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Agenda Item No. 5

September 9, 2026

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 RENOVATION OF THE 7th STREET BODY SHOP

RECOMMENDATION

That the Municipal Facilities Committee (MFC):

1. Approve the increased budget for the 7th Street Body Shop by $488,853 from $17.81 million to $18.30 million.

SUMMARY

A total of $17.81 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), Bureau of Street Services (BSS) and Bureau of Sanitation (LASAN) who are operating on site.

However, an additional $488,853 is necessary to complete the construction due to the following reasons:

Scope of Work	Description	Total Cost
1. Compliance with DWP	This funding request is associated with evolving agency-driven requirements, revised utility coordination conditions, and unforeseen field implementation conditions related to DWP clearance requirements surrounding the existing transformer installation and adjacent slope geometry.	$488,853

This funding shortfall must be resolved in 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 February 28, 2027.

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 structural framing is complete, and the rough mechanical, electrical, and plumbing installations have been completed:

It is important to highlight that GSD and contractor are in continuing coordination with LADWP, LAFD, and the Bureau of Engineering on the remaining agency-required work, including the recently identified BOE public right-of-way improvements associated with the R3 requirements. The remaining work includes final interior finishes, completion of MEP (Mechanical, Electrical and Plumbing) systems and fixtures, equipment installation and commissioning, site and public right-of-way improvements, final agency inspections, and closeout activities required for the Certificate of Occupancy. 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 February 2027:

- 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: February 2027

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, and in 2026 and 2027, an additional $4,110,000 was allocated, 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 $17,806,841.

Source	BFY	Funded Amount
CTIEP	2020	$2,847,698
MICLA	2021	$2,581,434
MICLA	2022	$2,400,000
MICLA	2024	$5,867,709
Contractual Services	2026	$2,000,000
MICLA	2027	$2,110,000
	Total	**$17,806,841**

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
Approved Change Order (2026)	$4,560,647
New Change Order	$488,853
Total	**$18,295,694**

Project Shortfall

In order to finalize construction and prevent any interruptions, an additional appropriation of $488,853 is required. GSD plans to include a new interim MICLA appropriation request of $488,853 in future CPR for FY 2026-27.

	Amount
Project Budget	$17,806,841
Total Funding Needed	$488,853
Total Shortfall	**$488,853**

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

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