

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: March 17, 2022

To: Proposition O Citizens Oversight Advisory Committee (COAC)
Proposition O Administrative Oversight Committee (AOC)

From: Christopher F. Johnson, PE, GE
Bureau of Engineering (BOE)
Proposition O Project Implementation Program Manager

Subject: **PROPOSITION O - 2021/2022 BUDGET ADJUSTMENTS**

RECOMMENDATIONS

1. Authorize a decrease in the Argo Drain Sub-Basin Facility total project budget by \$2,500,000, from \$38,087,269 to \$35,587,269.
2. Authorize a decrease in the Catch Basin Phase IV total project budget by \$249,961 from \$6,160,000 to \$5,910,059.
3. Authorize a decrease in the Machado Lake Ecosystem Restoration total project budget by \$1,350,000 from \$94,657,563 to \$93,307,563.
4. Authorize a decrease in the Penmar Water Quality Improvement Phase II total project budget by \$757,524 from \$5,830,200 to \$5,072,675.
5. Authorize a decrease in the Temescal Canyon Park Stormwater BMP Phase II total project budget by \$266,175 from \$5,056,565 to \$4,790,390.
6. Recognize adjusted budgets for projects that had completed close-out at the time of the Council approval on June 15, 2021, (C.F. 13-1526) as described in the City Administrative Officer's Report, dated May 19, 2021, relative to the use of remaining Proposition O Program contingency funds.
7. Authorize the City Administrative Officer, in coordination with LASAN and BOE Program Managers, to make technical corrections, as needed, to the recommendations in this correspondence.

BACKGROUND

The BOE continues to complete partial and final project budget close-outs. The project budget close-outs calculate total project expenditures, compare expenditures to total project budgets, and adjust project budgets accordingly. Total project expenditures consist of the following costs: City labor, engineering consultant services, permitting fees, the construction contract, construction inspection, post-construction, and land acquisition. Individual recommended project budget savings and increases are summarized below.

PROJECT SAVINGS / BUDGET DECREASES

Argo Drain Sub-Basin Facility

The project budget is recommended to be reduced by \$2,500,000, from \$38,087,269 to \$35,587,269. Project construction is substantially complete. This is a preliminary budget close-out. A final project close-out will be performed when the Board of Public Works (BPW) accepts the project, which is anticipated in June 2023.

Catch Basin Phase IV

The project budget is recommended to be reduced by \$249,961 from \$6,160,000 to \$5,910,059. Project construction and post-construction are complete. This is a final budget close-out.

Machado Lake Ecosystem

The project budget is recommended to be reduced by \$1,350,000 from \$94,657,563 to \$93,307,563. The project is in the post-construction phase. Preparation of the Board Acceptance Report is in-progress. This is a preliminary budget close-out. A final project close-out will be performed when the BPW accepts the project, which is anticipated in June 2022.

Penmar Water Quality Improvement Phase II

The project budget is recommended to be reduced by \$757,524 from \$5,830,200 to \$5,072,675. The BPW accepted the project on January 26, 2021. This is a final budget close-out.

Temescal Canyon Park Stormwater BMP Phase II

The current project budget is recommended to be reduced by \$266,175 from \$5,056,565 to \$4,790,390. The BPW accepted the project on January 17, 2020. This is a final budget close-out.

Project savings from the above projects total \$5,123,660.

PROGRAM CONTINGENCY

The Program Budget Contingency was established to fund unforeseen project expenditures, when the expenditures exceed the individual Project Contingency. Therefore, the savings from the projects above are recommended to be added to Program Contingency to address any potential cost increases on existing projects.

BUDGET RESERVE

The program currently reserves \$4M for possible future cost increases for the Aliso Creek - Limekiln Creek Restoration, Penmar Water Quality Phase III, and Taylor Yard G2 Water Quality projects.

We recommend reserving \$4M of savings from the Argo Drain Sub-basin project savings for scope and cost adjustments for the Taylor Yard Water Quality project.

BUDGET ADJUSTMENTS FOR OLDER PROJECTS

The projects listed in the table below have been completed. Since there was no prior action to adjust the original/approved budget for these projects upon close-out, it is recommended that the project budgets be adjusted to reflect total project expenditures (Final Budget) as shown in the table below. Savings from these projects have already been programmed.

Project Title	Final Budget
Albion Dairy Park - Demolition & Remediation	\$ 6,325,458
Albion Dairy Park - Land Acquisition	\$14,465,528
Albion Riverside Park	\$18,457,704
Broadway Neighborhood Stormwater Greenway	\$ 4,550,380
Catch Basin Opening Screen Covers Phase III	\$43,477,927
Hansen Dam Wetlands Restoration	\$ 1,812,791
Machado Lake-Phase I (Wilmington Drain)	\$26,510,479
Mar Vista Recreation Center Stormwater BMP (Phase I & II)	\$ 4,065,258
Penmar Water Quality Improvement (Phase I)	\$17,598,355
Santa Monica Bay Low Flow Diversion Upgrades, Pkg. 3	\$11,607,354
Santa Monica Bay Low Flow Diversion Upgrades, Pkg. 3 Ph 2	\$13,697,567
Santa Monica Bay Low Flow Diversion Upgrades, Pkg. 4	\$ 3,575,048
Temescal Canyon Park Stormwater BMP (Phase I)	\$14,503,267