

Carried Over

SEPTEMBER 30, 1996



Los Angeles County
Metropolitan
Transportation
Authority

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TO: BOARD OF DIRECTORS

FROM: JOSEPH E. DREW, CHIEF EXECUTIVE OFFICER

SUBJECT: AUTHORIZE IMPLEMENTATION OF THE CO-LOCATED PROJECT OFFICE FOR THE METRO RED LINE, EAST SIDE EXTENSION

RECOMMENDATION

Authorize:

- A) Lease negotiations and execution of a lease with Wells Fargo Bank and Equitable Life Insurance, for a not-to-exceed amount of \$3,961,266 for total estimated co-located project office costs, at 707 Wilshire Boulevard (the "707 Building") the top-ranked location for the Co-Located Project Office.
- B) Lease negotiations and execution of a lease with Bank of Nova Scotia at 818 West 7th Street (the "818 Building") the second-ranked location, for a not-to-exceed amount of \$4,439,221 for total estimated co-located project office costs, should favorable lease terms be unattainable with the top-ranked candidate location;
- C) Procurement of equipment and materials (e.g., phone and computer system, furniture, etc.) with the supplier(s) offering the most favorable terms to MTA.

Within the Construction Committee's approval authority?: Yes No

ORGANIZATIONAL IMPACT

The co-located project office is expected to improve the design and construction of the Metro Red Line, East Side project, by providing opportunities for closer and better communications among MTA, EMC, and construction management project staff. Implementation of this concept will require coordination with various MTA departments. Space requirements will be negotiated to accommodate a phased occupancy. Staff proposes that MTA and EMC occupy the space immediately. Construction Management staff will move to the space once given Notice to Proceed.

BUDGET IMPACT

The funds for this action are available within the Board approved East Side Extension project budget of \$979,601,000. This recommended action will create a maximum project office obligation of \$4,439,221, depending on the specific location and the cost of all additional required items. For specific details, see Attachment 1.

The exact impact of this action on project contingency will depend on the final lease negotiated. Contingency will be reduced by any lease amount and other costs, over the budget included with professional services for these costs. This recommended

ATTACHMENT 1
COSTS ASSOCIATED WITH TOP-RANKED CANDIDATE LOCATIONS

	707 Wilshire Boulevard	818 West 7th Street	Plaza Del Sol, Boyle Heights*	Red Line MOW Building	No Co-Located Project Office Option
Term Lease Costs**	\$3,481,908	\$3,851,476	\$3,808,831	\$4,993,875	\$1,244,545
Shuttle Costs	\$0	\$0	\$570,400	\$570,400	\$0
Voice/Data Installation Costs/LAN Equip.	\$77,240	\$88,125	\$88,125	\$86,125	\$48,860
Security System	\$0	\$25,000	\$25,000	\$0	\$25,000
PBX System	\$200,000	\$0	\$200,000	\$200,000	\$200,000
Relocation Costs***	\$7,500	\$10,000	\$10,000	\$10,000	\$0
Systems Furniture****	Included in Lease Costs	\$450,000	\$450,000	\$450,000	\$180,000
Phones	\$9,600	\$8,600	\$9,600	\$9,600	\$2,800
Fax Machine/Copier	\$25,020	\$25,020	\$25,020	\$25,020	\$25,020
Computer/Network Costs*****	\$180,000	\$160,000	\$160,000	\$160,000	\$160,000
TOTAL	\$3,961,266	\$4,439,221	\$5,164,976	\$6,496,820	\$1,904,325

Notes:

- * Lease term costs at Plaza Del Sol assumes \$25/square foot for tenant improvements.
- ** Term lease costs at MOW Building include \$2,413,875 for janitorial services, maintenance and utilities, \$2,350,000 for construction.
- *** Based on 50 employees. Assumes CM staff hired directly into Integrated Project Office location. Costs for 707 Building are less since EMC staff will relocate within the same building.
- **** Systems furniture cost assumes MTA can purchase 80 workstations of systems furniture at 40% of retail.
- ***** Assumes only Construction Management staff require additional computers.

ESTIMATED TIME UNTIL OCCUPANCY

707 Wilshire Boulevard	818 West 7th Street	Plaza Del Sol	Red Line MOW Building
November 1996	November 1996	February 1997	July 1997

818 West 7th Street, Los Angeles

This site is staff's second choice for the co-located project office. It is approximately one mile from the East Side Project alignment and approximately one mile from the Gateway Building. A Metro Red Line Station is conveniently located across the street, so co-located project office staff will have quick and easy access to staff at Gateway, at no additional cost. Travel time between Gateway and this location is between 15 and 20 minutes. This location is staff's second choice since it is approximately \$480,000 more than the top-ranked location. Additionally, since this location is 2 blocks from the existing EMC offices, coordination and oversight of final design will not be as efficient as being located in the same building as EMC's offices. Total costs over the term of a 7-year lease at this location are estimated at \$4,439,221. A compilation of costs is provided in Attachment 1.