

# AGENDA

## SPECIAL JOINT MEETING OF THE BOARD OF COMMISSIONERS AND THE BUDGET & FINANCE AND EXECUTIVE COMMITTEES

**Budget & Finance Committee Chair: Robert Byrd**

**Thursday, June 28, 2018  
12:00 PM**

**Meeting Location:**

First 5 LA  
750 N. Alameda Street  
Los Angeles, CA 90012



# ASPOSE

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1. **ACTION**  
Call to Order  
- **Judy Abdo, Chair**
2. **INFORMATION** **3**  
Review Executive Committee Meeting Notes - May 3, 2018  
- **Judy Abdo, Chair**
3. **INFORMATION**  
Standing Items
  - A. Review of Annual Operating Budget
  - B. Annual Audit
  - C. State Annual Report
  - D. Contract Compliance
  - E. Quality Assurance
  - F. Evaluation
  - G. Policy and Advocacy
  - H. Personnel and Compensation
4. **INFORMATION** **9**  
Capital Improvement Plan  
- **John Wagner, Executive Vice President**  
- **Carl Gayden, Senior Director of Administration**

**COMMISSIONERS**

Los Angeles County Supervisor	Judy Abdo	Summer McBride
Holly J. Mitchell	Robert Byrd, Psy.D	Maricela Ramirez
<i>Chair</i>	Astrid Heger, M.D.	Carol Sigala
Brandon Nichols	Yvette Martinez	
<i>Vice Chair</i>		

**EX OFFICIO MEMBERS**

Barbara Ferrer, Ph.D.,  
M.P.H., M.Ed.  
Jacquelyn McCroskey, DSW  
Deanne Tilton

**EXECUTIVE DIRECTOR**

Karla Pleitéz Howell

**EXECUTIVE VICE PRESIDENT**

John A. Wagner

**A PUBLIC ENTITY**

5. **INFORMATION**  
Public Comment for items not on the agenda
6. **ACTION**  
Adjournment



**SUMMARY MEETING NOTES**

**FIRST 5 LA  
SUMMARY MEETING NOTES  
Special Meeting of the Board of Commissioners  
(Joint meeting of the Budget & Finance and Executive Committees)  
May 3, 2018  
9:30 am –11:30 am**

**EXECUTIVE COMMITTEE**

**MEMBERS PRESENT:**

Judy Abdo (Chair)  
Barbara Ferrer  
Yvette Martinez

**EXECUTIVE COMMITTEE**

**MEMBERS ABSENT:**

Marlene Zepeda (Vice Chair) [Excused]

**LEGAL COUNSEL:**

Craig Steele

**EXTERNAL PRESENTERS:**

Roger Alfaro, Partner, Vavrinek, Trine  
Day & Company

**BUDGET & FINANCE**

**COMMITTEE MEMBERS PRESENT:**

Yvette Martinez (Chair)  
Romalis Taylor

**BUDGET & FINANCE**

**COMMITTEE MEMBERS ABSENT:**

Jane Boeckmann (Vice Chair) [Excused]  
Bobby Cagle [Excused]

**STAFF PRESENT:**

Kim Belshé, Executive Director  
Carl Gayden, Senior Director of Administration  
Daisy Lopez, Financial Planning & Analysis Manager  
Raoul Ortega, Finance Director  
Sharareh Motamed, Staff Accountant  
Linda Vo, Board Secretary  
John Wagner, Executive Vice President

**1. Call to Order/Roll Call**

The joint meeting of the Budget & Finance and Executive Committees was called to order by Executive Committee Chair Abdo at 9:35 am. Roll call completed.

**2. Annual Audit: Entrance Interview**

Ms. Motamed gives a brief introduction to this item. Mr. Alfaro from Vavrinek, Trine Day & Co (VTD) takes over and provides a brief overview of the audit process that he and his company would be undertaking with First 5 LA in the coming months. He informed the committee that he would be going over the scope and timing of the audit for Fiscal Year 17-18. He also informed the Committee that this is a requirement of the State that First 5 LA be audited and that any findings would be reported and communicated to the Commissioners and Public.

Mr. Alfaro went through his presentation and informed the Committee that his firm would be performing the following audits:

- Comprehensive Annual Financial Report (CAFR)
- State Compliance – Standards and Procedures for Audits of California Counties Participating in the Children and Families Program issued by the State Controller's Office

VTD plans to abide by the following timeline:

- Planning and Interim Fieldwork – June
- Final Fieldwork – August
- Report Delivery – September/October

## SUMMARY MEETING NOTES

Mr. Alfaro stated that it is his firm's responsibility in the audit process to do the following:

- Express opinions about whether the financial statements that have been prepared by management with the oversight of the Commission, in all material respects, are presented fairly and in conformity with generally accepted accounting principles

He reminded the Committee that these opinions, though reasonable, are not necessarily absolute assurance. He also added that the audit does not relieve the Commission or management of its responsibilities.

He further added that VTD is also responsible for the following:

- Obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures -
  - Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity
- Communicating other matters
  - Qualitative aspects of accounting policies and accounting estimates and note disclosures
  - Difficulties encountered
  - Uncorrected misstatements
  - Material corrected misstatements
  - Disagreements with managements
  - Management representations
  - Consultations with other accountants

Mr. Alfaro briefly explained VTD's approach in the audit process. He said VTD plans to meet with management to identify audit risk areas or unusual transactions. As a part of this process, they would also inspect financial and other information to ensure that First 5 LA is operating in compliance with state guidelines.

Mr. Alfaro says that the final stage of the audit will be to perform substantive tests, from a sample basis, on account balances and transactions. These tests include, but are not limited to:

- Analytical procedures
- Third party confirmation
- Tracing/vouching to supporting documentation

He informed the Committee that VTD will also determine the adequacy of the financial statements and disclosures, including assessing accounting principles used.

Once the audit is completed, VTD will do an exit by:

- Proposing/Discussing audit adjustments
- Presenting findings and recommendations
- Providing required communications to those charged with governance

Mr. Alfaro completed his presentation to the Committees and then asked if there were any questions about the audit process.

There was no further discussion on this item.

**SUMMARY MEETING NOTES**

**3. Draft Budget FY 18-19**

Ms. Lopez gave a brief overview of the items she would be covering on the draft budget for fiscal year 18-19. Some of the budget themes she covered included:

- Learning by doing – an evolving approach to budgeting
- Partnership-based work
- Policy and systems change – at the center of our work
- Emerging opportunities
- Integration & Learning – learning as a strategic asset
- Sustainability planning
- Long-term impact requires long-term commitment

Some of the budget components covered were:

1. 2015-2020 Strategic Plan: Focusing for the Future
  - a) Strategic Plan Priority Outcome Areas
  - b) Strategic Plan Investment Areas & Support Costs
  - c) Integration & Learning
2. Legacy Investments
3. Internal Operations (Operating Budget)

Ms. Lopez also broke down the budget summary:

BUDGET CATEGORY	FY 2017-18 Budget				Proposed		Variance
	Original		Revised		FY 2018-19 Budget		
<b>Program</b>							
<i>2015-2020 Strategic Plan: Focusing for the Future</i>							
a. Strategic Plan Priority Outcome Areas	\$ 74,617,000		\$ 70,712,000		\$ 88,218,000	\$ 17,506,000	24.8%
b. Strategic Plan Related Investment Areas & Support Costs	10,441,000		9,941,000		10,768,000	\$ 827,000	8.3%
c. Integration & Learning	6,377,000		5,830,000		5,941,000	\$ 111,000	1.9%
<i>Total 2015-2020 Strategic Plan</i>	\$ 91,435,000	63%	\$ 86,483,000	62%	\$ 104,927,000	75%	\$ 18,444,000 35%
<i>Legacy Investments</i>	31,824,000	22%	31,724,000	23%	11,653,000	8%	(20,071,000) -63.3%
<b>Total Program</b>	<b>\$ 123,259,000</b>	<b>85%</b>	<b>\$ 118,207,000</b>	<b>85%</b>	<b>\$ 116,580,000</b>	<b>84%</b>	<b>\$ (1,627,000) -1%</b>
<b>Operating</b>	<b>21,614,104</b>	<b>15%</b>	<b>21,614,104</b>	<b>15%</b>	<b>22,849,688</b>	<b>16%</b>	<b>1,235,584 5.7%</b>
<b>TOTAL BUDGET</b>	<b>\$ 144,873,104</b>	<b>100%</b>	<b>\$ 139,821,104</b>	<b>100%</b>	<b>\$ 139,429,688</b>	<b>100%</b>	<b>\$ (391,416) -0.3%</b>

Some of the budget highlights covered were:

- Overall decrease of \$391,416 or 0.3%
- Increase of \$18 million (35%) to support the 2015-2020 Strategic Plan
- Decrease of \$20 million (63.3%) in Legacy Resources
- Net decrease of \$1.6 million (1.4%) in total programs budget
- Increase of \$1.2 million (5.7%) in support of Operating costs

She then gave an overview of the program budget indicating that:

FY 2018-19 is largely a status quo budget with a few changes:

- Roughly 6% of programmatic activities are “new”
- First full year implementing the new Best Start Regional Network structure
- Increase in Health-Related Systems as activities transition from planning and development to implementation

**SUMMARY MEETING NOTES**

Ms. Lopez then covered the strategic plan priority outcome areas. She indicated that the charts below are the estimated resources required to support the Strategic Plan Priority outcome areas:

<b>2015-2020 STRATEGIC PLAN OUTCOME AREA</b>	<b>Revised FY 2017-18</b>	<b>Proposed FY 2018-19</b>	<b>Variance</b>	
Families	\$ 29,675,000	\$40,845,000	\$11,170,000	37.6%
Communities	18,325,000	20,976,000	2,651,000	14.5%
Early Care & Education (ECE) Systems	21,244,000	22,910,000	1,666,000	7.8%
Health-Related Systems	1,468,000	3,487,000	2,019,000	137.5%
<b>Total Strategic Plan Priority Outcome Areas</b>	<b>\$ 70,712,000</b>	<b>\$88,218,000</b>	<b>\$17,506,000</b>	<b>24.8%</b>

<b>FAMILIES OUTCOME AREA</b>	<b>Revised FY 2017-18 Budget</b>		<b>Proposed FY 2018-19 Budget</b>	
Strategy 1 - Home Visiting	\$ 27,437,000	92%	\$ 38,310,000	94%
Strategy 2 - Family Engagement	1,385,000	5%	2,335,000	6%
Emerging Opportunities	853,000	3%	200,000	0%
<b>Total Families Outcome Area</b>	<b>\$ 29,675,000</b>	<b>100%</b>	<b>\$ 40,845,000</b>	<b>100%</b>

<b>COMMUNITIES OUTCOME AREA</b>	<b>Revised FY 2017-18 Budget</b>		<b>Proposed FY 2018-19 Budget</b>	
Strategy 1 - Community Leadership & Collaboration	\$ 13,588,000	74%	\$ 18,282,000	87%
Strategy 2 - Coordinated Services & Supports	150,000	1%	503,000	2%
Strategy 3 - Built Environment Policy & Advocacy	746,000	4%	1,256,000	6%
Cross-Strategy Investments	3,361,000	18%	685,000	3%
Emerging Opportunities	480,000	3%	250,000	1%
<b>Total Communities Outcome Area</b>	<b>\$ 18,325,000</b>	<b>100%</b>	<b>\$ 20,976,000</b>	<b>100%</b>

<b>ECE OUTCOME AREA</b>	<b>Revised FY 2017-18 Budget</b>		<b>Proposed FY 2018-19 Budget</b>	
Strategy 1 - Policy/Advocacy	\$ 3,630,000	17%	\$ 5,245,000	23%
Strategy 2 - QRIS	16,029,000	75%	15,200,000	66%
Strategy 3 - Professional Development	1,485,000	7%	2,065,000	9%
Emerging Opportunities	100,000	0%	400,000	2%
<b>Total ECE Outcome Area</b>	<b>\$21,244,000</b>	<b>100%</b>	<b>\$ 22,910,000</b>	<b>100%</b>

<b>HEALTH-RELATED SYSTEMS OUTCOME AREA</b>	<b>Revised FY 2017-18 Budget</b>		<b>Proposed FY 2018-19 Budget</b>	
Strategy 1 - Early Identification and Intervention	\$ 518,000	35%	\$ 2,610,000	75%
Strategy 2 - Trauma-Informed Care	700,000	48%	827,000	24%
Emerging Opportunities	250,000	17%	50,000	1%
<b>Total Health Outcome Area</b>	<b>\$ 1,468,000</b>	<b>100%</b>	<b>\$ 3,487,000</b>	<b>100%</b>

Once Ms. Lopez completed presenting the priority outcome areas, she spoke about the Strategic Plan-related Investment areas and support costs. She informed the Committees that Investments to cultivate diverse partnerships, create awareness and urgency among decision-makers, and support advocates for policy change on behalf of children and their families.

**SUMMARY MEETING NOTES**

<b>Strategic Plan Investment Areas &amp; Support Costs</b>	<b>Revised FY 2017-18 Budget</b>		<b>Proposed FY 2018-19 Budget</b>	
Policy Agenda/Advocacy	\$ 2,320,000	23%	\$ 3,070,000	29%
Communications	6,344,000	62%	6,371,000	59%
Strategic Partnerships	1,152,000	11%	946,000	9%
Community Engagement and Advocacy	291,000	3%	256,000	2%
Policy & Strategy - Emerging Opportunities	75,000	1%	75,000	1%
County Partnerships	50,000	0%	50,000	0%
<b>Total SPIA &amp; Support Costs</b>	<b>\$ 10,232,000</b>	<b>100%</b>	<b>\$ 10,768,000</b>	<b>100%</b>

She then went over the proposed budget for the Integration & Learning Division:

<b>Integration &amp; Learning</b>	<b>Revised FY 2017-18 Budget</b>		<b>Proposed FY 2018-19 Budget</b>	
Integration & Learning Division Support	\$ -	0%	\$ 290,000	5%
Integration & Learning	125,000	2%	206,000	3%
Measurement, Learning & Evaluation	5,655,000	97%	5,345,000	90%
Integration & Learning - Emerging Opportunities	50,000	1%	100,000	2%
<b>Total Integration &amp; Learning</b>	<b>\$ 5,830,000</b>	<b>100%</b>	<b>\$ 5,941,000</b>	<b>100%</b>

Finally, Ms. Lopez presented on the Legacy Investments. She informed the Committees that there are still 7 legacy investments that represent ongoing work of the Commission.

Initiatives that aligned with the 2015-20 Strategic Plan:

- Early Identification and Intervention – Autism and Other Developmental Delays, aka First Connections (\$884,000)
- Universal Assessment of Newborns (\$11 million)

Initiatives ending in FY 2017-18 include:

- Children’s Vision Care (\$252,000 decrease)
- Policy Advocacy Fund (\$310,000 decrease)
- Workforce Development (\$542,000 decrease)

The total proposed budget for this area is \$11.7 million.

Before ending this item, Ms. Lopez briefly spoke about the administrative cost limit. For context, she explained that the way First 5 LA calculated its percentage was through a very broad and inclusive approach. She informed the Committees that First 5 LA includes all costs for administrative departments, as well as 100% of salary/benefit costs for Executive Leadership, Directors and Administrative Assistants. She indicated that the percentage slightly increased due to the reduction in program costs and slight uptick in operating costs and that First 5 LA continues to have among the lowest percentage, with rates across all County Commissions ranging from 8-25% of spending.

In wrapping up, Ms. Lopez informed the Committee that after the meeting that day, First 5 LA would be bringing this item before the full Commission at the May 10 Board meeting. Once the item has been reviewed by the full Commission, it would come back for action at the June 14 Board meeting.

**4. Public Comment**

There was no public comment for the first section of the meeting.

**SUMMARY MEETING NOTES**

**5. Adjournment of Executive Committee (Budget and Finance Committee continues meeting)**

**6. Review Special Meeting of the Budget and Finance Committee Notes – May 27, 2017**

Meeting notes were received and filed. There was no further discussion on this item.

**7. Public Comment**

No public comment.

**ADJOURNMENT:**

The meeting was adjourned at 11:16 am.

**NEXT MEETING:**

The next Executive Committee meeting will take place on Thursday, June 28, 2018 at 12:00 pm.

First 5 LA  
Communities Conference Room, First Floor  
750 N. Alameda Street  
Los Angeles, CA 90012

Summary minutes were recorded by Linda Vo, Secretary of the Board of Commissioners.

**FIRST 5 LA**

**SUBJECT:**  
**Capital Improvement Plan**

**RECOMMENDATION (PROVIDED AS INFORMATION):**

This memo is provided as information for the Committee's consideration at the June 28, 2018 Special Meeting of the Executive Committee. This information will also be presented to the Special Meeting of the Board of Commissioners/Program and Planning Committee on June 28, 2018. First 5 LA staff recommends that at the Meeting of the Board of Commissioners on July 12, 2018, the Board approve (on consent) Board Resolution 2018-03 to:

1. Approve the 2018 Capital Improvement Plan (CIP) as the long term capital project plan.
2. Re-Commit the Capital Improvement Fund (CIF) amount of \$6,959,676.
3. Authorize expenditures against the previously committed Capital Improvement Fund.
4. Waive requirements of the Procurement Policy to allow First 5 LA to "piggyback" on existing agreements that have been awarded by other public agencies for procurements under the CIP, where possible, and to authorize the Executive Director to execute all agreements and amendments under the CIP unless otherwise required by State law.
5. Authorize the Executive Director to include a facility preventative maintenance program as part of the annual budgeting process.

**BACKGROUND:**

First 5 LA's mission is for all children in Los Angeles County to enter kindergarten ready to succeed in school and life. Our 2015-2020 Strategic Plan advances this mission by prioritizing activities with the potential to impact the broadest range of children prenatal to age 5 across four interlinked focus areas – families, communities, early care and education, and health care systems.

Over the past two years, First 5 LA has aligned our structure, our staffing and how we work to help advance our Strategic Plan goals. Our goal with the Capital Improvement Plan is to complement these efforts by providing the workspaces and facilities needed to better enable us to advance our mission and yield the greatest benefits for kids. In addition to improvements to the function and operation of our facility, we want to use our physical space as a way to elevate the critical and urgent nature of our work.

The Capital Improvement Plan will outline how we will achieve these goals and objectives to help First 5 LA advance its Strategic Plan goals.

First 5 LA owns and occupies its office building located at 750 N. Alameda Street, Los Angeles, California, located on the Union Station campus. Accordingly, the building is part of a designated historic resource and subject to the same historic preservation requirements as the entire Union Station campus. The building is three (3) stories with approximately 45,000 square feet of office space. The second and third floors contain offices and cubicles for First 5 LA staff. The first floor contains a Multipurpose Room (MPR) for large meetings, four meeting rooms, storage rooms, and a child care center. The child care center, which is leased out to an external entity, is not included in this project.

In June of 2017, the Board of Commissioners started to address these issues by establishing a Capital Improvement Fund (CIF). The CIF is comprised of unspent FY 2015/16 Operating Budget funds in the amount of \$3,660,359 and unspent FY 2016/17 Operating Budget funds in the amount of \$3,299,317. The CIF was established as part of the FY2017/18 budget process, committing a total of \$6,959,676 in funding for capital improvements for the building. In so doing, the Board required staff to come back with a Capital Improvement Plan (CIP) in order to draw down resources from the Board-approved Capital Improvement Fund.

**DISCUSSION:**

The purpose of the CIP is two-fold: (1) to renovate First 5 LA's physical space to align to the organization's new structure, facilitate collaboration across the organization, and reflect updated space planning best practices; and (2) to address immediate physical plant needs and plan longer term for the maintenance and support of our facility. This idea goes beyond the basic inclusion of active measures that can be incorporated into physical space. It reflects an approach that will result not only in a current up-to-date workspace that will enhance productivity and efficiency, but will yield operational cost savings, flexibility in the use of this asset, and a sound preventative maintenance program to help manage this asset today and future improvements. It is a concept that allows the work described in this CIP to endure successfully into the future.

First 5 LA has contracted with a planning and design firm, Klawiter & Associates, to devise the workspace layout for the building renovation. Specifications and drawings will be provided to the selected project/construction management firm upon completion. First 5 LA also has hired MARRS, a construction management firm, to manage the construction needed for the building renovation. The renovation project team is primarily composed of First 5 LA's Executive Director, Executive Vice President, Senior Director of Administration, the selected project/construction management firm, legal advisor, and interior planning consultant. Additional contractors and consultants, such as a construction contractor, will be added as the renovation project proceeds. The project/construction management firm serves as First 5 LA's advocate to represent First 5 LA's best interests with members of the Renovation Project team. As First 5 LA is a public agency, the renovation project is subject to public works laws.

In the attached CIP, category designations were created and utilized during the final planning, design, cost estimating, and cost reconciliation steps of the process. These category designations are used as an organizational tool to document and describe the proposed work in this CIP and are as follows:

- Category A: Interior Building Renovation
- Category B: Physical Assessment – Roof/HVAC
- Category C: Physical Assessment – Site/Security
- Category D: Solar

Historically, First 5 LA has included very limited resources for preventative maintenance and maintenance operating costs into the budget to care for this critical asset. We believe that the Board has set aside enough resources in the CIF reserve to cover the initial renovation costs for this project, addressing all of First 5 LA's deferred and current facility needs.

Staff recommends approval of the Capital Improvement Plan 2018 and the Board Resolution to authorize the use of the Capital Improvement Plan up to the amount of \$6,959,676.

The Procurement Policy requires that First 5 LA competitively procure goods and services with a value of \$25,000 or more. Staff recommends waiving this requirement for some items in order to allow First 5 LA to "piggyback" on agreements awarded after a competitive bid process or other process conducted by other public entities rather than requiring First 5 LA to conduct its own competitive procurement process, when possible and upon review and approval of legal counsel. This would shift the entity conducting the competitive solicitation from First 5 LA to another public entity. These public entities have the advantages of experience in public works and greater buying power than First 5 LA. Examples of such entities include the County of Los Angeles and the State of California, Department of General Services. Benefits to First 5 LA also include efficient use of staff resources, time savings and potentially, lower prices as a result of economies of scale. If approved, First 5 LA staff would conduct an analysis to determine if piggybacking was more appropriate than conducting our own procurement. Piggybacking is a best practice of many public entities. Construction activities will be publicly bid and contracted to the lowest responsible bidder, as required by the Public Contracts Code. Where applicable, First 5 LA will require that contractors follow the provisions of the Labor Code applicable to public building projects, including licensing requirements and the payment of prevailing wage rates by contractors.

The policy also requires that contracts of \$75,000 or more are presented to the Board for approval prior to execution and limits the Executive Director to authorize amendments up to \$75,000 or ten percent, whichever is greater. Staff recommends that these requirements are waived to allow for the Executive Director to execute all agreements and amendments under the Capital Improvement Project except where State law requires board award on any public works contracts. If this delegation is approved, this will mitigate any potential delays and increase in costs as a result of delays, with construction or any other contractors for this project. All contracts executed by the Executive Director under the CIP will be reported in the Executive Director's report to the Commission at its monthly meetings.

RESOLUTION NO. 2018-03

**A RESOLUTION OF THE LOS ANGELES COUNTY CHILDREN AND FAMILIES FIRST PROPOSITION 10 COMMISSION RE-COMMITTING THE CAPITAL IMPROVEMENT FUND, APPROVING THE 2018 CAPITAL IMPROVEMENT PLAN (CIP), AUTHORIZING THE EXECUTIVE DIRECTOR TO MAKE AND CONTRACT FOR EXPENDITURES AGAINST THE ESTABLISHED CAPITAL PROJECT FUND AND DIRECT THE EXECUTIVE DIRECTOR TO INCORPORATE A FACILITY PREVENTATIVE MAINTENANCE PROGRAM AS PART OF THE ANNUAL BUDGETING PROCESS**

The Board of Commissioners of Los Angeles County Children and Families First Proposition 10 Commission ("the Commission") hereby finds and resolves as follows:

**Whereas, First 5 LA** owns its headquarters building located at 750 North Alameda Street ("the Building");

**Whereas,** the Building is a substantial capital asset of First 5 LA that must be renovated, improved and maintained; and

**Whereas,** the Commission previously directed staff to complete a Capital Improvement Plan for Commission consideration and committed funds to pay for the Capital Improvement Plan;.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. The 2018 Capital Improvement Plan is hereby approved. Staff is authorized to implement and incur costs on the Commission's behalf, pursuant to applicable law, Commission Policy, and this Resolution, to achieve the objectives and goals adopted within the Capital Project Plan;
2. The Committed Capital Improvement Fund of \$6,959,676 is hereby re-committed;
3. The Executive Director or her designee is authorized to incur expenditures against the previously Committed Capital Project Fund, subject to applicable law, First 5 LA policies and procedures, and this Resolution; Notwithstanding First 5 LA policy or procedure, the Executive Director or her designee is authorized to take necessary steps to allow First 5 LA to "piggyback" on existing procurements that have been awarded after a competitive process or other process conducted by other public agencies to take advantage of cost savings and efficiencies of scale for purchases in support of the CIP, where permitted by applicable law.
4. The Executive Director is authorized to execute all agreements and amendments necessary to implement the CIP unless otherwise required by State law, and directed to bring other contracts back for Board approval as required, while continuing to update the Board on the project, contracts and expenditures going forward (via the ED report or other public means) ; and
5. The Executive Director is hereby directed to address ongoing preventative maintenance needs of the facility through the annual budget process; and
6. The executed copy of this Resolution shall be retained on file as evidence of the Commission's action herein.

**PASSED, APPROVED AND ADOPTED THIS 12TH DAY OF JULY, 2018, BY THE FOLLOWING VOTE:**

AYES: Commissioners \_\_\_\_\_

NOES: Commissioners \_\_\_\_\_

ABSTAIN: Commissioners \_\_\_\_\_

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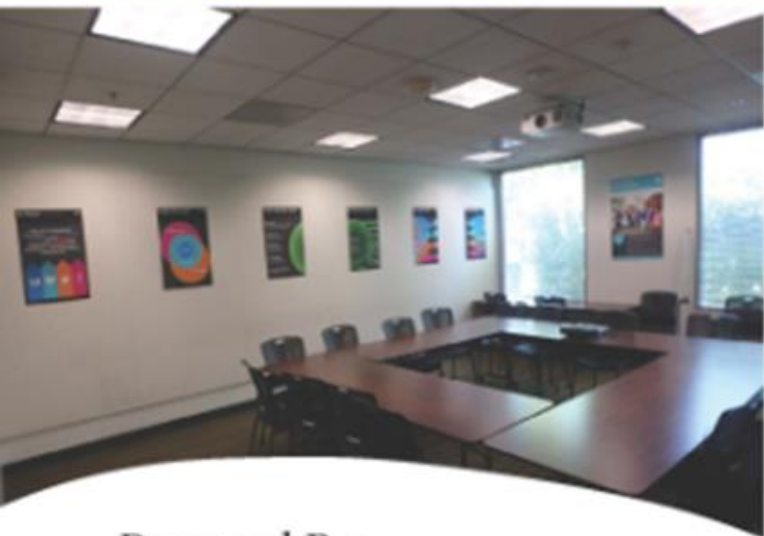
Sheila James Kuehl  
Chair, First 5 LA

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Kim Belshé  
Executive Director



# First 5 LA Capital Improvement Plan 2018



Prepared By:



June 28, 2018



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## **I. *Background***

### **GOALS AND OBJECTIVES**

First 5 LA's mission is for all children in Los Angeles County to enter kindergarten ready to succeed in school and life. Our 2015-2020 Strategic Plan advances this mission by prioritizing activities with the potential to impact the broadest range of children prenatal to age 5 across four interlinked focus areas – families, communities, early care and education, and health care systems.

Over the past two years, we have aligned our structure, our staffing and how we work to help advance our Strategic Plan goals. Our goal with the Capital Improvement Plan is to complement these efforts by providing the workspaces and facilities needed to better enable us to advance our mission and yield the greatest benefits for kids. In addition to improvements to the function and operation of our facility, we want to use our physical space as a way to elevate the critical and urgent nature of our work.

The following plan outlines how we will achieve these goals and objectives to help First 5 LA advance its Strategic Plan goals.

## **First 5 LA – GIVING KIDS THE BEST START**

In 1998, California voters passed Proposition 10, which levied a 50-cent per pack tax on all tobacco products. The resulting tax revenues were earmarked for the creation of a comprehensive system of services and supports to advance early childhood development and school readiness within each county in California. In Los Angeles County, the First 5 LA Commission was formed as an independent public entity to develop and oversee various early childhood initiatives and to manage the funding from Proposition 10.

Knowing that 90% of a child’s brain is developed by age 5, First 5 LA works with diverse partners to strengthen families, communities, and systems of support to ensure all children in LA County enter kindergarten ready to succeed in school and life. More specifically First 5 LA provides funding for parent coaches to visit newborn babies and their parents in their homes, supports parents who are trying to make their neighborhoods better for families, helps early childhood educators get the training they need, and shares parenting tips and resources. First 5 LA partners with other county agencies and organizations to strengthen families and improve child outcomes. They also work with leaders and lawmakers to help them prioritize young children in budget and policy decisions.

Since 1998, First 5 LA has invested more than \$2 billion to improve the health, safety and school readiness of children prenatal to age 5.



## II. Project Overview

### INTRODUCTION

First 5 LA owns and occupies its office building located at 750 N. Alameda Street, Los Angeles, California, located on the Union Station campus. Accordingly, the building is a designated historic resource and subject to the same historic preservation requirements as the Union Station campus. The building is three (3) stories with approximately 45,000 square feet of office space. The second and third floors contain offices and cubicles for First 5 LA staff. The first floor contains a Multipurpose Room (MPR) for large meetings, four meeting rooms, storage rooms, and a child care center. The child care center, which is leased out to an external entity, is not included in the Renovation Project.



To strengthen First 5 LA's ability to effectively execute its 2015-2020 Strategic Plan, the organization took steps to align its internal structure and staffing with its mission and strategy. Under the leadership of the 5-person Executive team, four separate divisions were established as part of this alignment. Across the four divisions are 15 departments.

First 5 LA seeks to renovate its office building – exterior and interior – to reflect the newly aligned organizational structure and to enhance internal collaboration, effectiveness, and work. The new design accounts for 148 staff and has built in flexibility for the ebb and flow of future staffing needs. In addition, the First 5 LA office building is 14 years old and requires certain capital expenditures to maintain this critical asset. As part of the Renovation Plan as well as appropriate planning for the longer-term, First 5 LA plans to make facility upgrades and improvements associated with maintaining and sustaining its facility.



First 5 LA has contracted with a planning and design firm, Klawiter & Associates, to devise the workspace layout for the Renovation Project. Specifications and drawings will be provided to the selected project/construction management firm upon completion. First 5 LA also has hired MARRS, a construction management firm, to oversee the Renovation Project. The Renovation Project team is primarily composed of First 5 LA's Executive Director, Executive Vice President, Senior Director of Administration, the selected project/construction management firm, legal advisor, and interior planning consultant. Additional contractors and consultants, such as a construction contractor, will be added as the Renovation Project

proceeds. The project/construction management firm will serve as First 5 LA's advocate to represent First 5 LA's best interests with members of the Renovation Project team. As First 5 LA is a public agency, the Renovation Project is subject to public works laws.

## APPROACH FOR DEVELOPING THE CAPITAL IMPROVEMENT PLAN

First 5 LA's current Strategic Plan, adopted by the Board in 2014, is focused on policy and systems change, in partnership with others, to maximize the organization's impact and results for young kids. The Strategic Plan calls for First 5 LA to undertake its work differently, with an emphasis on collaboration across the organization. The existing layout of staff space is not conducive to, nor does it maximize, opportunities for open communication and purposeful collaboration. It also does not reflect business design best practices and research on the relationship between building space and productivity. In short, First 5 LA's physical space can be configured to enhance its work and contribute to results for young kids. In addition, contrary to best practice, the organization has not historically budgeted for any significant maintenance or improvements to the building, which is 14 years old.

In June of 2017, the Board of Commissioners addressed these issues by establishing a Capital Improvement Fund (CIF). The CIF was established as part of the FY2017/18 budget process, setting aside \$6,959,676 in funding for capital improvements for the building from unexpended operational funds. In so doing, the Board required staff to come back with a Capital Improvement Plan (CIP) in order to draw down resources from the reserve.

The purpose of the CIP is two-fold: (1) to renovate First 5 LA's physical space to align to the organization's new structure, facilitate collaboration across the organization, and reflect updated space planning best practices; and (2) to address immediate physical plant needs and plan longer term for the maintenance and support of our facility. This idea goes beyond the basic inclusion of active measures that can be incorporated into physical space. It reflects an approach that will result not only in a current up-to-date workspace that will enhance productivity and efficiency, but will yield operational cost savings, flexibility in the use of this asset, and a sound preventative maintenance program to help manage this asset today and future improvements. It is a concept that allows the work described in this CIP to endure successfully into the future.

To address this need, the planning and evaluation effort of First 5 LA's space needs began in March 2017 with a series of planning sessions, field inspections, and visual assessments of existing conditions that ultimately produced several Technical Memoranda detailing the work. The product of this work allowed the design and management team to identify distinct scopes of work relative to the specific type of work, or a particular problem that the work may have addressed, or a scope relative to a specific timetable when the work needed to occur.

## PROJECT PROCESS

It is important to understand that every capital project has a specific process that needs to occur in order to successfully move from initial concept through construction completion and final occupancy. This process has specific milestones and along the way the continual need to manage the project's schedule, cost, and quality. The following is a brief overview of those major milestones and the critical work that will occur in each phase:

**PROGRAMMING, PRE-DESIGN, SCHEMATIC DESIGN:** This phase is complete with the issuance of this CIP. As a part of this phase, a physical assessment was performed to inform cost categories (see Assessment & Findings). Cost estimates established in this phase are based on conceptual information backed by cost estimating knowledge applicable to a specific building type and other influencing factors unique to this project. The costs are a rough order of magnitude but include contingencies – both design and project.

**CONSTRUCTION DOCUMENT PREPARATION & PREQUALIFICATION OF CONTRACTORS:** The next phase involves completion of the design and contract documents in preparation for submittal to the City for plan review. Concurrent with this documentation effort will be the qualification process for soliciting general contractor interest and obtaining their credentials/qualifications for the particular work or scope.

**PRICE ESTIMATE REVISIONS AND CONTRACTOR PROCUREMENT:** Prior to procuring the general contractor, it is essential that the project estimates be revisited. Any variations or deviations from earlier estimates in the Capital Improvement Plan may require adjustment.

First 5 LA will solicit for the general contractor according to the legal requirements for public works projects. The lowest responsible bidder will be awarded the project. The contract will be prepared, reviewed, and signed. The project can then proceed into construction.

Concurrent to soliciting for a general contractor, First 5 LA will also procure the other contractors and consultants needed to complete the project, such as engineering, furniture installation, audio visual and security.

**CONSTRUCTION AND OCCUPANCY:** It is anticipated that the interim site (make-ready) work will be included as a first phase to the general contractor at bid time. Each phase of work will be assigned a start date, end date and overall duration time frame that will form the basis for the construction contract. Preliminary studies suggest that each floor will be considered one distinct phase. Floors will be vacated and staff will relocate to interim locations.

When the first phase of renovation is complete, installation of furnishings will take place. Once complete, staff will return to the newly renovated space and then the next interim move will occur followed by the construction work.

## ASSESSMENT & FINDINGS

MARRS Services performed an inspection and assessment of the fixed and movable assets of the building as part of the first scope of work. These assessments were inventoried and documented in detail as part of Memorandum 1, dated April 18, 2018.

It was determined by the team that a portion of the movable assets required replacement. It was also determined that portions of the fixed assets could be re-purposed or re-used, or remain in a renovation scheme since many of the fixed elements of the building were determined to be in good condition. Reuse of doors and hardware as much as possible is being implemented in the renovation plan as these fixed assets are in good to excellent condition.



Other potential capital expenditures were evaluated that included roofing, HVAC systems, plumbing and electrical systems, and the building envelope. Those items that were deemed to be beyond their useful life, presented potential functional issues, security issues, operationally costly or beginning to fail, and/or presented shortcomings relative to current, up-to-date office building standards were evaluated.

Major pieces of equipment were assessed relative to “useful life” due to wear and tear. Pieces of equipment that were identified and deemed to be in need of replacement or repair are included and accounted for in the CIP. The following is a summary of the Building Assessment.

In general, the building is in good condition and appears to be constructed per industry standards and is well maintained. Materials throughout the facility are well maintained and appropriately chosen to balance initial costs with low maintenance and overall aesthetics.



<b>Area or System</b>	<b>Assessment Notes</b>
<b>Building Envelope</b>	<p>The exterior skin of the building is in good condition and well maintained. A preventative maintenance program for the exterior curtain wall glazing system and plaster is included in the CIP.</p> <p>Due to the significant roof blistering observed and the history of reported leaks and subsequent patching, a re-roof of the building is included in the CIP. This re-roof applies only to approximately 65%-70% of the roof area which is constructed differently than the roof area over the core of the building. The main roof over the core houses mechanical equipment and as such has a "structural" roof that has seen little to no leaks or wear and tear that the main roof has experienced. It is anticipated that this structural roof will not be replaced as part of the main roof replacement.</p>
<b>Mechanical, Plumbing, and Electrical Systems</b>	<p>All of these systems appear to be in fair to good operational condition. The CIP includes a preventative maintenance program for mechanical, plumbing, and electrical systems that will assist in extending the useful life of such equipment and allow it to perform as the manufacturer intended.</p> <p>Specific areas targeted for replacement or upgrades pertain to the air handling units that provide the building with heating and air conditioning. These units are approximately 14 years old and typically should last another 5 years but the actual operating condition of the units is unknown, the efficiency of the units does not meet current standards, and ongoing issues associated with temperature fluctuations in the building necessitate that they be upgraded and/or replaced in the next few years. Newer units come with greater filtration features, energy reducing economizer modes, and better technology for digitally controlling interior versus exterior zones associated with office buildings similar to First 5's.</p>

<b>Area of System</b>	<b>Assessment Notes (cont'd)</b>
<p><b>Mechanical, Plumbing, and Electrical Systems (cont.)</b></p>	<p>Although the plumbing system has seen normal repair and varying levels of associated maintenance over the years, the system remains in good condition. Ongoing checks of the plumbing system condition and maintenance that includes observation for potential leaks, conditions of the fixtures and valves/faucets themselves, fluctuations in water pressure/velocity, conditions of boilers/heaters/backflow preventers, pressure reducing devices and similar plumbing equipment are part of an ongoing preventative maintenance program that is included in this CIP. Implementation of this preventative maintenance program will help assure that repairs/replacement of items are forecast and addressed in advance of any problems that arise which can not only be inconvenient or disruptive to operations but can be damaging to property.</p> <p>For the building’s electrical system it was observed that the facility does not have a backup type or emergency type of system beyond basic code. This is standard practice for a commercial office building of this type. Nevertheless, during the team’s assessment of the building and site it was discovered that the building’s main power supply (transformer) is downstream of the main power switch that serves Union Station and although this condition is known to exist by the serving utility company, any disruption of power to Union Station (planned or otherwise) affects the power supply to First 5’s building. The most significant aspect of this deficiency pertains to server rooms and IT equipment. First 5 LA will be moving to a cloud based IT network/backup format in the near future so this CIP has not included any type of emergency systems for the future.</p> <p>Also, since the building has experienced a lack of available normal power to accommodate basic receptacle and power needs to service a commercial office building function, modifications to the distribution system will be addressed in the renovation work.</p>
<p><b>Information Technology</b></p>	<p>As part of the renovation scope, information technology throughout the building will be upgraded with current state of the art cabling and all necessary switches, routers, and other equipment as required of the renovation. This is proposed for 2 main reasons: 1) The understanding that the upgrade is required to promote expanded functionality, speed and bandwidth in the future and ease of accommodating new layout locations, and 2) The existing wiring and connections will not combat wear during the renovation construction.</p>

Area of System	Assessment Notes (cont'd)
<p><b>Audio/Video and Media Infrastructure</b></p>	<p>It was observed that the existing A/V systems which primarily serve the conference and board room facilities on the first floor do not currently meet First 5 LA's needs.</p> <p>The proposed A/V upgrades included in the CIP will predominantly occur on the first floor in the Board Room area, a few of the large conference rooms and a few of the conference rooms on the 2<sup>nd</sup> and 3<sup>rd</sup> floors. The goal is to cost effectively bring wireless technology to these conference/collaboration areas where ongoing staff training and multi-media presentations can occur with ease and greater convenience. In the immediate future, webinar streaming and other similar activities will be able to occur at First 5 LA typical to that found in other corporate conference facilities of today.</p>

Category designations were created and utilized during the final planning, design, cost estimating, and cost reconciliation steps of the process. These category designations are used as an organizational tool to document and describe the proposed work in this CIP and are as follows:

- Category A: Interior Building Renovation
- Category B: Physical Assessment – Roof/HVAC
- Category C: Physical Assessment – Site/Security
- Category D: Solar Maintenance Program (see Section VII)

We are pleased to submit the Capital Improvement Plan 2018 for your review and consideration.

## III. Category A: Building Renovation

### INTRODUCTION

Throughout the development of the CIP, Klawiter & Associates worked with First 5 LA to better understand its primary mission and core values. What emerged is the following list of guiding principles to assist in the problem solving, space evaluation, and building assessment effort.

### First 5 LA GUIDING PRINCIPLES

- **CONTROL COSTS:** as a public entity we strive to mitigate cost
- **ENHANCE COLLABORATION:** given this organization-wide value and it being critical to our work, we want to facilitate the flow of staff, info, and ideas and increase collaboration
- **MAXIMIZE CONSISTENCY:** to underscore the fact we are one organization, we want to have a similar look and feel throughout the building, as well as have more consistent use of space (work-space size, etc.)<sup>1</sup>
- **ACCOMMODATE NECESSARY ADJACENCIES:** we want to maximize proximity of staff within departments, departments across divisions, and divisions to the executive member. Furthermore, we want to capture critical business needs that may require divisions to be proximate to each other
- **FLEXIBILITY:** we want to maximize flexibility across the organization to accommodate staffing needs as well as maintain adaptability to changing staffing needs
- **EFFICIENCY:** we want to maximize efficient use of space to enhance staff functions and our overall work
- **REFLECTIVE:** we want our workspace to reflect our values, advance our work, and contribute to results

In addition to the seven original guiding principles above, we also incorporated two other principles that emerged during the planning process:

- **CONNECTIVITY:** Audio visual improvements will bring modern technology into the everyday functions of the organization. Technology will be forward thinking and capable of handling video conferencing, wireless screen sharing, webinar hosting, live note-taking, collaborative tools and more
- **ENHANCE COMMUNITY:** The renovation will incorporate a unified aesthetic that defines First 5 LA based on organizational values and principles, including supporting & reflecting the community we serve

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<sup>1</sup> Over the years, the second floor of the building had been leased out to another entity, resulting in a very different layout and design compared to the rest of the building.

## PLANNING/DESIGN PROCESS

The following phase structure has guided the planning consultant, Klawiter & Associates, to develop an efficient space plan layout to align with First 5 LA's guiding principles. Each phase builds off of the previous, adding details of varying complexity. Completed phases thus far have resulted in the development of a First 5 LA program requirements list, adjacency dependencies, storage and furniture inventory, space plan and annotated plan for budgetary pricing. Design phases that have been completed, to date, are as follows:

- **Visioning and Programming:** Visioning sessions drive conversations for what is desired in the workplace as well as what is currently not working in the workplace. Programming sessions determine essential requirements, staffing counts and adjacencies, storage, and quantifying square footages of each.
- **As-Built:** Measurements are taken of current floor plan to assist further phases in determining areas to remain or to be demolished.
- **Block Plan:** A schematic bubble diagram plan is created to denote locations of departments, ancillary, conferencing, and storage spaces.
- **Space Plan:** A detailed layout is developed to show specific locations of offices, open work areas, storage and conference rooms, copy areas, coffee bars and phone rooms, new kitchens, etc.
- **Pricing Plan:** The space plan is annotated with construction directions to develop the preliminary renovation budget.

Upon approval of the Capital Improvement Plan, the remaining phases will be completed as follows:

- **Design Development:** Design is evaluated three-dimensionally, finishes are selected to include material direction, light fixtures, glass, ceilings, and potential graphic opportunities
- **Furniture & Equipment:** Klawiter & Associates created an existing inventory sheet of furniture and equipment that is currently used in the building, with the goal to later determine which items to keep with the help of the project renovation team. New furniture will be specified accordingly and coordinated with the furniture dealer that is to be procured.
- **Construction Documents:** Detailed construction drawings will be created to obtain a building permit from the city and to inform the procured general contractor of project plans and details for construction.
- **Plan Check:** Completed set of construction drawings will be submitted by Klawiter and Associates to the City of Los Angeles for review and approval based on building and fire code compliance
- **Construction Administration:** Once construction begins, Klawiter & Associates will attend regularly scheduled construction meetings to evaluate progress, review proposed contractor submittals, and complete any revisions necessary due to unforeseen site conditions. Following completion of the project, the project team will complete a punch walk of final items that need to be corrected prior to move-in.

## ***IV. Category B: Physical Assessment – Roof/HVAC***

### **ROOF & HVAC**

Based on the overall assessment of the building structure, systems, and materials it was determined that the condition of the roof necessitated replacement and the condition/age of the air handling units needed to be addressed either through a major refurbishment program or complete replacement. Due to the age of the units and the inconvenience/disruption to the building occupants with a refurbishment idea, it was determined that replacement would be of greater benefit to the overall longevity of the building.

## ***V. Category C: Physical Assessment – Site/Security***

### **SITE**

An assessment of the existing site area was performed and although the area is limited to a small parking lot immediately adjacent to the north of the building, concerns were raised regarding the security provisions of the area. It was observed that site lighting could be improved, additional security cameras could be added, and additional measures could be taken to secure the parking lot better with fencing and/or other similar barriers. All proposed improvements would require review and approval under the Covenants, Conditions, and Restrictions (CC&R) guidelines for the property. After review of those guidelines it appears that these improvements could easily be implemented. The improvements included in the CIP are noted as Category C.

## VI. Category D: Solar

### INSTALLATION OF SOLAR/PHOTO-VOLTAIC SYSTEM

The proposed CIP includes costs to install a photo-voltaic system on the roof of the building. As part of this work, a Level 1 energy audit will be performed that will assess existing lighting controls, mechanical equipment information, water heating systems, and building envelope system for energy consumption/performance. The results of the energy audit will provide a list of recommendations for energy reductions, confirm those which are already included in the renovation scope/costs, and outline various payback scenarios.

## VII. Maintenance Program

### MAINTENANCE, PREVENTATIVE MAINTENANCE, AND REPAIRS

Costs for maintenance of a facility can be significant over the years without a proper and adequate program being in place. There are varying degrees of maintenance protocol that carry equally varying definitions in the industry. Historically, First 5 LA has included limited resources for preventative maintenance and maintenance operating costs into the budget to care for this critical asset. We believe that the Board has set aside enough resources in the CIF reserve to cover the initial renovation costs for this project, addressing all of First 5 LA's deferred and current facility needs. Beginning in FY18/19, First 5 LA will use the annual budget process to allow us to be more strategic and proactive in incorporating projected costs to care for this asset. We will use the mid-year budget adjustment process to begin to build these costs into the Long Term Financial Projection and the annual budget, for Board consideration and approval. Future areas of focus for maintaining the property will include:

**Preventative maintenance:** Preventative maintenance is the planned, scheduled periodic inspection, adjustment, cleaning, lubrication, parts replacement, and minor repair of equipment and systems for which a specific operator is not assigned. Preventative maintenance consists of many check point activities on items that, if disabled would interfere with an essential installation operation, endanger life or property, or involve high cost or long lead time for replacement. Preventative maintenance is the cornerstone of any good maintenance program and will avoid emergency work and costly repairs.

First 5 LA's preventative maintenance program will be reserved for those critical systems or components where the risk of failure must be reduced or where a preventative maintenance program can be shown to be cost effective on a life-cycle basis.

**Programmed major maintenance:** Programmed major maintenance includes those maintenance tasks whose cycle exceeds one year. Examples of programmed major maintenance are painting, roof flashings/copings, parking lots, utility system maintenance (jetting of constricted lines), and similar

functions.

**Routine repairs:** Routine repairs are actions taken to restore a system or piece of equipment to its original capacity, efficiency, or capability. Routine repairs are not intended to significantly increase the capacity of the item involved.

**Service calls:** Service calls are requests for system or equipment repairs that, unlike preventative maintenance work, are unscheduled and unanticipated. If the problem has created a hazard or involves an essential service, an emergency response might be necessary.

**Replacement of obsolete items:** Replacement of obsolete items refers to work undertaken to bring a component or system into compliance with new codes or safety regulations or to replace an item that is unacceptable, inefficient, or for which spare parts can no longer be obtained.

## ***VIII. Capital Improvement Plan Cost and Schedule***

### **OVERVIEW OF COST ESTIMATING METHODOLOGY**

As a result of the design and management team's efforts, a list of potential projects was created. A budget was prepared for each of the projects. Once budgets were developed, the planning and management team along with First 5 LA prioritized the items to align with potential funding and need. A plan or timeline was prepared to determine when these improvements to the physical facility needed to occur across a specific timeframe.

The methodology used to prepare and develop the estimate was based on the following:

- Unit costs derived from detailed take-offs where practical
- Industry standards
- Current regional costing database

NOTE: Since industry standards can vary based on the type of construction, the complexity of the work, and the staging/phasing of the work, to name a few, these unit costs take into consideration those variables specifically applied to these projects and form the basis of the general contractor's bid.

To the direct sub-trade costs additional costs are added that include:

- Contractor overhead and profit
- Contractor fee or general conditions
- Current escalation rates factored to the mid-point of construction
- Design contingency factor

NOTE: The only items that do not include the general contractor markup costs or escalation factors are: Furnishings, Artwork, IT systems, A/V systems, and Security systems as First 5 LA will bid that work directly to vendors without general contractor oversight or involvement.

Costs shown for each itemized line by category, by area, or by scope represent a complete project cost that includes:

- An industry-standard 14% rate to cover soft costs associated with design, management, permits, and similar fees.
- An 8% project contingency that is typically carried to cover unknown conditions that cannot be reasonably anticipated during the early planning and design phases.

NOTE: Project contingencies can range between 5%-13% based on the nature of the project and the degree/extent of unknowns. The 8% allocated for these projects is within acceptable industry guidelines.

### **CATEGORY A: INTERIOR BUILDING RENOVATION**

Costs for the renovation account for a phased-construction since the building is fully occupied. In order to minimize disruption to the organization and inconvenience to staff and the public, a logistics plan was developed that would provide an interim location for approximately 60+/- staff. The intent is to vacate an

entire floor and allow the contractor full access for the construction. The “make-ready” costs associated with this interim move are included in the project line item for Category A: Renovation.

Costs for this project assume an immediate procurement process to select a contractor followed by a 2 or 3-phased construction effort with duration of 12-13 months.

## **CATEGORY B: PHYSICAL ASSESSMENT – ROOF/HVAC**

Costs included in this category include complete replacement of the building’s 3 main air handling units that provide heating and air conditioning for the building. The costs assume that the work will occur immediately (FY 2018/19). Costs are also included in this category for a complete re-roof of the building. This work would also occur immediately (FY 2018/19).

## **CATEGORY C: PHYSICAL ASSESSMENT – SITE/SECURITY**

Costs for this project assume that the work will occur immediately (FY 2018/19).

## **CATEGORY D: SOLAR**

Costs for this project assume that the work will occur immediately (FY 2018/19).

## OVERALL PROJECT COSTS

Scope	Description	Project Costs	Percent of Total
Category A	Renovation of 1 <sup>st</sup> , 2 <sup>nd</sup> , and 3 <sup>rd</sup> floor office space	\$4,710,000	73%
Category B	Reroof building and replace existing air handlers	\$1,349,000	21%
Category C	Site Improvements	\$135,000	2%
Category D	Install Solar/Photo Voltaic system	\$234,000	4%
<b>TOTAL</b>		<b>\$6,428,000</b>	

<b>CAPITAL IMPROVEMENT FUND</b>	<b>\$6,959,676</b>
<b>TOTAL CONSTRUCTION COST</b>	<b>\$6,428,000</b>
<b>CONTINGENCY @ 8%</b>	<b>\$429,000</b>
<b>TOTAL COST</b>	<b>\$6,857,000</b>

**NOTE: GOING FORWARD, THE ANNUAL BUDGET WILL INCLUDE A LINE ITEM FOR THE FUTURE MAINTENANCE PROGRAM ESTIMATED AT \$2 –\$5 PER SQUARE FOOT AT 45,000 SF. ANY UNUSED RESOURCES FROM THE CIF WILL BE USED TO OFFSET THESE COSTS.**



# First 5 LA Capital Improvement Plan 2018

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1<sup>ST</sup>  LA  
**first 5 la**  
Giving kids the best start

# Overview

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- Capital Improvement Fund (CIF) established by Board June, 2017
  - \$6,959,676
  - Requires submittal/approval of Plan
- Capital Improvement Plan (CIP) 2018
  - Process
  - Cost categories
  - Next Steps
- Questions and Discussion

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# First 5 LA : Cost Estimate Scope Summaries 6/21/18 Update

Scope	Description	Construction/Soft Cost	Percent of Total
Category A	Renovation of 1 <sup>st</sup> , 2 <sup>nd</sup> , and 3 <sup>rd</sup> floor office space	\$4,710,000	73%
Category B	Reroof Building and replace existing air handlers	\$1,349,000	21%
Category C	Site Improvements	\$135,000	2%
Category D	Install Solar/Photo Voltaic system	\$234,000	4%
<b>TOTAL</b>		<b>\$6,428,000</b>	

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CAPITAL IMPROVEMENT FUND	\$6,959,676
TOTAL CONSTRUCTION/SOFT COST	\$6,428,000
CONTINGENCY @ 8%	\$429,000
TOTAL PROJECT COST	\$6,857,000

Note: Going forward, the annual budget will include a line item for the future maintenance program estimated at \$2 –\$5 per square foot at 45,000 SF. Any unused resources from the CIF will be used to offset these costs.

# Next Step

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- July 12 Board Meeting (consent)
- Resolution:
  - Approval of the 2018 CIP
  - Recommitment of CIF
  - Authorizing expenditures from CIF, waiving F5 procurement policy to “piggyback”
  - Execute all agreements, coming back to Board if/as required by law, with Board updates
  - Address ongoing preventative maintenance in budget

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