

BOARD LETTER APPROVAL

John A. Smith

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Chief Administrative Officer

David W. Hanson

David Hanson (May 28, 2026 12:23:09 PDT)

DAVID W. HANSON
Interim General Manager

DATE: May 15, 2026

SUBJECT: John Ferraro Building Renovation and Modernization Project Resolution for an Ordinance Requesting the Los Angeles City Council to Establish Alternative Project Delivery Criteria Pursuant to Section 371(b) of the Los Angeles City Charter

SUMMARY

The proposed Ordinance will authorize LADWP to let an Alternative Delivery (AD) contract for the John Ferraro Building (JFB) Renovation and Modernization Project (Project). This will permit negotiations with proposers relating to architectural design, engineering, procurement, and construction of the Project based on criteria established by the Ordinance. The Ordinance will authorize a term not to exceed five years for the contract.

Pursuant to a competitive-sealed proposal method, criteria adopted by the Ordinance will permit an award to a bidder specialized in the architectural design, engineering building systems, renovation, modernization, and historic preservation of an existing high-rise structure. Per Los Angeles City Charter (Charter) Section 371(b), the competitive-sealed proposal method permits negotiations after proposals have been opened to allow clarifications and changes. Per Charter Section 371(a) and Los Angeles Administrative Code Section 10.25, the Local Business Preference Program will apply.

The approach will be to advertise a Request for Proposal (RFP) with one agreement which will be awarded in whole. The contract will be for the architectural design, engineering, procurement, and construction of the Project, including, but not limited to, demolition of all major building systems, hazardous material abatement and

remediation, structural and seismic retrofit, new building infrastructure mechanical, and electrical, plumbing, and fire/life safety systems.

Los Angeles City Council (City Council) approval is required, by Ordinance, per Charter Section 371(b).

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council's approval of an Ordinance authorizing the use of an AD contract to procure, design, and construct the Project with a term not to exceed five years as required in Charter Section 371(b).

ALTERNATIVES CONSIDERED

The architectural design, engineering, and construction to be performed through the AD contract involves specialized knowledge of historic preservation, high-rise building codes, and the latest innovation of mechanical, electrical, and plumbing systems to meet current building energy efficiency standards of California Code of Regulations Energy Code Title 24 – Part 6, and the California Green Building Standards Code, Title 24 – Part 11. LADWP has insufficient personnel and does not currently possess the expertise required to complete the Project and restore JFB to its operations in a timely manner. Training LADWP personnel is not feasible since it requires several years of experience in the historic preservation of mid-century modern architecture, designing high-rise structures, and the latest technology in modern building infrastructure systems.

The traditional Design-Bid-Build project delivery method will be awarded to a low-bid contractor. However, LADWP risks cost escalation of bids because of an overall longer project duration due to a bid evaluation period for a separate construction contract and increased risk of change orders, disputes, and claims. An AD contract will allow for early collaboration between designer and builder, thereby reducing the risk of change orders, compressing the project schedule, and selecting a designer/contractor based on a firm's financial and resource capabilities and relevant experiences. The RFP process will allow LADWP to select a qualified and experienced firm specializing in renovating high-rise buildings and historic preservation.

FINANCIAL INFORMATION

LADWP desires to advertise one RFP using the competitive-sealed proposal method that permits negotiations after proposals have been submitted to allow clarifications and changes to the proposal. During the proposal phase, LADWP will emphasize past performance of historic renovations, high-rise construction experience, and a project approach plan demonstrating how the proposer will successfully deliver the Project within an acceptable estimated budget. The Project duration will not exceed five years.

BACKGROUND

Constructed in 1965, JFB is registered as City of Los Angeles Historic-Cultural Monument No. 1022, per Los Angeles Administrative Code Chapter 9, Article 1, Section 22.171.7. JFB is the headquarters for LADWP, the United States' largest municipal utility serving 4 million residents and businesses. JFB provides office space for approximately 3,500 employees – a third of the agency's workforce. On November 25, 2020, engineer consulting firm Arup North America, Ltd. (Arup) completed an assessment of JFB and identified major building infrastructure deficiencies. Arup concluded that JFB's original major infrastructure was at its end-of-life cycle and required immediate replacement and that the historic suspended ceiling grid is seismically non-code compliant. Not only are the building systems replacement and upgrades necessary to meet current sustainable energy code requirements, but more importantly, to ensure LADWP's workforce will be able to continue to perform essential daily work and operations without potential disruption.

Another major concern for LADWP is the known hazardous materials within JFB. On December 6, 2023, Stantec Consulting Services Inc. (Stantec) completed a comprehensive hazardous material survey and determined that JFB has Asbestos Containing Materials (ACMs) throughout its fireproofing within its return air ceiling plenum. The return air is cycled back into the office space air supply. The ACMs were tested to be in good condition, but friable and full asbestos removal was recommended by Stantec when considering: 1) the age of JFB and the potential risk of ACMs exposure to its occupants; 2) the ongoing disturbance of ACMs during daily ceiling maintenance work; and 3) the disturbance of ACMs during structural seismic anchoring retrofit of the non-code compliant historic suspended ceiling grid. Additional hazardous material abatement/remediation will include Lead-Containing Paint and Polychlorinated Biphenyls.

To optimize the design and construction effort, the additional Project scope of work will include structural and seismic strengthening of the building's steel frame, Leadership in Energy and Environmental Design Gold certification goals, modernization of the technological infrastructure, and security system, elevator, roof, and building envelope upgrades. Interior tenant improvements to the auditorium, Board meeting room, medical office, food service facilities, fitness center, training and conference rooms, and office spaces are also planned. Additional scope of work will include the design and construction of protect-in-place, new parallel cooling ventilation and electrical systems of critical LADWP operations to remain in JFB during construction, including 1) fleet parking operations, 2) information technology network operations, 3) microwave stations, and 4) Water System Supervisory Control and Data Acquisition systems.

After considerable planning and evaluation, it has been determined that the selection of an AD procurement method to complete the design and construction of the Project will best meet LADWP's schedule.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report was received February 12, 2026.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15301. Section 15301, Class 1, applies to the operation, repair, maintenance, or other minor alterations of existing public or private structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of existing or former use. Therefore, the planned renovation and modernization of JFB is categorically exempt from CEQA.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution and the Ordinance as to form and legality.

ATTACHMENTS

- Resolution
- Ordinance
- CAO Report