

CITY OF LOS ANGELES

CALIFORNIA



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Agenda Item No. 6

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July 31, 2025

Matthew W. Szabo, Chair
Municipal Facilities Committee
200 N. Main Street, Room 1500
Los Angeles, CA 90012

AUTHORIZE THE DEPARTMENT OF GENERAL SERVICES TO REVISE THE BUDGET FOR THE 7th STREET BODY SHOP RENOVATIONS

RECOMMENDATION

That the Municipal Facilities Committee (MFC):

1. Approve the increased budget for the 7th Street Body Shop by \$4.11 million from \$13.70 million to \$17.81 million.

SUMMARY

A total of \$13.70 million has been awarded to date for the renovation of the 7th Street Body Shop located at 2310 E. 7th Street, Los Angeles, CA 90023. This property is owned by the City, and is presently occupied by the Department of General Services (GSD), Department of Public Works Bureau of Street Services (BSS) and Department of Public Works Bureau of Sanitation (LASAN), who are operating on site.

However, an additional \$4.11 million is necessary to complete the construction due to the following reasons:

Scope of Work	Description	Total Cost
1. Compliance with updated 2024 City of LA code requirements (Storm Water requirements)	In order to comply with the 2024 code updates, modifications were implemented, leading to increased labor and coordination efforts that were not anticipated in the original contract.	\$2,743,565
2. Unforeseen site conditions	There were several unexpected circumstances recognized requiring modifications to the scope and extra work to ensure adherence to the schedule and safety compliance.	\$529,006
3. Escalated subcontractor costs due to extended project time	The 33-month delay from the original bid to the revised, optimized building design has led to considerable cost increases from subcontractors.	\$1,288,076



This funding shortfall must be resolved in FY 2025-26 and FY 2026-27 to prevent the new body shop from being left partially constructed. The new estimated completion for the construction of the 7th Street Body Shop is anticipated to be October 31, 2026.

Project Status Update

All permitting and preconstruction phases for the project have been finalized. Notable milestones include:

- Los Angeles Department of Building and Safety (LADBS) permit issuance (January 30, 2025);
- Final design coordination and plan check approvals with LADWP, Sanitation, and other departments;
- Structural clarifications and subsurface remediation for undocumented fill and unsuitable soils;
- All site utilities are now installed from their points of connection and extended into the new building;
- The building slab has been prepared and is ready for concrete placement; and,
- The pre-engineered metal building is on site and is scheduled for erection within the next 30 days.

It is important to highlight that the initial submission to LADBS was anticipated to take around four months. However, due to multiple rounds of plan check revisions and required code-driven design upgrades, the permitting process extended to nearly one year, significantly impacting the construction start and overall project timeline.

In addition, the original subcontractor bids submitted in 2022 had expired by the time permits were approved in 2025. As a result, GSD was required to re-procure all major subcontractors, including mechanical, electrical, and plumbing trades, based on the final permitted drawings and updated scopes of work. The remaining work includes interior buildout, MEP (Mechanical, Electrical and Plumbing) installations, equipment commissioning, site paving, and final inspections. Coordination remains active with City stakeholders and inspectors to ensure smooth execution.

Revised Project Timeline

The original bid was submitted in June 2022, with the contract formally awarded in April 2023. The extended award period, delayed permitting, re-bidding requirements, and unforeseen field conditions have collectively impacted the project schedule.

The revised timeline reflects a new substantial completion date of October 2026:

- Bid Submission: June 2022
- Contract Award: April 2023
- Construction Start: May 2024
- Slab Placement: July 2025
- Metal Building Erection: August–September 2025
- Interior Buildout & Equipment Installation: Sept 2025–July 2026
- Final Inspections: July–September 2026
- Certificate of Occupancy & Project Completion: October 2026

Project Funding

The initial funding of \$7,829,132 was established in 2022, consisting of a combination of the General Fund and MICLA. In 2024, an additional \$5,867,709 was allocated to the project to address the shortfall, as detailed below. The shortfall encompasses expenses related to the construction contract and ongoing 120-day contract support necessary for the project's duration, which includes electrical engineering support and design/construction management assistance, extending to post-construction. As a result, the overall funding amount totals \$13,696,841.

Source	BFY	Funded Amount
CTIEP	2020	\$2,847,698
MICLA	2021	\$2,581,434
MICLA	2022	\$2,400,000
MICLA	2024	\$5,867,709
Total		\$13,696,841

Project Costs

The original bid amounting to \$10,950,609 was accepted by GSD under Contract C-143069, which was executed in April 2023. In 2024, a change order amounting to \$1,848,897 was approved to cover increased sizing of rebar and the upgrade to 30" Auger Cast Piles (ACP). This brought the total construction cost to \$12,799,506.

Furthermore, additional project expenses - covering pre-construction planning, 120-day consultant contracts, and proposed change orders related to code updates and unforeseen field conditions - have escalated the revised funding requirement to \$17,810,881.

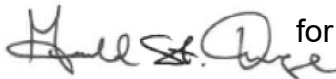
Element	Amount
Bid Amount	\$10,950,609
Approved Change Order (2024)	\$1,848,897
Construction Total	\$12,799,506
Pre-Construction Cost	\$90,728
120 Day Contracts	\$360,000
New Change Order	\$4,560,647
Total	\$17,810,881

Project Shortfall

In order to finalize construction and prevent any interruptions, an additional appropriation of \$4,114,040 is required. GSD plans to request an interim MICLA appropriation of \$2 million in FY 2025-26 to address anticipated expenditures for the fiscal year. Additionally, GSD will request the remaining funding needed to complete the project in the amount of \$2.11 million as part of the FY 2026-27 CTIEP Budget.

	Amount
Project Budget	\$13,696,841
Total Funding Needed	\$17,810,881
Total Shortfall	\$4,114,040

For additional information, please contact David Ly, Acting Director of Fuel Services and Environmental Compliance David.Ly@lacity.org or (213) 978-3795.

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