

0220-05117-0015

TRANSMITTAL

TO Council	DATE 11-04-15	COUNCIL FILE NO. 14-1728-S1
FROM Municipal Facilities Committee		COUNCIL DISTRICT 14

At its meeting of October 29, 2015, the Municipal Facilities Committee (MFC) considered a request from the Department of General Services (GSD) for authorization to negotiate and execute a sole source contract with CBRE, Inc. for project management oversight of the restacking project at 201 North Figueroa Street. After discussion, the MFC amended the recommendations contained in the GSD report as follows:

That the Council, subject to approval of the Mayor:

1. Authorize GSD to proceed with Phase 3B – relocation of LAPD Internal Affairs from the Bradbury Building to the 15th and 16th floors at an estimated cost of up to \$4.5 million to be completed by April 30, 2016;
2. Authorize GSD to proceed with Phase 4 – relocation of City Attorney Family Violence from Lyons Reyes to the 13th floor at an estimated cost of up to \$1.5 million to be completed by June 30, 2016;
3. Direct GSD to issue the necessary termination notices and use \$700,000 in savings from its Contractual Services Account and \$316,000 in savings from its Leasing Account to offset the project deficit, as necessary;
4. Authorize GSD to negotiate and execute a sole source contract with CBRE which includes project management, space planning and tenant improvements for Phases 3B and 4 for a total of \$6 million, subject to approval of the City Attorney as to form;
5. Instruct Building and Safety and Planning (Development Services Departments) to report to MFC on a plan to address a projected deficit of \$416,878 for Phases 1 and 2; and
6. Instruct GSD to report back on the master schedule, any change in scope and any significant change to the budget, until project completion.

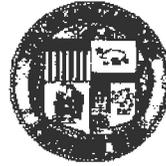
This matter is hereby transmitted for Council consideration.



Miguel A. Santana
City Administrative Officer
Chair, Municipal Facilities Committee

CITY OF LOS ANGELES
CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



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October 29, 2015

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 395, City Hall
Los Angeles, CA 90012

Attention: Maria Espinosa, Legislative Assistant

**FIGUEROA PLAZA 201 RESTACK PROJECT
MONTHLY UPDATE STATUS REPORT FOR OCTOBER 2015
AND REQUEST FOR AUTHORITY TO PROCEED WITH PROJECT PHASE
FOR LOS ANGELES POLICE DEPARTMENT ON 15TH AND 16TH FLOORS**

BACKGROUND

This report summarizes the overall activities and progress for the Fig Plaza 201 Restack Project through October 29, 2015. It provides updates on schedule, budget, status, program management, and key issues. This report will be updated and presented to the Municipal Facilities Committee (MFC) on a monthly basis through completion.

- ◆ The Department of General Services (GSD) is now requesting authority to implement plans for Phase 3B for the Los Angeles Police Department (LAPD) Internal Affairs Group (IAG) and Professional Standards Bureau (PSB), coming from leased space at the Bradbury Building. These units will occupy the 15th and 16th Floors of the 201 tower at Figueroa Plaza.
- The MFC approved the revised 201 stack plan in June 2015. A request to execute a contract with CBRE for project management oversight for Phase 1 was approved by the MFC in July 2015, Phase 1.5 in August 2015 and Phases 2 and 3A in September 2015. The City Council approved the Phase 1 contract on August 19th, Phase 1.5 on September 16th, and Phases 2 and 3A on October 21st.

Master Project Schedule

- Phase 1 is on schedule to be completed by October 30th, coinciding with completion of the 2nd through 8th floors of the 221 tower. All of the TwoCal occupants will vacate prior to October 31, 2015.
- ◆ Because of the greatly reduced scope for construction in Phase 1.5, to prepare the 12th floor for the LAFD, and the smaller renovation of Suite 210, also for LAFD, completion is expected to be by early January 2016 and January 31, 2016, respectively.
- ◆ LADBS Plan Check has approved plans for Phases 1.5 and 2. Phase 3A will not go through plan check because there is no building construction in this phase, only carpet and paint.
- ◆ At the request of LAPD, Phase 3A schedules for suites 650, 675 and 690 are being accelerated. This is possible because LAPD has agreed to use these suites as-is, with only carpet, paint, furniture and minor electrical work being done. Suites 675 and 690, currently vacant, are being prepared for LAPD Ombuds (Ombuds staff will occupy suite 675 and conferencing space in 690 being shared with Force Investigation Division (FID) who will be in Suite 650). The move-in date for Ombuds is expected to be December 3, 2015. Suite 650 for FID will be completed by early January 2016.
- ◆ Space planning for Phase 3B for the LAPD IAG and PSB units is currently being reviewed by the user groups. At this time the anticipated completion date of April 30, 2016 is still on target.
- ◆ The schedule for Phase 5 moving City Attorney Family Violence and Victim Assistance units from the Reyes-Lyons Building is being moved up to a June 30, 2016 completion, as the lease for this space is currently month-to-month.
- ◆ The Gantt chart attached has been updated to reflect the current schedule for Phase 1, now under construction, the projected schedule for Phases 1.5, 2 and 3A, and the projected schedules for Phases 3B through 5 once they are approved by the MFC and funding is provided.
- ◆ Based on these changes, the revised phase schedules are as follows:

PHASE	SCOPE OF WORK	EXPECTED COMPLETION
1	Relocate LADBS Risk & Records Management from Two California Plaza to Floors 13 & 14	10/31/2015
1.5	Relocate LAFD units (Professional Standards Div., Fire Facilities, Risk Mgt. & Homeland Security) to Floor 12	1/5/2016
1.5	Relocate LAFD Development Services to Suite 210	1/31/2016

- ◆ = New item
- = Previous item

PHASE	SCOPE OF WORK	EXPECTED COMPLETION
2	Create an entire Floor 5 space for the Development Services Center for LADBS, Planning & DOT plan check	1/15/2016
3A	Create new space for LAPD Ombuds from PAB to Floor 6	12/3/2016
	Create new space for LAPD Force Investigation Division to relocate from temporary space on Floor 15 to Floor 6	1/15/16
3B	Relocate LAPD Internal Affairs Division from Bradbury Building leased space to Floors 15 & 16	4/30/2016
4	[Now Phase 1.5 above]	
5	Relocate City Attorney Family Violence and Victim Assistance units from Lyons/Reyes Building lease	6/30/16

Project Management Contract

For Phase 3B of the 201 Restack Project, GSD will use as a template the contract with CBRE approved by the City Council in August 2015. This contract for Phase 3B will provide for a 2% project management oversight fee for CBRE, and will also cover costs for payment processing services. GSD will ask the MFC for approval of the remaining phase when it is ready. Therefore, the request for contract approval should be subject to the City Attorney's approval as to form, so that the last phase can be added to the contract scope after it is approved.

Sole Source Findings

A sole source management contract with CBRE for the various phases of this project is recommended for the following reasons:

- CBRE is already in place to best meet a critical deadline. Departments displaced by the fire that are not part of the 221 North Figueroa restack were assigned space in the 201 Tower. They are currently in leased space at Two Cal Plaza and must return to Figueroa Plaza on the same schedule which is October 31, 2015;
- The City must proceed expeditiously with other phases of the 201 restack, such as the Development Services Center, that were delayed as a result of the fire. Using the CBRE team for this phase eliminates any delays otherwise resulting from another company having to step in;
- CBRE has established the working knowledge and relationships with the complicated mix of public tenants in the complex;
- The City needs to move expeditiously to refill the 201 Tower floors vacated by the District Attorney's Office with Departments currently in leased locations in order to maximize savings in the leasing account;

- ◆ = New item
- = Previous item

- CBRE, in its capacity as the City's property manager at Figueroa Plaza, has acted responsibly and timely to the restoration and re-occupancy project on site;
- All tenant improvement and relocation activities involve CBRE since they are the City's property manager at the Figueroa Plaza complex; they will be needed to coordinate building access, power, elevators and tenant communication; they have full access to the building infrastructure and having CBRE directly involved in project management oversight will expedite the backfill of the 201 Tower spaces.

Budget

- ◆ Communication network costs for the entire 201 Restack Project increased from the previous budget placeholder of \$200,000 to actual costs of \$350,000. This cost for the entire 201 Restack Project, providing departmental access to the City's data network and phone infrastructure, is being prorated against each phase of the Project on a per-square-foot basis. This has resulted in budget increases on all phases for communications. Savings on other budget items have lessened the impact of these communication increases.

The cable cost increase is due to the ITA's current specification standard calling for Cat 6a cable, which, while it provides greater capacity, is considerably more expensive.

- ◆ Including the addition of new supplemental air conditioning units for the communications rooms on both floors, the Phase 1 budget is about the same as the initial budget. The revised budgets for Phases 1, 1.5, 2, 3A and 3B are attached.
- ◆ The budget for Phase 1.5 of \$1.57 million for the LAFD 12th floor is now based on actual contractor bid costs. This new figure includes actual construction cost increases due to newly required adjustments to entry corridors and exits, increased electrical work, a new supplemental air conditioning unit for the communications room, and actual furniture costs. This new cost is just below \$72 per square foot, up from the previous estimate of \$62 per square foot, but still considerably lower than the \$120 per square foot of a complete tear-down and rebuild of the floor. There may be another small furniture purchase for ancillary pieces, which will increase the budget slightly.
- ◆ Suite 210 is being constructed for LAFD Development Services by GSD Construction Forces Division (CFD). The current budget is now \$405,137, \$140,000 less than originally budgeted. This may however increase once hard costs for communications are received from ITA.

- ◆ = New item
- = Previous item

- ◆ The estimated budget for Phase 2, at \$2.7 million in September, is slightly lower at \$2.64 million. This reflects actual figures from the general contractor for construction; GSD believes this number will be revised downward, once actual costs and a finished furniture order are provided.

The Department of City Planning will pay \$300,000 for this phase and LADBS Enterprise Fund has agreed to pay up to \$2.0 million. When actual costs are determined, LADBS and/or City Planning will be asked to review the increases and to provide funds to cover the required amount, if funding is needed over and above the \$2.3 million.

- ◆ The previous estimated budget for Phase 3A was \$1.1 million. Current estimates are slightly less at \$1.0 million. These figures will change once the contractor gets actual bids and other actual costs are identified.
- The CAO will effectuate the transfer of funds to GSD for the above phases in the First Financial Status Report.
- ◆ Below is a review of all phases of the 201 Restack Project, as revised:

Budget, Timeline and Square Footage						
Department	Phase	Estimated Completion	Square Feet	Anticipated Costs by Funding Source.		
				General Fund	Development Services/Special Funds	SUBTOTAL
<i>DBS GABS (13,587 square feet)</i>	-	-	-			
DBS Risk and Records Management	1	10/31/15	14,370	---	\$ 1,576,499	
LAFD PSB, Risk Mgmt, Facilities, Homeland Security (@\$53 psf*)	1.5	1/5/2016	20,858	\$ 1,573,698		
LAFD Development Services	1.5	1/31/2016	5,058	\$ 405,137		
5th Floor Development Services	2	1/15/2016	20,858		\$ 2,640,379	
LAPD Internal Affairs Division	3B	4/30/2016	41,716	\$ 4,505,328		
LAPD Force Investigation and OMBUDS	3A	1/15/2016	10,287	\$ 1,035,282		
City Attorney Family Violence	4	6/30/16	13,858	\$ 1,496,664		
Revised 201 Fig TI Budget			127,005	\$ 9,018,109	\$ 4,216,878	\$ 13,232,987
Available Funding				\$ 8,100,000	\$ 3,800,000	\$ 11,900,000
Current Project Funding Deficit				\$ (916,109)	\$ (416,878)	\$ (1,332,987)

- ◆ The overall revised tenant improvement budget is \$13.2 million, a reduction of approximately \$100,000 from the previous report. The General Fund impact is \$9.0 million, the same as previously reported in September. There is approximately \$8.1 million in MICLA funding available for Space Optimization, leaving a current General Fund shortfall of \$916,019. This shortfall may however be further reduced after receiving actual construction bids for the work for future phases.

- ◆ = New Item
- = Previous item

Project Status Summary

- ◆ Phase 1 is on schedule to have LADBS move from Two California Plaza to the 13th and 14th Floors by October 30th.
- ◆ Space plans for the 2nd and 12th Floors for LAFD were approved; plan check has also been approved for the 12th Floor, with the 2nd Floor to follow shortly.
- ◆ Space plans for Phase 2 for the Development Services Center on the 5th Floor have been approved by the user groups. Construction drawings are completed and plans have been approved by plan check.
- ◆ Space plans for the 6th floor, Phase 3a, have been approved by the user groups and construction drawings will be completed very shortly.
- ◆ LAPD is reviewing the previously drawn space plans to determine what if anything needs to be updated. Construction drawings should commence shortly

Program Management Activities

- Construction meetings are held weekly on Thursdays at the jobsite. Those in weekly attendance are from GSD, Ex Novo, Inc. (space planning and architecture), Savills-Studley, Inc. (project management), CBRE (property management and oversight), ITA, Corporate Contractors, Inc. (the general contractor) and Unisource (Haworth modular furniture distributor). Others are invited as needed.

Key Issues

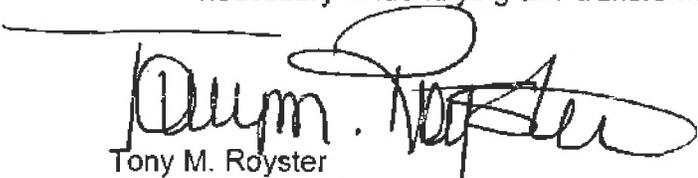
- Transfer of approved funds to GSD must occur so that project invoices can be paid on a timely basis. GSD continues to work closely with the CAO on this issue.
- LADBS is providing direct assistance as needed to make this a smooth process for all phases.

- ◆ = New item
- = Previous item

RECOMMENDATIONS

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

- 1) Authorize the Department of General Services to negotiate and execute a sole source contract with CBRE for the 201 Restack Project which includes project management, space planning, tenant improvements and re-occupation of displaced employees and other departments to the 201 North Figueroa Tower in an amount not to exceed \$13,233 million, subject to the City attorney's approval as to form;
- 2) Authorize the Department of General Services to proceed with Phase 3B for the LAPD IAG and PSB on floors 15 and 16;
- 3) Direct the City Administrative Officer to include fund transfer instructions in the next Financial Status Report; and,
- 4) Authorize the City Administrative Officer to make technical adjustments as necessary in identifying and transferring required funding.



Tony M. Royster
General Manager

Attachments: Gantt Chart
 Budget Phase 1
 Budget Phase 1.5 (12th Floor)
 Budget Phase 1.5 (Suite 210)
 Budget Phase 2
 Budget Phase 3A
 Budget Phase 3B

- ◆ = New item
- = Previous item