


0150-09671-0002

**TRANSMITTAL**

TO The Council	DATE 2/28/17	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	

**Project Management/Construction Management Services for Public Safety Facilities**

Transmitted for your consideration. See the City Administrative Officer report attached.



MAYOR

(Ana Guerrero)

RHL:ACG:05170083

**Report From**  
**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**  
**Analysis of Proposed Contract**  
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 02-27-17	C.D. No. N/A	CAO File No.: 0150-09671-0002
Contracting Department/Bureau: Bureau of Engineering		Contact: Allan Kawaguchi	
Reference: Board of Public Works action on February 15, 2017; referred by the Mayor			
Purpose of Contract: To continue project management/construction management (PM/CM) services for Police Facility projects			
Type of Contract: ( ) New contract (X) Amendment		Contract Term Dates: February 18, 2017 to February 18, 2020	
Contract/Amendment Amount: \$18,000,000			
Proposed amount \$ 0.00 + Prior award(s) \$ \$18,000,000 = Total \$ 18,000,000			
Source of funds: Proposition Q Citywide Public Safety Facilities Funds; MICLA Funds			
Name of Contractor: Turner/Jenkins, Martinez, Gale, A Joint Venture (Turner/JGM)			
Address: 555 W 5 <sup>th</sup> Street, Suite 3700, Los Angeles, CA 90013			
	Yes	No	N/A*
1. Council has approved the purpose	X		
2. Appropriated funds are available	X		
3. Charter Section 1022 findings completed	X		
4. Proposals have been requested	X		
5. Risk Management review completed	X		
6. Standard Provisions for City Contracts included	X		
7. Workforce that resides in the City: %			
			*N/A = not applicable ** Contracts over \$100,000

**COMMENTS**

In March 2002, the voters approved Proposition Q, authorizing the issuance of \$600 million in General Obligation Bonds to finance the construction and renovation of public safety facilities throughout the City. The bond measure provided for the replacement of five police stations, construction of two new police stations, a new Emergency Operations/Police Operations/Fire Dispatch Center, a new metropolitan jail, two bomb squad facilities and renovation of police and fire facilities citywide.

In January 2003, the City Council approved a contract with Turner/JGM to provide PM/CM services to the Police Facilities program (C.F. 02-1153). Turner/JGM was selected through a competitive bid process conducted in the Fall of 2002. The initial contract term was for seven years with two one-year renewal options in a contract amount not to exceed \$16,500,000. Both one-year renewal options were exercised and in August 2012, the Council authorized a five-year extension of the contract through February 17, 2017 and increased maximum compensation by \$1.5 million, to \$18,000,000.

All original projects authorized under the Proposition Q program were completed. Using program savings and interest accruals, the Mayor and Council subsequently added three new projects consisting of a new Northeast Police Station and renovations at the Police Academy and the Old

		
ACG Analyst 0150-09671-0002	Assistant CAO	City Administrative Officer

Rampart Police Station (to be the site of the Police Department Metro Division Headquarters). These three new projects are substantially completed, but the Turner/JGM's services are still needed to close out these projects. In addition, the 2016-17 Adopted Budget includes \$9.68 million in MICLA funding to construct a parking structure at the new Northeast Police Station. The contractor's PM/CM services will be utilized for that project as well.

Through December 31, 2016, BOE reports that \$16,357,848 of the \$18,000,000 contract ceiling has been expended. In the period covered by the contract extension, BOE expects that \$1,387,265 will be expended, which will leave a savings of almost \$255,000.

There is a need for Council approval because the contract term, as amended, would exceed five years from the date of execution of the initial contract, and the estimated or actual payments by the City exceed \$100,000, adjusted annually in accordance with the consumer price index (Los Angeles Administrative Code, Section 10.5 (c) 2).

## **RECOMMENDATION**

That the Council, subject to the approval of the Mayor, approve and authorize the President or two members of the Board of Public Works, to execute Amendment No. 2 to contract No. C-104390 between the City and Turner/Jenkins, Martinez, Gale, a Joint Venture to extend the contract term for three years through February 18, 2020, in an amount not to exceed \$18,000,000, subject to the approval of the City Attorney.

## **FISCAL IMPACT STATEMENT**

The proposed amendment extends the term of the Program Management/Construction Management contract between the City and the above-referenced consulting term, with no fiscal impact on the General Fund. The maximum compensation of \$18 million for these services are paid by the Proposition Q General Obligation Bond and MICLA Bond funds.

## **DEBT IMPACT STATEMENT**

In the 2017-17 Adopted Budget, \$9.68 million in Municipal Improvement Corporation of Los Angeles (MICLA) financing was approved for the Northeast Police Station Parking Garage project, with subsequent reauthorization in the 2016-17 First Construction Projects Report (C.F. 16-1114). The amount of about \$65,000, in this contract, from the previously established \$18 million contract ceiling, will be paid from the MICLA Commercial Paper (CP) Program (Fund 298).

The issuance of MICLA Bonds is a General Fund Obligation. The issuance of \$9.68 million in long term, fixed rate MICLA Bonds is approximately \$16.2 million in total cost. This amount includes the borrowing amount and interest of \$6.52, assuming a 5.5% interest rate over 20 years. These issuances would not cause the City to exceed its 6% non-voter approved debt ceiling.