


CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: January 30, 2020  
To: Municipal Facilities Committee  
From: Neil Drucker   
Interim Municipal Facilities Program Manager  
Bureau of Engineering

Subject: **CHANNEL 35 TELEVISION STUDIO RELOCATION AND DIGITAL EQUIPMENT UPGRADE IN THE EL PUEBLO DE LOS ANGELES HISTORIC PARK- PHASE 1**

**Recommendations**

1. That the MFC approve the Re-bid of the project through the Board of Public Works, with a revised budget of \$47 million and an estimated completion date of December 2023;

or

2. That the MFC postpone the Channel 35 project at El Pueblo and instruct the BOE to move forward with the El Pueblo General Plan update and El Pueblo's space optimization / structural feasibility study.

Updates within this report are in bold lettering.

**Councilmember Huizar, CD 14**

**PROJECT: CHANNEL 35-Relocation and Tenant Improvements to 426- 420 N Main – Masonic Hall and Merced Theatre at the El Pueblo de Los Angeles Historic Park.**



## 1. Background

The Channel 35 Studio relocation and equipment upgrade project was prompted by operational needs. The Studio requires a digital equipment upgrade and be located closer to the Civic Center to facilitate live feeds by the City's Leadership during an emergency. Relocating the Channel 35 staff and studios will also decrease the City's usage of leased space.

The scope for this project entails the design and construction of the new Channel 35 Studios within the historic Masonic Hall and Merced Theatre buildings, as well as the seismic separation of the Pico House from the Merced Theatre. The current Design addresses the needs of the Studio's associated support spaces and staff spaces.

The project utilizes the Design - Bid - Build project delivery method.

On February 10, 2017, the project received Board of Public Works approval for the bid advertisement to the Pre-Qualified Contractor List.

On June 28th, 2017, two (2) bids were received for the full scope of services as noted below:

- S. J. Amoroso: \$32,947,000
- Pinner Construction: \$38,594,000

The low bid was \$11,827,000 over the estimate of \$21,120,000. MFC and the Board of Public Works approved the rejection of bids on July 20, 2017, and August 25<sup>th</sup>, 2017 respectively.

The Bureau of Engineering (BOE) met with both contractors to review the bids and obtain insight on the construction market conditions at that time, which helped to shape the of the alternative project delivery strategies listed below.

- De-scope the project
- Value Engineer the project (VE)
  1. Utilize less expensive finishes and fixtures
  2. Relocate the elevator
  3. Redesign the elevator shaft
  4. Reduce Architectural shading elements on South façade
  5. Re-design guardrails on decks and stairways
- Increase Available funding
- Re-Bid the project to the entire construction community (Open Public Bid)
- Utilize the General Services Department, Construction Forces Division (GSD)
- Relocate the Project

Workshops and budget analysis meetings were conducted with the Design Team, ITA Executives, Channel 35 Staff (Client), CD14, CAO and the Mayor's Office to introduce, develop, and quantify the effect of the project delivery options.

**On June 28<sup>th</sup>, 2018 the MFC was presented with three options to accommodate the high costs of construction. The MFC choose Option II, as noted below. This option expedites the construction of Phase I, the structural retrofit.**

- Option II: Phased Re-bid Utilizing City Vendors

## 2. Project Delivery Options

1. Value Engineering
  - Utilize less expensive finishes and fixtures
  - Relocate the elevator
  - Redesign the elevator shaft
  - Reduce Architectural shading elements on South façade
  - Re-design guardrails on decks and stairways
2. Bid & Award (Phased)
  - Phase I: Award structural retrofit to the City Pre-Approved vendor for cost as estimated by GSD.
  - Phase II: Bid the revised tenant improvements (TI) and revised elevator design to the entire contracting community at a later date.
  - Award TI to the selected contractor
3. Budget Impact
  - Estimated Project Cost: \$40,000,000
  - Estimated Shortfall: \$17,520,000
4. Schedule impact
  - Estimated Const. Completion Date Both Phases: July 2021

- **Phase I Construction.**

- In May 2019 the GSD-CFD updated the Phase I construction estimate, based on the construction trends at that time. See cost estimate summary below.

**Note:** The budget numbers presented in the MFC report dated June 28, 2018, were based on current construction costs as, estimated by GSD, and did not account for the varying escalation costs experienced in the local public bid construction market.

PHASED RE-BID -PHASE 1 GSD CONSTRUCTION		
Structural Retrofit		
GSD- Construction Forces Division		
<i>GSD- Demolition</i>	\$ 705,715	
<i>GSD- Masonry &amp; Brick</i>	\$ 15,000	
<i>GSD- Metals</i>	\$ 151,200	
<i>GSD - Plumbing</i>	\$ 49,049	
<i>GSD Electrical</i>	\$ 493,675	
<i>GSD Communciations</i>	\$ 73,729	
<i>GSD Earthwork</i>	\$ 43,475	
<i>GSD -Exterior Improvements - Waste Disposal</i>	\$ 105,680	
Sub Total		\$ 1,637,523
GSD Subcontractors	\$ 20,700,000	
<i>GSD Sub Markup- 14%</i>	\$ 2,555,048	
<i>GSD Subcontractor Genral Conditions</i>	\$ 1,754,360	
Sub Total		\$ 25,009,408
GSD General Requirements	\$ 3,315,869	
GSD Overhead and support (11% of \$26 Mill)	\$ 2,860,000	
Sub Total		\$ 6,175,869
BOE Contingecy (10% of \$26 Mill)		\$ 2,600,000
<b>Total</b>	\$ -	\$ 35,422,800
Available Funding		
PEG	\$ 18,764,423	
El Pueblo	\$ -	
<b>Total Available Funding</b>		\$ 18,764,423
<b>Phase I Shortfall</b>		\$ 16,658,377

- Phase II Construction.

- In August 2019 the GSD- CFD re-estimated the project to update the costs based on the current construction trends. See cost estimate summary below.

<b>PHASED RE-BID - PHASE II- GSD</b>		
<b>Design</b>		
Value Engineering/ Phase 2 Scope Alterations	\$	500,000
Permit Revisions (Bldg & Safety)	\$	100,000
Geotech Monitoring during Construction	\$	30,000
<b>Total Design</b>		<b>\$ 600,000</b>
<b>Construction</b>		
Tenant Improvements		
GSD- Construction Forces Division		
GSD- Masonry & Brick	\$	530,000
GSD- Metals	\$	460,000
GSD- Wood Plastic & Composites	\$	133,000
GSD - Plumbing	\$	371,000
GSD Electrical	\$	1,900,000
GSD HVAC	\$	1,330,000
GSD Thermal & Moisture Protection	\$	400,000
GSD Openings	\$	740,000
GSD Finishes	\$	2,120,000
GSD- Furnishings	\$	160,000
GSD Communciations	\$	320,000
GSD Earthwork	\$	160,000
GSD -Exterior Improvements	\$	550,000
<b>Sub Total</b>		<b>\$ 9,174,000</b>
GSD Subcontractors		
Fire Suppression	\$	580,000
Elevator Equipment (w/ Shaft)	\$	2,300,000
Specialties	\$	520,000
Equipment	\$	340,000
Funishings	\$	150,000
Communications	\$	316,000
Security	\$	680,000
Earthwork	\$	160,000
<b>Sub Total</b>		<b>\$ 5,046,000</b>
GSD General Requirements	\$	1,500,000
GSD Overhead and support (11% of \$12 Mill)	\$	1,350,000
<b>Sub Total</b>		<b>\$ 2,850,000</b>
<b>Total Construction</b>		<b>\$ 17,070,000</b>
Furniture, Fixtures, Equipment		
Modualr Furniture	\$	200,000
Studio Equipment	\$	4,000,000
<b>Total</b>		<b>\$ 4,200,000</b>
BOE Contingency (15% of \$17 Mill)		\$ 2,500,000
Escalation (@4% of 17 Mill)		\$ 680,000
<b>Total</b>	\$ -	<b>\$ 25,050,000</b>
Available Funding		
PEG	\$	-
El Pueblo	\$	-
<b>Total Available Funding</b>		<b>\$ -</b>
<b>Phase II Shortfall</b>		<b>\$ 25,050,000</b>

- Summarization of Phasing
  - The updated estimates from GSD for both phases increase the phased project delivery budget to a total of  $\pm$  \$60.5 Million Dollars, which also increased the total project shortfall + \$ 41.6 Million Dollars.
  - The BOE feels the project would be best served by re-bidding the entire design package to the public contracting community. The bids received would be competitively priced, and the scale and visibility of the project may entice more contractors to join the bidding pool.

### 3. Budget/ Cost Analysis

PUBLIC WORKS RE-BID	
ACTIVITY	COST
Design: Value Engineering & Bid Package Prep	\$ 100,000
Structural - 18,000 sq.ft X \$1,000 p/sq ft Full structural retrofit of both buildings and structural separation of Pico House	\$ 18,000,000
Tenant Improvements- 18,000 sq.ft X 900 p/sqft MEP, Finishes, Utilities, waterproofing, Exterior façade improvements, 3 Studios & associated Control Rooms,	\$ 16,200,000
Mobilization	\$ 500,000
Demolition	\$ 1,120,000
Grading	\$ 50,000
Equipment	
Site work	\$ 750,000
Elevator	\$ 2,300,000
Allowances BOE & BCA Field offices (\$300K) Permits, City Inspections, Partnering, (500K) DWP Power relocation, Archaeological, Unforseen Con. ( 500K) Monitoring, Brick Repointing (\$1 Million) Contractor Parking (\$200K)	\$ 2,500,000
Subtotal	\$ 41,520,000
Contingency 15%	\$ 6,228,000
<b>Total Construction</b>	<b>\$ 47,748,000</b>

<b>FUNDING</b>		
PEG for Const. : Remaining Funds	\$	18,700,000
Construction, Cultural Affairs, Permits, Inspection Relocation, Construction Contingency & Escalation		
El Pueblo Funding-	\$	-
Previously approved MICLA funds have been defeased		
<b>Total Funding</b>	<b>\$</b>	<b>18,700,000</b>
<b>SHORTFALL</b>		<b>\$ 29,048,000</b>
<b>Value Engineering (VE) Reductions</b>		
South Façade Re-design	\$	150,000
Replace Shading w/ High Resistance Glazing		
Revise Finishes	\$	100,000
Flooring, Ceiling Tiles, Signage		
Elevator shaft re-design & relocation	\$	500,000
Stair -re-design to share elevator structure	\$	50,000
Remove Stainless Steel Finishes	\$	50,000
Railing, Columns, Stairs		
Reduce conditioned circulation space	\$	70,000
Expose Stair and Lobbies to exterior		
Revise Railing design	\$	30,000
<b>VE Subtotal</b>	<b>\$</b>	<b>950,000</b>
<b>Construction Total w/ VE</b>	<b>\$</b>	<b>46,798,000</b>
<b>SHORTFALL WITH VE</b>		<b>\$ 28,098,000</b>

<b>4. Schedule</b>	<b>Public Works – Re-bid</b>		
	<b>Activity</b>		
	<b>Description</b>	<b>Start</b>	<b>Finish</b>
	Design (VE & Bid Package refresh)	03/01/20	06/01/20
	Bid and Award	06/01/20	12/01/20
	Construction	12/01/20	12/01/23
	Post Construction	12/01/23	06/01/24

- 5. Current Events**
- El Pueblo General Plan update
    - In December of 2018 the Mayor’s Office, BOE and EL Pueblo Management staff conducted a visioning meeting to address the concept of a new parking structure, and redeveloped pedestrian access to the El Pueblo Historic Park from the surrounding elements. The visioning exercise was initiated by a Council Motion submitted by CD14 to explore the development of parking lots within El pueblo. The State requires that the General Plan be updated in order to construct any new structures on a historic site.
    - The El Pueblo General Manager has since officially requested that the BOE to update General Plan for the El Pueblo De Los Angeles Historic Park. The update will

**reflect the recently completed El Pueblo projects, as well as revise the vision to address the current and future campus projects, and notable off campus projects adjacent to the site.**

- **An analysis of buildings with available space and the structural feasibility of the noted buildings, will also be included in this scope of work. This space analysis will aid in the future planning and utilization of the Civic Center space optimization plan.**

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