Added Scope in Council Chambers	\$701,979	\$0	\$701,979	Note 2
Other Added Scope	\$430,343	\$77,347	\$507,690	Note 1
Subtotal	\$2,655,835	\$625,843	\$3,281,678	
Rain Impact				
Protection, Clean Up, Demo, Repair, Repeat Work. Impact on schedules	\$580,000	\$415,250	\$995,250	Includes preventive and subsequent protection during rain, repair, repeat work, demo and replacement, and catching up with rain delays.
Subtotal	\$580,000	\$415,250	\$995,250	
Material Price Increases Impact				
Under-estimated material price increases	\$1,654,565	\$17,449	\$1,672,014	Material cost incurred increased beyond prediction due to recent considerable price increases in the construction field. This fact was aggravated by a change in purchasing processes in GSD in the last year, requiring rebidding of many items, resulting in delays and further cost increases. Quantity of materials needed was also under-estimated. Total increase in material costs for VNCH is 38% above GSD previous estimates.
Subtotal	\$1,654,565	\$17,449	\$1,672,014	
Grand Total	\$4,890,400	\$1,058,542	\$5,948,942	

Note 1: Covers unforeseen conditions beyond the scope of the plans but necessary to the project for coherence, safety and durability, such as removing and restoring tower windows, strip and repair front entrance, strip door frames and cabinets in place, restore shower, add shotcrete and concrete walls, service existing plumbing fixtures, demo additional unstable hollow clay walls, reroute sewers, clean existing exhaust ducts. For the Plaza, \$50.1K was needed for paving not completed by the previous contractor, \$17.9K to complete the landscape adjacent to that area, The remaining was used to add and improve drainage in the plaza.

Note 2: Includes \$301,566 for CD6 TI build out; \$125,645 for Council chamber additional conduits and outlets build out for Channel 35, CLA and conference room build out, and bullet proof window; an additional \$114,768 for council furniture upgrade. Also includes May 12th,05 changes to add 4 work desks with telephone and data, a wood rail and other stanchions and ropes, and purchase and mounting of 2 projectors and a big screen monitor; all for \$160,000.

Note 3: This increase in the building is attributed to the low initial estimates for labor for this type of historic restoration, where the difficulty and quality of work, and amount of coordination needed exceed normal criteria, requiring more time and labor from GSD than previously estimated. Includes labor needed to protect existing historic elements in place, to remove others, crate and ship them off site for protection and refurbishing, added labor due to selective demolition and all crafts working in confined spaces due to existing conditions and preservation of historic elements. Other improvements shown on plans and/or specs but not sufficiently accounted for in GSD estimates include floor covering, treatment of chilled water, access panels, additional switchgears for VMB. For the Plaza, several large items are \$146.7K for Plaza waterproofing, \$186.9K for an extra culvert under Sylmar St., \$66.6K for a grated trench drain in the alley, 39.3K for soil amendment for the plaza.

ATTACHMENT 3 – BRIDGE IMPROVEMENT PROGRAM DETAIL STATUS

BRIDGE IMPROVEMENT PROGRAM

Originally, the 83 HBRR funded replacement and widening projects were eligible for 80% reimbursement from FHWA and 27 bridges that are also categorized as Mandatory Seismic Safety retrofit projects were to receive another 20% from the state. Due to State Assembly Bill 2996, which took effect in early 2003, the State no longer provides funds for the Mandatory Seismic Safety projects. As a result, the City absorbed the cost by shifting Seismic Bond matching funds away from the now 26 on-hold HBRR projects and reducing the scope of other active projects in order to give priority to the Mandatory Seismic projects (February 19, 2004 SGC Report). The total budget needed to complete the program with 57 bridges is \$232 million.

The first 17 bridges were approved for construction in the August 18, 2004 SGC action and their status are as follows: 2 in construction, 4 deferred by Caltrans to future years due to State-wide HBRR cash flow and ranking issues, 1 awaiting for Caltrans Construction Authorization, 4 in bid and award phase that are partially funded, and 6 in bid and award phase needing construction funding at this time. The projects are further detailed below:

2 In Construction:

Vanowen St Bridge Widening over Aliso Creek in Construction

Construction is 80% complete. No additional funds are needed.

Victory Bl Bridge Retrofit over LA River Bridge in Construction

Construction is 10% complete. Approved budget is \$1.0 million and \$800,000 has been transferred previously. \$200,000 in fund transfer is needed to complete construction.

4 Deferred by Caltrans

Glenoaks Bl, Owensmouth Ave, Laurel Cyn Bl, and Vanowen/Bull Bridge

Widenings

Whether these projects will actually be funded by Caltrans or not is still pending

1 Waiting for Caltrans Construction Authorization

182nd St Bridge Retrofit over Dominguez Channel

A revision in environmental document is needed before Caltrans will authorize.

4 In Bid and Award Partially Funded

Avenue 19 E & West Bridge Replacements over Arroyo Seco in Bid and Award

The existing side by side bridges will be replaced with one structure. The approved budget is \$7.0 million with a construction budget of \$5.7 million. A net increase of \$2.6 million in budget is needed to award construction to the apparent low bidder. The revised total budget will be \$9.6 million. To offset the increase, the budget on 2 other projects in the program will be

adjusted so that the overall program will remain at \$232 million per the August 18, 2004 SGC report. The duration of construction is estimated to be two years. \$4.2 million has already been transferred previously for construction. An additional transfer of \$500,000 is needed to award and have sufficient funding for FY05/06. It is estimated that approximately \$3.6 million will be needed for FY06/07. This fund allocation by fiscal year approach will help the overall cash flow situation. Caltrans has indicated that they are willing to fund 80% of the cost increase. Hence, Seismic Bond 20% match portion of the \$2.6 million increase is \$520,000.

Award

Saticoy and Strathern Bridge Widenings over Aliso Creek in Bid and
For each bridge, the approved budget is \$1.25 million with a construction budget of \$1.0 million each. Apparent low bids came in on target. \$800,000 has already been transferred previously for construction as is adequate for now. \$200,000 transfer on the remaining funds for each bridge will be requested in the future.

6 In Bid and Award Needing Funds

Mason, Corbin and Cangoa Ave Bridge Widenings in Bid and Award
Construction bids for these projects will be opened this month. Each of the three projects has the same current authorized budget of \$2.5 million with a construction budget of \$2.2 million. \$1,000,000 is fund transfer is needed now for each of the three projects to award and have sufficient funding until the end of the calendar year. The balance of the needed funding which is \$1,250,000 for each bridge will be requested in the future.

Riverside Dr., Devonshire and La Cienega Blvd Bridge Retrofits in Bid and Award

Construction bids for these projects will be opened next month. Each of the three projects has the same current authorized budget of \$750,000 with a construction budget of \$500,000. \$484,000, \$462,117, \$475,970 respectively are needed for each of the three projects to award and pay for partial unpaid final design cost incurred. At this time we are estimating that these requested fund transfers will be sufficient to complete construction.

Bridges in Design Phase

Funding for \$2,986,523 is needed at this time to pay consultants for design work already committed for 14 bridge projects out of 30 in the design phase (see Attachment 9). It is anticipated this fund will cover costs for the next three months. Most of these projects are nearing completion of final design or seismic strategy. Requests for additional funding to cover remaining design and right-of-way will be presented in the future.

Seismic Bond Program - Transfers Between Accounts Within the Same Fund

FROM		TO	
<u>FUND/DEPT/ACCOUNT</u>	<u>Amount</u>	<u>FUND/DEPT/ACCOUNT</u>	<u>Amount</u>
Transfer to Van Nuys Muni Bldg			
<u>175/50 - Recr & Park GOB SER93A Const.</u>			
175/50/P184 Street Lighting	12,423	175/50/P437 Van Nuys City Hall	12,423
<u>182/50 - GOB SER93A Seismic Imp Const.</u>			
182/50/H210 City Hall	172,870		
182/50/H211 City Hall Relocation	65,159		
Sub total	238,029	182/50/H437 Van Nuys City Hall	238,029
<u>184/50 - GOB SER94A Seismic Imp Const.</u>			
184/50/J210 City Hall	545,933		
184/50/J211 City Hall Relocation	95,933		
184/50/J212 City Hall Project Mgt.	155,000		
184/50/S076 Staff Cost - Con Ad	8,361		
Sub total	805,227	184/50/J437 Van Nuys City Hall	805,227
<u>189/50 - GOB SER95A PW Proj Const.</u>			
189/50/K210 City Hall	533,159		
189/50/K211 City Hall Relocation	2,383,227		
189/50/K212 City Hall Project Mgt.	18,689		
189/50/K440 City Hall Communications	1,936,440		
Sub total	4,871,515	189/50/K437 Van Nuys City Hall	4,871,515
<u>608/50 - GOB Seismic Bond Reimb Fund</u>			
608/50/P211 City Hall Relocation	6,525		
608/50/P217 CH Relocation Contract	15,223		
Sub total	21,748	608/50/P437 Van Nuys Municipal Bldg.	21,748
Total Transfer to Van Nuys Muni Bldg	5,948,942		5,948,942
Transfers within Funds to Cover Staff Cost Reimbursements			
<u>189/50 - GOB SER95A PW Proj Const.</u>			
189/50/R184 Bu. Of Street Lighting	78,951		
189/50/S072 Staff Cost - Bu. Of Acctg	25,216		
Sub total	104,167	189/50/W074 Staff Cost - Board of PW	104,167
189/50/S078 Staff Cost - BOE	467,869	189/50/W078 Staff Cost - BOE	467,869
189/50/K211 City Hall Relocation	309,397	189/50/K000 Available Balance, HBRR	309,397
<u>608/50 - GOB Seismic Bond Reimb Fund</u>			
608/50/0001 Available Balance, Buildings	46,189	608/50/W074 Staff Cost - Board of PW	46,189
608/50/0001 Available Balance, Buildings	5,852		
608/50/P211 City Hall Relocation	80,117		
608/50/P217 CH Reloc Contract	61,872		
Sub total	147,841	608/50/W078 Staff Cost - BOE	147,841
Total Transfers within Funds for Staff Reimbu	1,075,463		1,075,463

Seismic Bond Program - Repayment of Special Fund Loans and General Fund for FY 04-05 Staff Cost Reimbursements

FROM		TO	
FUND/DEPT/ACCOUNT	Amount	FUND/DEPT/ACCOUNT	Amount
Seismic Buildings			
189/50/W074 Staff Cost - Board of PW	104,167	608/50/RSRC 4690 Seismic Reimbursement (BPW)	62,000
		511/50/RSRC 4690 Seismic Reimbursement (BPW)	42,167
		Sub Total	104,167
608/50/W074 Staff Cost - Board of PW	21,402	761/50/RSRC 4690 Seismic Reimbursement (BPW)	21,402
Total BPW	125,569	Total BPW Reimbursement	125,569
189/50/W078 Staff Cost - BOE	464,202	608/50/RSRC 4690 Seismic Reimbursement (BOE)	300,000
		761/50/RSRC 4690 Seismic Reimbursement (BOE)	164,202
		Total BOE Reimbursement	464,202
189/50/W078 Staff Cost - BOE	3,667	189/50/W299 Related Costs	3,667
608/50/W074 Staff Cost - Board of PW	24,787		
608/50/W078 Staff Cost - BOE	67,724		
Sub Total	92,511	608/50/W299 Related Costs	92,511
Total Seismic Buildings	685,949		685,949
FEMA Hazard Mitigation			
608/50/W078 Staff Cost - BOE	69,381	761/50/RSRC 4690 Seismic Reimbursement (BOE)	69,381
608/50/W078 Staff Cost - BOE	10,736	608/50/W299 Related Costs	10,736
Total FEMA Hazard Mitigation	80,117		80,117
Bridge Improvement Program			
189/50/K000 Available Balance, HBRR	309,397	761/50/RSRC 4690 Seismic Reimbursement (BOE)	309,397
608/50/P000 Available Balance, HBRR	941,557	761/50/RSRC 4690 Seismic Reimbursement (BOE)	721,460
		100/74/RSRC 4690 Seismic Reimbursement (BPW)	18,698
		511/50/RSRC 4690 Seismic Reimbursement (BPW)	3,361
		761/50/RSRC 4690 Seismic Reimbursement (BPW)	716
		206/50/RSRC 4690 Seismic Reimbursement (BPW)	61,465
		347/50/RSRC 4690 Seismic Reimbursement (BPW)	55,657
		760/50/RSRC 4690 Seismic Reimbursement (BPW)	33,175
		347/84/RSRC 4690 Seismic Reimbursement (BSL)	47,025
		Sub Total	941,557
608/50/P000 Available Balance, HBRR	226,013	608/50/W299 Related Costs - BOE	182,321
		608/50/W299 Related Costs - Accounting	34,099
		608/50/W299 Related Costs - Street Lighting	9,593
		Sub Total	226,013
Total Bridge Improvement Program	1,476,967		1,476,967
Total Staff Cost Reimbursements	2,243,033		2,243,033

**Seismic Bond Program - General Services Dept.
 Repayment of Special Fund Loan for Valley Municipal Bldg
 Transfer to GSD for Barnsdall Hollyhock House**

FROM		TO	
<u>FUND/DEPT/ACCOUNT</u>	<u>Amount</u>	<u>FUND/DEPT/ACCOUNT</u>	<u>Amount</u>
Valley Municipal Building			
<u>Van Nuys City Hall Project Funds</u>			
175/50/P437 Van Nuys City Hall	12,423		
182/50/H437 Van Nuys City Hall	238,029		
184/50/J437 Van Nuys City Hall	805,227		
189/50/K437 Van Nuys City Hall	4,871,515		
608/50/P437 Van Nuys Municipal Bldg.	21,748		
	<u>Total</u>	608/50/RSRC 469 Seismic Reimbursement (GSD)	<u>5,948,942</u>
	<u>5,948,942</u>		

Barnsdall Park - Hollyhock House

<u>608/50 - GOB Seismic Bond Reimb Fund</u>		<u>Department of General Services</u>	
608/50/P537 Barnsdall Hollyhock House	<u>220,000</u>	100/40/1101 Construction Hiring Hall Salaries	100,000
		100/40/1121 Hiring Hall Fringe Benefits	30,000
		100/40/3180 Construction Materials and Supplies	<u>90,000</u>
		Sub Total	<u>220,000</u>

Seismic Bond Program - Transfer of Available HBRR Funds to HBRR Projects

FROM		TO	
<u>FUND/DEPT/ACCOUNT</u>	<u>Amount</u>	<u>FUND/DEPT/ACCOUNT</u>	<u>Amount</u>
608/50 - GOB Seismic Bond Reimb Fund			
608/50/P000 Available Balance, HBRR	8,108,610	608/50/S600 BIP Foothill /T Wsh-2300	378,122
		608/50/S625 BIP-Soto S./Mission-0013	59,600
		608/50/S628 BIP-1st S/Glendale-0045	216,182
		608/50/S633 BIP Tampa Av/LA-1335	50,000
		608/50/S638 BIP-Soto S/Valley-0011	40,000
		608/50/S658 BIP-N.Spring S/LA-0859	317,000
		608/50/S659 BIP-Riverside Dr/LA-0160	281,000
		608/50/S660 BIP Riverside/LA-1932	232,000
		608/50/S664 BIP-Glendale HYP/FWY-1881	48,251
		608/50/S668 BIP-Hyp / Riv S -1882	150,000
		608/50/S673 BIP-N.MAIN S/LA-1010	221,726
		608/50/S694 BIP-Fletcher D/LA-S0096	193,000
		608/50/S701 BIP-First S/LA R-1166	349,642
		608/50/S703 BIP-Sixth S/LA S-1880	450,000
		Sub Total - Design	<u>2,986,523</u>
		608/50/S603 BIP-Canoga Av/LA-1116	1,000,000
		608/50/S604 BIP-Corbin Av/LA-1144	1,000,000
		608/50/S606 BIP-Mason Av/LA-1244	1,000,000
		608/50/S629 BIP AVE 19 EAST - 1090	250,000
		608/50/S630 BIP-AVE 19 WEST-1091	250,000
		608/50/S649 BIP-La Cienega/BCK - 1220	475,970
		608/50/S675 BIP-Devonshire S/P WSH-1152	462,117
		608/50/S688 BIP-Riverside / T Wsh S-1299	484,000
		608/50/S696 BIP-Victory Blvd/La River	200,000
		Sub Total - Construction	<u>5,122,087</u>
Total Transfer Within HBRR Funds	8,108,610		8,108,610

Projected Disbursements and Reimbursements Summary - Attachment 8

6/3/2005

Needs based on remaining work and status:

Total

Buildings (5 projects)

1	Van Nuys City Hall	\$	5,948,942
2	Echo Park Recreation Center in final design, amount needed to fund construction	\$	880,000
3	Northridge Pool in final design, amount needed to fund construction	\$	2,500,000
4	Camp Radford in final design, amount needed to fund construction	\$	977,229
5	Hollyhock House Phase 3 in pre-design, amount needed to fund design & constr	\$	2,574,391
6	Staff Cost	\$	1,532,066
	Subtotal	\$	14,412,628

Bridges

1	17 bridges ready for construction, amount needed to fund construction (1st group)	\$	22,098,614
2	30 bridges currently in design, amount needed to continue designs	\$	2,986,523
3	30 bridges currently in design, amount needed for final designs & ROW	\$	17,623,125
4	4 of 30 bridges construction costs, amount needed Jan 2006 (2nd group priority)	\$	31,200,000
5	4 of 30 bridges construction costs, amount needed Jan 2007 (3rd group priority)	\$	19,200,000
6	8 of 30 bridges construction costs, amount needed Jan 2008 (4th group priority)	\$	31,400,000
7	8 of 30 bridges construction costs, amount needed Jan 2009 (5th group priority)	\$	29,350,000
8	6 of 30 bridges construction costs, amount needed Jan 2010 (final 6th group priority)	\$	15,400,000
9	Staff Cost - BOE, BSL, Con Adm, DOT, Cultural Affairs	\$	19,388,758
10	Program Support and Overhead	\$	3,500,000
	Subtotal	\$	192,147,020

Bridges - 9 projects design completed

1	9 bridges ready for construction, match amount needed to fund complete construction	\$	2,433,271
	Subtotal	\$	2,433,271

Funds Remaining including interest and anticipated reimbursements:

Total

Available Cash

1	Seismic Bond Available Cash	\$	12,771,505
2	Interest Income	\$	1,500,000
3	Recreation and Parks Available Cash	\$	583,102
	Subtotal	\$	14,854,607

Existing Inactive Accounts

1	City Hall-related, Part I	\$	3,027,407
2	City Hall-related, Part II	\$	4,405,334
3	Olvera Street	\$	524,545
4	Others Remaining	\$	6,476,875
5	Loan Receivable from Life Safety Fire Bond	\$	4,000,000
6	P000-Available Balance-HBRR in Fund 608	\$	8,332,076
	Subtotal	\$	26,766,237

Building Reimbursements

1	Van Nuys City Hall	\$	4,348,720
2	City Hall Retention (\$12.5M Potential)	\$	7,000,000
3	FEMA 145 Remaining	\$	632,818
	Subtotal	\$	11,981,538

Bridge Reimbursements

1	Design Appropriations not expended (75% of NTP issued \$27,056,218 + City Staff Costs \$7,455,924 - Amounts Billed \$21,129,987) + (Amounts billed-collected)	\$	5,094,923
2	17 bridges in group 1	\$	21,037,500
3	4 of 30 bridges in group 2	\$	23,400,000
4	4 of 30 bridges in group 3	\$	14,400,000
5	8 of 30 bridges in group 4	\$	23,550,000
6	8 of 30 bridges in group 5	\$	22,012,500
7	6 of 30 bridges in final group 6	\$	11,550,000
8	30 bridges - continue designs	\$	2,239,892
9	30 bridges - final designs & ROW	\$	13,217,344
10	Staff cost	\$	14,541,569
	Subtotal	\$	151,043,727

Revenues - Expenditures (unfavorable Variance)

(\$4,346,810)

SEISMIC BOND FUNDS PROJECTED DISBURSEMENTS AND REIMBURSMENTS SCHEDULE BY FISCAL YEAR - Attachment 9									
As of June 2, 2005									
	Fiscal Year 04-05	Fiscal Year 05-06	Fiscal Year 06-07	Fiscal Year 07-08	Fiscal Year 08-09	Fiscal Year 09-10	Fiscal Year 10-11	Fiscal Year 11-12	Total
Funding Sources		25,518,566.72	11,779,474.72	17,076,909.72	10,426,909.72	1,293,638.72	(11,881,361.28)	(22,055,652.28)	
Available Funds from Prior Year									
Available Cash as of 03/31/05									
Engineering	\$ 12,771,505								\$ 12,771,505
Interest Income	\$ -	\$ 1,000,000	\$ 500,000						\$ 1,500,000
Recreation & Park	\$ 583,102								\$ 583,102
Existing Inactive Accounts									
City Hall Related	\$ 3,027,407								\$ 3,027,407
City Hall Related	\$ 4,405,334								\$ 4,405,334
Olivera Street	\$ 524,545								\$ 524,545
Others-Remaining	\$ 6,476,875								\$ 6,476,875
Loan Receivable - Fire Bond	\$ 4,000,000								\$ 4,000,000
Bridge Reimbursements Received Already at P000-Available Balance	\$ 8,332,076								\$ 8,332,076
Building Reimbursements									
FEMA 145			\$ 632,818						\$ 632,818
City Hall Retention				\$ 7,000,000					\$ 7,000,000
Van Nuys City Hall			\$ 4,348,720						\$ 4,348,720
Estimated Future Reimbursements to be Received from Bridge Program	\$ 1,698,308	\$ 17,509,165	\$ 22,664,912	\$ 16,650,000	\$ 20,700,000	\$ 28,875,000	\$ 25,237,500	\$ 17,708,843	\$ 151,043,728
Total Available Funds	\$ 41,819,152	\$ 44,027,732	\$ 39,925,925	\$ 33,726,910	\$ 38,126,910	\$ 30,168,639	\$ 13,356,139	(\$4,346,809.28)	\$ 204,648,110
Appropriation Required									
FEMA Projects									
Van Nuys City Hall	\$ 5,948,942								\$ 5,948,942
Echo Park Recreation		\$ 880,000							\$ 880,000
Northridge Pool Final Phase		\$ 2,500,000							\$ 2,500,000
Camp Radford Final Phase		\$ 977,229							\$ 977,229
Hollyhock House Phase III		\$ 2,574,391							\$ 2,574,391
Staff Salaries	\$ 766,066	\$ 766,000							\$ 1,532,066
Bridge Projects									
17 Bridges Construction	\$ 5,122,087	\$ 10,127,512	\$ 6,849,015						\$ 22,098,614
30 Bridges to Cont Design	\$ 2,986,523	\$ 9,023,125							\$ 12,009,648
30 Bridges for Final Design & ROW		\$ 2,600,000							\$ 2,600,000
4 Bridges Construction			\$ 12,300,000						\$ 12,300,000
4 Bridges Construction				\$ 19,100,000					\$ 19,100,000
8 Bridges Construction					\$ 31,800,000				\$ 31,800,000
8 Bridges Construction						\$ 37,950,000			\$ 37,950,000
6 Bridges Construction							\$ 31,400,000		\$ 31,400,000
Staff Cost - BOE, BSL, Con Adm, DOT, Cultural Affairs	\$ 1,476,967	\$ 2,000,000	\$ 2,500,000	\$ 3,000,000	\$ 3,500,000	\$ 3,500,000	\$ 3,411,791		\$ 19,388,758
Program Support and Overhead	\$ -	\$ 500,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000		\$ 3,500,000
9 Bridges Waiting for Construction		\$ 300,000	\$ 600,000	\$ 600,000	\$ 933,271				\$ 2,433,271
Total Appropriation Required	\$ 16,300,585	\$ 32,248,257	\$ 22,849,015	\$ 23,300,000	\$ 38,833,271	\$ 42,050,000	\$ 35,411,791	\$ -	\$ 208,992,919
Funds Available	25,518,566.72	11,779,474.72	17,076,909.72	10,426,909.72	1,293,638.72	(11,881,361.28)	(22,055,652.28)	(4,346,809.28)	(4,346,809.28)