



# City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 8, 2021

FROM: GENERAL SERVICES DEPARTMENT WARD: 1

SUBJECT: MEASURE Z – TRANSFER FUNDS FROM THE NEW MAIN LIBRARY OFFICE FURNITURE & EQUIPMENT ACCOUNT TO THE CONSTRUCTION CONTINGENCY TO INCREASE CHANGE ORDER AUTHORITY FROM 10% IN THE AMOUNT OF \$3,426,630 TO 11.7% IN THE AMOUNT OF \$4,001,630 FOR THE NEW MAIN LIBRARY PROJECT LOCATED AT 3900 MISSION INN AVENUE

**ISSUES:**

Approve a transfer of funds from the New Main Library Office Furniture & Equipment Account to the construction contingency to increase change order authority from 10% in the amount of \$3,426,630 to 11.7% in the amount of \$4,001,630 for the New Main Library Project located at 3900 Mission Inn Avenue.

**RECOMMENDATIONS:**

That the City Council approve a transfer of funds from the New Main Library Office Furniture & Equipment Account to the construction contingency to increase in change order authority from 10% in the amount of \$3,426,630 to 11.7% in the amount of \$4,001,630 for construction contingency for the New Main Library Project located at 3900 Mission Inn Avenue.

**BACKGROUND:**

On January 15, 2019, the City Council awarded Bid No. 7624 to Icon West Inc. from Los Angeles for \$34,266,308 to construct the New Main Library located at 3900 Mission Inn Avenue. The City Council also authorized a 10% construction contingency of \$3,426,630 for unforeseen conditions, owner requested changes and design enhancements. On February 5, 2019, the City Council approved financing options for construction costs related to the New Main Library Project. At these hearings, the City Council approved an overall projected project cost of \$43.3 Million as summarized below:

Description	Costs
Construction Agreement (Icon West Inc.)	\$34,266,308
10% Contingency	\$3,426,630
<b>Total Construction Cost</b>	<b>\$37,692,938</b>
Design Fees	\$2,197,230
Project Management, Utility Fees and Permits	\$500,000
Furniture, Fixtures & Equipment (FF&E)	\$2,609,832
<b>Main Library Overall Projected Costs</b>	<b>\$43,300,000</b>

On May 5, 2020, the City Council approved individual purchases of Furniture, Fixtures and Equipment (FF&E) with Yamada Enterprises, Pacific Office Interiors, Pivot and Tangram for \$1,587,559 plus a 10% contingency of \$158,756 for a total of \$1,746,315.

**DISCUSSION:**

The FF&E budget of \$2,609,832 was established to purchase video, audio, security camera systems and other equipment and fixtures for the new Main Library. However, in order to facilitate the project schedule and avoid potential delays, staff requested Icon West install a video/audio system, security camera system, and exterior light fixtures at a total cost of \$694,401. The funding for the work came from the construction contingency on the Icon West purchase order, leaving insufficient funding for the completion of construction. Staff requests an increase in change order authority for Icon West of approximately \$575,000 in order to pay Icon West Inc. for final project change orders for the completion of the New Main Library. The \$575,000 is available in the FF&E account and will not increase the overall project budget; effectively, funds would be transferred from one approved account to another.

Section 1104 of Purchasing Resolution 23256 allows for modifications to a purchase order by change order. It specifies that “Change Orders which cumulatively exceed the following will require Awarding Entity approval: c) 10% of the original contract price for Contracts and/or Purchase Orders previously approved by the Awarding Entity and the total Change Order amount will not exceed \$150,000.”

The Library Director concurs with this report.

The Purchasing Manager concurs that the recommendation is in compliance with Purchasing Resolution 23256.

**FISCAL IMPACT:**

City Council approval is needed to increase change order authority for the construction contingency from 10% in the amount of \$3,426,630 to 11.7% in the amount of \$4,001,630. The \$575,000 is available in the New Main Library Office Furniture & Equipment account no. 9990509-462300. This action will not increase the overall project budget of \$43.3 million.

Prepared by: Carl Carey, General Services Director  
Certified as to  
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer  
Approved by: Moisés López, Deputy City Manager  
Approved as to form: Kristi Smith, Interim City Attorney