



DATE: DECEMBER 11, 2012

FROM: OPERATIONS

**SUBJECT: RESOLUTION NO. _____ - APPROVAL OF CHANGE IN SCOPE
TO CITY OF LOS ANGELES HARBOR DEPARTMENT SPACE NEEDS
ACTION PLAN**

SUMMARY:

The City of Los Angeles Harbor Department (Harbor Department) Space Needs Action Plan (SNAP) was approved by the Board of Harbor Commissioners (Board) on July 7, 2011, as part of the Capital Improvements Program. Since then, seven of the 12 project components have been completed, of which, several were completed under budget, and one component was funded by the Construction & Maintenance Division. The remaining scope of work is projected to be completed under budget, creating a project savings of approximately \$1 million.

In Spring 2012, the Port Police Division (Port Police) relocated to the new Port of Los Angeles Police Headquarters, leaving areas on the first and second floors of the Harbor Department Administration Building (HAB) vacant. Before other HAB employees can move into the spaces previously occupied by the Port Police, renovations need to be made to accommodate the functions of the intended Divisions. It is proposed that the SNAP scope of work be changed to include these renovations, the cost, of which, will be offset by the project savings identified above.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve the Space Needs Action Plan revised scope of work; and
2. Adopt Resolution No. _____.

DISCUSSION:

Background and Context - The Space Needs Action Plan (SNAP) is comprised of projects designed to improve the Harbor Department's ability to provide an adequate number of efficient work spaces, to accommodate building population growth, and to

SUBJECT: APPROVAL OF CHANGE TO HARBOR DEPARTMENT SPACE NEEDS ACTION PLAN

ensure workspaces are compatible with current and advancing information technology equipment.

The SNAP baseline budget of \$25 million was presented to and approved by the Board of Harbor Commissioners on July 7, 2011. The original scope of work included 12 project components, of which, eight project components have been completed. Of the eight completed project components, seven were completed under budget at an approximate cost of \$15 million. There are currently four project components in various stages of design or construction, at an approximate cost of \$9 million, and are on track to be completed within the current SNAP budget (Transmittal 1) with a project savings of approximately \$1 million.

In Spring 2012, the Port Police relocated to the new Port of Los Angeles Police Headquarters, leaving areas on the first and second floors of the HAB vacant. Although there are vacancies created by the relocation of the Port Police, it does not allow for all Harbor Department Divisions to operate within the HAB; however, it provides the opportunity for some Divisions to consolidate or expand work areas.

At the time the original SNAP was being developed, it was unclear which Divisions would be occupying the 1st and 2nd floors of the HAB. Some changes were anticipated, however, due to the unique nature of the spaces and potential options, additional deliberation was needed to determine how best to utilize the former Port Police Division facilities. Only the known costs associated with the lobby, pantry, and 2nd floor bathroom upgrades were included in the SNAP that was presented to the Board in July 2011.

Additional Scope of Work – The occupancy plan for the 1st and 2nd floors have been established. The areas to be occupied have not been completely renovated since the construction of the HAB. To accommodate the Information & Technology, Human Resources, Port Police Security, and Construction & Maintenance Divisions, a change to the SNAP scope of work is required.

The proposed changes to the SNAP scope of work are tenant improvements that have been recommended for approval by the Harbor Department Project Development Committee. The tenant improvements are consistent with the work being performed in other areas of the HAB as part of the current SNAP and will support the functions of the intended Divisions. Major components of the additional scope of work are lighting, and flooring, and locker room renovations on the 1st and 2nd floors. Varying ceiling heights require special order light fixtures and new ceiling treatments. New flooring is necessary to convert spaces previously used for locker rooms into work space, workshops and storage.

Tenant improvements are comprised of renovations to approximately 7,000 sq. ft., which includes finishes (clean, repair or replace: carpet/flooring, paint, ceiling); repair/replace plumbing fixtures, renovate shower/toilet area, install walls for storage areas; cabinetry and plumbing fixtures for break room renovations; and allowance for miscellaneous furniture for the renovated spaces. Since the tenant improvements to the

SUBJECT: APPROVAL OF CHANGE TO HARBOR DEPARTMENT SPACE NEEDS ACTION PLAN

1st and 2nd floors of the HAB do not consist of any major changes to any of the existing, electrical, structural, plumbing, security, or heating, ventilation and air conditioning systems, the additional scope of work costs are anticipated to be considerably less than a typical building renovation.

The associated costs, in excess of lighting, are largely due to locker room renovation costs and the replacement of flooring and ceilings. Other major costs are anticipatory of performing the work in already occupied spaces without disrupting Division functions and the potential existence of unknown facility conditions. Estimated costs of the additional scope of work is \$820,000, including \$378,000 for lighting (Transmittal 2) and \$442,000 for tenant improvements (Transmittal 3), which can be offset by the estimated \$1 million in project savings as identified in the table below.

Project Budget:

SNAP Baseline Budget	\$ 25,048,100
Cost of Completed Projects	-\$ 15,046,673
Cost of Remaining Scope	-\$ 8,864,907
A) Project Savings	\$ 1,136,520

Additional Scope of Work Budget:

Installation of light fixtures on the 1 st and 2 nd floor	\$ 378,000
Tenant improvement on 1 st and 2 nd floor	+\$ 442,000
B) Total cost of overage and additional scope:	\$ 820,000

Additional funds requested over original SNAP budget: \$ 0

Total Project Savings (A-B) \$ 316,520

Project Schedule: The SNAP schedule will not be affected by the proposed change in scope as none of the existing line items are dependent upon the completion of the added scope. The completion of the light fixture upgrades will require two months to complete and the tenant improvements will require eight months to complete. Both can be completed within the existing SNAP timeline.

ECONOMIC BENEFITS:

Spending under the proposed project will support approximately 4 direct and 3 secondary one-year equivalent jobs in the five-county region.

ENVIRONMENTAL IMPACT:

The proposed action is approval of a no-cost change to the Harbor Department SNAP for renovations of the 1st and 2nd floors of HAB to accommodate redistribution of employees to the space. As an activity involving interior alterations involving remodeling

SUBJECT: APPROVAL OF CHANGE TO HARBOR DEPARTMENT SPACE NEEDS ACTION PLAN

or minor construction with negligible or no expansion of use, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article III, Class 1 (1) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The original estimated baseline project cost of the SNAP is \$25,048,100 of which \$15,046,673 has been spent to date. A projected \$8,864,907 will be spent on the remaining project components through fiscal year 2013/2014. When the remaining project components are completed the project savings will amount to \$1,136,520. The estimated cost of the added scope of work is \$820,000, and will be offset by project savings specified above. Subsequent to the completion of all components of the revised SNAP, it is expected there would be a savings of \$316,520. Currently, there is \$3,437,118 budgeted for the SNAP in the current fiscal year, which will need to be reallocated to accommodate the proposed additional scope of work.

CITY ATTORNEY:

The City Attorney's Office has reviewed this matter and concluded that it raises no legal issues at this time.

TRANSMITTALS:

1. Current Space Needs Action Plan Budget
2. Cost Estimate - HAB 1st and 2nd Floor Tenant Improvement
3. Cost Estimate - Lighting 1st and 2nd Floor



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Deputy Executive Director



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Executive Director

FIS Approval:  (initials)
CA Approval:  (initials)