



Request for City Council Committee Action From the Department of Public Works

Date: September 12, 2005
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Barbara Johnson, Chair Ways & Means/Budget Committee

Subject: Reallocation of Funds for Third Police Precinct Expansion

Recommendation:

Amend the approved Public Safety Initiative Five Year Capital Program by reallocating \$180,000 from Project PSI01, 6200-923-9242 (800 MHz Project) to Project PSI02, 4100-923-9242 (Third Police Precinct Expansion Project).

Previous Directives:

- The Project is included in the year 2003 Public Safety Initiative Capital Program.

Prepared by: Paul Miller, Project Manager, 673-3603

Approved by:

Klara A. Fabry, P.E., City Engineer, Director of Public Works

Presenters: Paul Miller, Project Manager, Property Services

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain
- Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

In December of 2001 the City Council approved funding for the expansion and facility improvements of the 3rd Police Precinct as part of the Public Safety Initiative Capital Program.

The scope of the Third Police Precinct project included the acquisition of two adjoining properties, the remodeling of the existing building, and the construction of an approximately 24,000 square foot expansion. The Third Precinct Facility Project was substantially completed in January of 2005 with final commissioning of the building mechanical systems as the only remaining task, upon expiration of the one-year warranty period in December of 2005 the Project will be closed.

Property acquisition was completed in 2003, but during the process of acquiring the two adjoining properties the Project encountered significant cost increases. The final cost of property acquisition exceeded the original acquisition budget by almost \$500,000. This cost increase was largely due to significant increases in property values that occurred after the Project budget was established, a significant increase in the cost of acquiring one of the adjoining properties as a result of a court settlement in the condemnation process, and environmental remediation costs that far exceeded estimates due to unforeseen conditions encountered in the site demolition phase of the Project.

Since that time the Property Services Division, the Architect, and the Contractor have worked together to reduce Project scope where reasonably possible, with the goal of completing the Project within the original budget and absorbing the increased acquisition costs within the budgeted Project contingency. Expenditures for office furnishings were minimized by utilizing used and refurbished furniture, and numerous planned discretionary purchases were eliminated. The end result is that the Project contingency provided in the original budget was able to absorb a significant portion of the increased acquisition costs such that the budget overrun has been reduced to \$180,000.

The Third Police Precinct Expansion Project is one of six projects that make up the Public Safety Initiative (PSI) Capital program. The 800 MHz Regional Radio System Project, which is also part of the PSI program, was completed at \$736,000 dollars under its estimated budget. This action formally requests approval to modify the current project budget for the Third Police Precinct from the current \$7,562,000 budget to \$7,742,000 with a corresponding decrease of \$180,000 to the 800 MHz Radio System project. This action is being requested in order to completely close-out Third Precinct Expansion Project.

Amend the approved Public Safety Initiative Five Year Capital Program by reallocating \$180,000 from Project PSI01, 6200-923-9242 (800 MHz Project) to Project PSI02, 4100-923-9242 (Third Police Precinct Expansion Project).