

APPROVED

REPORT OF GENERAL MANAGER

MAR 19 2008

NO. 08-79

DATE March 19, 2008

BOARD OF RECREATION and PARK COMMISSIONERS

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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: STORM DAMAGE REPAIR PROGRAM - INTERDEPARTMENTAL TRANSFER OF FUNDS TO THE DEPARTMENT OF PUBLIC WORKS TO PROVIDE PROJECT MANAGEMENT AND ADMINISTRATION FOR THE PROJECTS IN THE STORM DAMAGE REPAIR PROGRAM

R. Adams \_\_\_\_\_ J. Kolb \_\_\_\_\_
H. Fujita \_\_\_\_\_ F. Mok \_\_\_\_\_
S. Huntley \_\_\_\_\_ \*K. Regan [Signature]
V. Israel \_\_\_\_\_ M. Shull \_\_\_\_\_

[Signature]
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

- 1. Concur with the City Council action to increase appropriations to the Department of Public Works totaling \$659,320 as specified below from Recreation and Parks, Fund No. 302, Department No. 89, Account No. 410K, 2004-05 Storm Damage Repairs, via Accounts 176C, 178C, and 186C.

Bureau of Contract Administration, Fund No. 100/76
Table with 3 columns: Account No., Account Name, Amount. Rows: 1010 Salaries General \$ 1,600; 3310 Transportation 100; Subtotal \$ 1,700

Bureau of Engineering, Fund No. 100/78
Table with 3 columns: Account No., Account Name, Amount. Rows: 1010 Salaries General \$ 90,592; 1090 Salaries Overtime 4,031; Subtotal \$ 94,623

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Bureau of Street Services, Fund No. 100/86

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
1010	Salaries General	\$ 88,886
1090	Salaries Overtime	39,505
1100	Hiring Hall Salaries	197,522
1120	Hiring Hall Benefits	69,134
1190	Hiring Hall Overtime	2,582
3030	Construction Expense	39,505
3040	Contractual Services	98,761
6010	Office and Administrative	1,188
6020	Operating Supplies	<u>25,914</u>
	Subtotal	\$562,997

2. Authorize the Department's Chief Accounting Employee to transfer cash, not-to-exceed \$659,320, on an as-needed basis, subject to the approval of the expenditure reports received from the Department of Public Works.

SUMMARY:

During the winter of 2005, the City of Los Angeles experienced an unusually large amount of rainfall causing widespread flooding throughout the City leaving a path of damage and slope failures in many communities. According to the National Weather Service, 16.97 inches of rain fell in the City between December 27, 2004, and January 10, 2005. This is more than the average 15.14 inches of rain normally experienced in the region during an entire year. The 2005 winter storms also caused millions of dollars in damage to the City's infrastructure which resulted in both State and Federal declarations of disaster for the Los Angeles basin and surrounding areas. These declarations enabled the City to qualify for reimbursement of costs to make repairs at eligible sites; however, no advanced funding was provided to the City by either the Federal Emergency Management Agency (FEMA) or the State of California Governor's Office of Emergency Services (OES).

In 2005 the Office of the City Administrative Officer (CAO) reported to the City Council the various storm repair projects that were believed to be eligible for FEMA/OES reimbursement. The Department had 40 projects on this initial list and received an initial loan of only \$1.525 million for all 40 projects. Currently, only the following three of the Department's FEMA-approved Winter Storm 2005 repair projects remain to be completed:

<u>Project No.</u>	<u>Amount</u>	<u>Title</u>
Project Worksheet No. 2765	\$ 585,470.24	Elysian Park -West Fire Road
Project Worksheet No. 2701	\$ 435,466.84	Runyon Canyon Park
Project Worksheet No.729	<u>\$ 186,097.00</u>	Palisades Park- Potrero Canyon
TOTAL	\$1,207,034.08*	

\*Based on 2006 OES repair estimates.

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By the time the Department reached these last three projects, additional funds were required. The City Council concurred with the Department's request for additional funding and in June 2006, authorized the Controller to appropriate an additional \$1.2 million to Department Fund No. 302/89, 2004-05 Storm Damage Repairs Account No. 410K, to be paid from a loan from the Disaster Assistance Trust Fund No. 872/10 (Council File No. 05-0600-S78). The Department initially intended to complete the three repair projects in-house; however, in 2007, the Department requested the Bureau of Engineering (BOE) to manage these projects as part of its Storm Damage Repair Program (SDRP), with the Bureau of Street Services (BSS) performing the work. Meanwhile, the Department continued its pursuit of additional funding to keep up with escalating construction costs. As a result, in October 2007, the City Council authorized the Controller to increase the Department's appropriations for these three projects by \$300,000 (Council File No. 05-0049-S1), for a revised total of \$1.5 million.

Under the SDRP program, BOE will provide overall project management and construction management activities which include: (1) providing construction documents and specifications; (2) reviewing and approving as-built drawings; (3) reviewing and approving all change orders within the budgeted contingency amount; (4) approving and processing all invoices for all authorized completed work; (5) managing the budgeted expenditures; (6) submitting and approving all California Environmental Quality Act (CEQA) documents; and, (7) scheduling weekly meetings with the appropriate bidder/contractor to review budget, design and construction issues from start to completion. BOE will coordinate all phases of the project with the Department and provide information and drawings on a timely basis, as required.

BSS will complete two of the projects (Runyon Canyon Park and Palisades Park-Potrero Canyon) in-house and will contract out the Elysian Park-West Fire Road project. Under Council File No. 05-0049-S1, the Department is to transfer \$659,320 to BOE. BSS and the Bureau of Contract Administration to cover the two in-house projects. The Department will retain the balance of \$840,680 to pay the BSS contractor directly for the Elysian Park-West Fire Road project, to pay for Department of Building and Safety project permit costs, and to cover any project contingencies.

The Department will provide the Public Works' Bureaus and contractor unrestricted access to the project sites during mutually agreed upon working hours and working days and will respond to the contractor's and BOE's requests for information and approvals in a timely manner. The Department will be responsible for requesting any changes that are outside of the scope of work provided by the Department of Public Works, and will be responsible for the construction of these changes. BOE will notify the Department at least five calendar days before beginning any work at a Department site to provide the Department sufficient time to coordinate with the impacted community.

The City had previously received extensions from FEMA to complete all Citywide 2005 storm repair construction projects and to file reimbursement claims by August 2007; however, due to a shortage in available steel, the City applied for and received an extension to August 2008 for the Department's three remaining projects. The Department has since paid for design and drafting

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services, project study reports, project developments, and conceptual design. BSS has developed and released the bid for the Elysian Park project. However, as a result of coordination issues with the various City agencies involved, staff is concerned that insufficient time remains to complete these projects and staff is in the process of requesting yet another extension of approximately six months. Both the CAO and BOE support this request.

BOE has determined that these projects have been evaluated in accordance with the CEQA requirements and are exempt and has issued a Notice of Exemption .

The Department will provide payments up to \$659,320 to the Public Works' Bureaus subject to receipt and approval of the expenditure reports. Upon completion of these three projects, Public Works and the Department will provide all appropriate documents to the CAO to seek FEMA reimbursement. These funds will be applied towards the Department's repayment of the \$1.5 million loan from the Disaster Assistance Trust Fund.

### FISCAL IMPACT STATEMENT:

The General Fund is not impacted because funds were loaned to the Department from the Disaster Assistance Trust and will be repaid from FEMA reimbursements.

Report prepared by Anthony Gonzalez, Management Analyst II, Emergency Preparedness Section, Operations West.