



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.lacounty.gov>

DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

February 27, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE AMENDMENT NO. 2 TO THE FUNDING PLAN AND APPROPRIATION
ADJUSTMENT FOR THE LAKEWOOD SHERIFF STATION EXPANSION PROJECT
(FOURTH DISTRICT) (3 VOTES)**

JOINT RECOMMENDATION WITH THE SHERIFF THAT YOUR BOARD:

1. Approve the enclosed Amendment No. 2 to the Funding Agreement previously executed between the County of Los Angeles (County) and the City of Lakewood (City) with respect to the Lakewood Sheriff Station Expansion Project (Project), to increase the County's contribution for the project by \$3,000,000 for the construction of a new 5,388 square foot vehicle service facility.
2. Approve the enclosed appropriation adjustment which provides \$3,000,000 in additional funding for the Project through the transfer of \$1,500,000 from Fourth District Capital Project Funds and \$1,500,000 from the Sheriff Department's 2006-07 fixed assets budget to the Project and Facility Development Budget.
3. Authorize the Chief Administrative Office to execute Amendment No. 2 to the Funding Agreement and any other documents necessary to complete the transfer of \$3,000,000 for the construction of the vehicle service facility at the Lakewood Sheriff Station.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will provide funding for the construction of a new vehicle service facility at the Lakewood Sheriff Station.

On May 10, 2005, your Board authorized the execution of a Funding Agreement with the City for the construction of certain improvements at the Lakewood Sheriff Station to address the facility's deteriorating condition and the lack of sufficient space. The improvements entail the addition of 17,691 square feet to the existing Station and Annex and the renovation of 20,000 square feet of existing Sheriff Station space.

The proposed 5,388 square foot vehicle service facility was included in the original design documents for the station expansion project which were permitted in September 2005. The service garage was included in the original bid documents as an additive alternate and the bid price from Pinner Construction Company Inc. (Pinner) for the vehicle facility was \$2,205,000. However, due to a lack of sufficient project funds at the time, this item was not included in the construction contract award to Pinner.

It is now the desire of the County and the City to approve a change order with the contractor for the new service vehicle garage. The project will include an office, evidence and vehicle parts storage rooms, mechanical and equipment rooms, a restroom, four service bays and two carwash bays with clarifiers, the relocation of the existing fuel pump station, and necessary site work and underground utilities to accommodate the improvement.

The City received a proposal in the amount of \$2,630,000 for the new service facility from the contractor on January 30, 2007. The new price is 19 percent higher than the original amount due to increases in labor costs and basic construction materials over the past 16 months. Additional funds in the amount of \$370,000 are recommended to fund an 11 percent change order contingency due to the potential foreseen site and soil conditions; building permits and inspection; and related geotechnical and materials testing. The City will manage the project and absorb all soft costs associated with the vehicle facility. The City has also agreed that any change order related to the new service facility over \$20,000 will require approval from the Chief Administrative Office.

Finally, since design was completed in September 2005, it is not feasible to incorporate sustainable design features into the new vehicle service facility. However, my office will work with the City representatives to ensure that the contractor employs sustainable construction practices, including the recycling of construction waste, etc. into the building's construction.

The revised estimated completion date for the entire project is January 2008.

Implementation of Strategic Plan Goals

These actions are consistent with the County's Strategic Plan Goals of Workforce Excellence, Organizational Effectiveness, and Fiscal Responsibility, which your Board adopted on November 16, 1999, by providing an efficient working environment that enhances quality and productivity; encouraging collaboration and resource sharing with

other jurisdictions; and investing in public infrastructure to improve the performance and productivity of the Sheriff's Department.

FISCAL IMPACT/FINANCING

Approval of the enclosed appropriation adjustment will transfer \$1,500,000 from Fourth District Capital Project Funds and \$1,500,000 from the Sheriff Department's 2006-07 fixed assets budget to the County's Project and Facility Development Budget. Upon your Board's approval of Amendment No. 2 to the Funding Agreement, the County will allocate the money to the City.

The revised total Project budget, upon your Board's approval of the attached appropriation adjustment, including construction, equipment, design, and consultants' fees, will be \$20,747,611. This reflects an increase of \$574,500 from the Project budget of \$20,173,111 presented to your Board on December 20, 2005. Although the Project budget had included \$2,425,500 for the vehicle service facility, the funding for this phase of the project was not included in the Funding Agreement. The County's funding provided in December 2005 totaling \$15,947,611 was only for construction of Phases 1 and 2 of the Project and excluded the vehicle service facility. An additional \$3,000,000 in County funding is needed at this time in order to add the vehicle service facility. The City continues to fund the soft costs of design and project management for all phases of the Project.

The Project budget of \$20.7 million, upon approval of the recommended actions, will be comprised of \$1.8 million from the City, \$3.0 million designated in the amended 1989 Agreement for Reimbursement of Tax Increment Funds for the Lakewood Redevelopment Project Area No. 2, and \$15.9 million from the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The City awarded the construction contract to Pinner on December 20, 2005, for the Lakewood Sheriff Station Expansion Project. In January 2007, the City received a proposal from Pinner for the construction of a new vehicle service facility in the amount of \$2,630,000. On January 23, 2007, the City Council authorized staff to approve an initial advance change order of \$100,000 to get the process started and a change order for the balance of construction, pending the County's approval. On February 13, 2007, the City Council approved Amendment No. 2 to the Funding Agreement for Design and Improvements to the Lakewood Sheriff Station with the County, for the purpose of adding the vehicle service facility improvements to the Project.

ENVIRONMENTAL DOCUMENTATION

On December 16, 2003, your Board, acting as a Responsible Agency and as required under the California Environmental Quality Act, approved the Project, including the vehicle

service facility and adopted the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program that was prepared by the City.

CONTRACTING PROCESS

On September 19, 2005, the City received one bid from Pinner in the amount of \$13,286,000. An additive alternate in the amount of \$2,205,000 was also submitted by Pinner for the new vehicle service facility. Both the base bid and additive alternate were reviewed by an independent cost estimator who determined the bids submitted were reasonable and within current market conditions. The base contract was awarded by the City to Pinner on December 20, 2005, with a value engineering change order to reduce the contract amount to \$12,796,622. The City followed competitive bidding laws applicable to local government in the State of California.

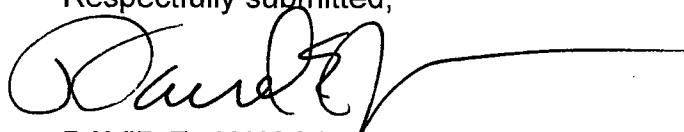
IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no negative impact on current County services or projects during the performance of the recommended actions. The vehicles that were being serviced at the Lakewood Station will be maintained at other Sheriff facilities while the new building is being constructed.

CONCLUSION

Please return one adopted copy of this letter to the CAO (Capital Projects Division) and the Sheriff's Department.

Respectfully submitted,


DAVID E. JANSSEN
Chief Administrative Officer


LEROY D. BACA
Sheriff

DEJ:JSE
DJT:RC:mdc

Attachments (2)

c: Auditor-Controller
County Counsel
City of Lakewood

AMENDMENT NO. 2 TO THE FUNDING AGREEMENT FOR DESIGN AND IMPROVEMENTS TO THE LAKEWOOD SHERIFF STATION

THIS AMENDMENT NO. 2 TO THE FUNDING AGREEMENT is made and entered into this ____ day of _____, 2007.

BY COUNTY OF LOS ANGELES,
a body corporate and politic,
hereinafter referred to as
"The County",

AND CITY OF LAKEWOOD,
a body corporate and politic,
hereinafter referred to as
"The City".

WITNESSETH:

WHEREAS, the mutual goal of the City and the County is to enhance the operations of the Lakewood Sheriff Station through improved facilities. The City and the County shall endeavor to achieve a mutually approved plan of improvements to meet this goal.

WHEREAS, the City and County have executed a Memorandum of Understanding that specifies the roles and responsibilities of both parties during the planning, design, construction, and delivery of the improvements contemplated at the Lakewood Sheriff Station under this Agreement (the "Construction MOU").

WHEREAS, the total cost to design, construct, and deliver the mutually approved improvements was initially estimated to be \$10,800,000.

WHEREAS, the City received a bid for the construction of the proposed improvements that increased the total cost to design, construct, and deliver the mutually approved improvements to \$20,173,111.

WHEREAS, the County Board of Supervisors previously approved a grant in the amount of \$9,400,000 to the City to support design and construction, and to deliver the mutually approved improvements to the Lakewood Sheriff Station.

WHEREAS, the County Board of Supervisors, on December 20, 2005, approved an additional grant in the amount of \$6,547,611 to the City to support the design,

construction, and delivery of the mutually approved improvements to the Lakewood Sheriff Station.

WHEREAS, the City, on January 23, 2007, approved a change order from the contractor in the amount of \$2,630,000 for the construction of a new vehicle service garage, pending approval from the County Board of Supervisors.

WHEREAS, the County Board of Supervisors, on February 27, 2006, approved an additional grant in the amount of \$3,000,000 to the City to support the design, construction, and delivery of the mutually approved improvements, construction of new approximately 5,388 square feet vehicle service garage, to the Lakewood Sheriff Station.

WHEREAS, the City, and the County agree that any change order in excess of \$20,000 with the contractor, Pinner Construction Company, Inc., for work related to the new service garage require approval from the Chief Administrative Office prior to the issuance of a notice to proceed. The City agrees to provide notice of the proposed change order in excess of \$20,000 to the Chief Administrative Office via email or fax, with the understanding that the CAO's office will provide a response within 5 working days from the date of submittal. It is mutually understood that if the City does not receive a response within 5 working days, the change order is deemed to be approved.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein the parties hereto agree as follows:

A. The Improvements

1. The proposed improvements to the Lakewood Sheriff Station are included in the approved project plans, specifications, and addenda issued as of February 27, 2007.
2. Nothing in this Agreement shall be construed as an approval by the County of the implementation of the Improvements regardless of the source of funding for the Improvements.
3. The Improvements funded pursuant to this Agreement will be subject to the provisions and requirements of the California Environmental Quality Act.

B. Approved Funding

1. The County hereby grants to the City the additional amount of \$3,000,000 to support the design, construction, and delivery of the Improvements.

2. The County funds granted under this Amendment will be transferred to the City upon agreement between the City and County on the cost of the Improvements, upon execution of this Amendment.
3. The funds provided by the County pursuant to this Amendment will be held and administered by the City and will be used solely for purposes of designing, constructing, and delivering the Improvements.

C. Term

1. This Amendment will remain in force for one (1) year following its execution date unless further modified as mutually agreed in writing by both parties.

D. Financial Records

1. The City agrees to maintain satisfactory financial accounts, documents and records of the expenditure of City and County Funds and to make them available to the County for auditing at reasonable times. The City also agrees to retain such financial accounts, documents and records for five (5) years following termination of this Amendment.
2. The City agrees to use a generally accepted accounting system. The City also agrees to maintain, and make available for County inspection, accurate records of all of its costs, disbursements and receipts with respect to its activities under this Amendment.
3. At any time during the term of this Amendment or at any time within five (5) years of the expiration or prior termination of the Agreement, authorized representatives of the County may conduct an audit of City records for the purpose of verifying appropriateness and validity of expenditures of City and County Funds under the terms of this Amendment. If said audit reveals expenditures that cannot be verified or that were paid in violation of the terms of this Amendment, the County may request that the City substitute other funds available to the City, or if all County Funds have not yet been paid to the City, the County may, in its discretion, reduce its County Funds obligation by an amount equal to such expenditures.

The City, within thirty (30) days of notification from the County of its audit findings, may dispute the audit findings in writing to the County and provide the County with records and/or documentation to support the expenditure claims. The County shall review this documentation and make a final determination as to the validity of the expenditures.

The City will provide the County Chief Administrative Office with a report itemizing actual expenditures funded by monies received pursuant to this Agreement prior to a request for an extension to this Amendment or within one hundred twenty (120) days following the termination of this Amendment.

E. Hold Harmless and Indemnification

1. The City shall indemnify, defend and hold the County, its officers, and employees harmless from and against any and all liability to any third party for or from loss, damage or injury to persons or property in any manner arising out of, or incident to, acts or omissions of the City and its employees, agents, representatives, consultants, subconsultants, contractors, and subcontractors in the performance of this Amendment and the Agreement.
2. The County shall indemnify, defend and hold the City, its officers, and employees harmless from and against any and all liability to any third party for or from loss, damage or injury to persons or property in any manner arising out of, or incident to, acts or omissions of the County and its employees, agents, representatives, consultants, and contractors, if any, in the performance of this Amendment and the Agreement.

F. Notices and Approvals

1. All notices and approvals shall be directed to and made by the following representatives of the parties:
 - a. To the County: Chief Administrative Office
Capital Projects/Debt Management Division
Attn: Jan Takata
Division Chief
Hahn Hall of Administration, Room 754
500 West Temple Street
Los Angeles, CA 90012
 - b. To the City: City of Lakewood
Attn: City Clerk
5050 Clark Avenue
Lakewood, CA 90712

G. Nondiscrimination

1. The City shall not discriminate against any person on the basis of race, color, sex, sexual orientation, age, religious belief, national origin, marital status, physical or mental handicap, medical condition, or place of residence in the use of the County Funds paid to the City pursuant to this Amendment.

H. Severability

1. If any provision of this Amendment, or the application thereof, is held to be invalid, that invalidity shall not affect other provisions or applications of the Agreement that can be given effect without the invalid provision or application, and to this end the provisions of the Agreement are severable.

I. Effective Date

The effective date of this Amendment shall be the date of approval by the County's Chief Administrative Officer.

IN WITNESS WHEREOF, the City has executed this Amendment No. 2 to the Funding Agreement, or caused it to be duly executed by its authorized representative, and the County of Los Angeles by order of its Board of Supervisors, has delegated to its Chief Administrative Officer the authority to execute this Amendment on its behalf on the date and year written below.

CITY OF LAKEWOOD

By: 
Mayor

February 16, 2007
Date

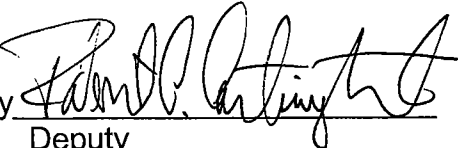
COUNTY
County of Los Angeles

By: _____
David E. Janssen
Chief Administrative Officer

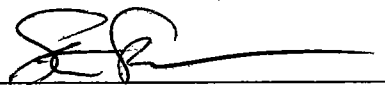
Date

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By: 
Deputy

LAKEWOOD CITY ATTORNEY

By: 
City Attorney

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF ADMINISTRATIVE OFFICE

DEPT'S. No. 060 FEBRUARY 27, 2007

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2007 3 - VOTES

SOURCES

USES

Sheriff - Patrol Fixed Assets AO1-SH-15682-6030 \$1,500,000 Decrease Appropriation

Project and Facility Development Fund Other Charges AO1-PF-10190-5500 \$3,000,000 Increase Appropriation

Capital Project -Various Various 4th District Improvements (4) Fixed Assets - Building & Improvements AO1-CP-65099-77046-6014 \$1,500,000 Decrease Appropriation

JUSTIFICATION

This appropriation adjustment is necessary to provide supplemental funding to award a grant to the City of Lakewood to construct a new vehicle service facility at the Lakewood Sheriff Station.

Handwritten signature of David Jan Takata, Division Chief

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF ADMINISTRATIVE OFFICER FOR -

ACTION

APPROVED AS REQUESTED

AS REVISED

RECOMMENDATION

February 20, 2007

John A. Edmister CHIEF ADMINISTRATIVE OFFICER

AUDITOR-CONTROLLER BY

Handwritten signature of Helen J. Long

APPROVED (AS REVISED): BOARD OF SUPERVISORS

20

NO. 170

FEB 20 2007

BY

DEPUTY COUNTY CLERK