








ACTIVITY REPORTING AND PROPOSAL FORM

JUDICIAL COUNCIL DIRECTIVES AOC RESTRUCTURING

DATE	5/29/2013
PREPARED BY	Burt Hirschfeld
OFFICE NAME	<u>Office of Real Estate and Facilities Management</u>
JUDICIAL COUNCIL DIRECTIVE NUMBER	48
JUDICIAL COUNCIL DIRECTIVE	E&P recommends that the Judicial Council direct the Administrative Director of the Courts, as part of the council's long-term strategic planning, to evaluate the location of the AOC main offices based on a cost-benefit analysis and other considerations.
SEC RECOMMENDATION	As part of its long-term planning, the AOC should consider relocation of its main offices, based on a cost-benefit analysis of doing so.
RESPONSE (check applicable boxes)	
<input type="checkbox"/> This directive has been completed and implemented: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> File Attachment </div>	
<input type="checkbox"/> This directive is forwarded to the Judicial Council with options for consideration: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> File Attachment </div>	
<input checked="" type="checkbox"/> Other: <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> This directive's implementation timeline is for AOC's long-term consideration. Under business processes established by the Office of Real Estate and Facilities Management, due diligence and cost-benefit analyses were used to guide development and implementation of a strategic real estate plan for AOC office facilities. Implementing the initial 5-7 year segment of the plan has involved the negotiation and renegotiation of leases, subleases, MOUs; and exercising options to contract and cancel lease terms. Cost-benefit analyses will continue to be conducted on a recurring basis to confirm or reject the relevance of rationale used to support current decisions. </div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> File Attachment </div>	
TIMELINE AND RESOURCES FOR IMPLEMENTATION	

IMPLEMENTATION DATE OR PROJECTED IMPLEMENTATION DATE	All contractual commitments required to implement this directive have been executed.
RESOURCES REQUIRED FOR IMPLEMENTATION	The Office of Real Estate and Facilities Management (REFM), with support from the Judicial Branch Capital Program Office (JBCPO), has been the primary implementation resource to date. JBCPO is now managing the construction of tenant improvements in the Burbank Office, allowing for re-occupancy by June 30, 2013.

ADDITIONAL IMPLEMENTATION INFORMATION (complete only applicable sections)

<input type="checkbox"/> PROCEDURES/ POLICIES UPDATED OR DEVELOPED	N/A (previously established).  File Attachment
<input type="checkbox"/> TRAINING UPDATED OR DEVELOPED	  File Attachment
<input checked="" type="checkbox"/> SAVINGS	<p>Since FY 2010-2011, REFM has been taking advantage of softer real estate market conditions in the State to renegotiate leases for the appellate courts, superior court and AOC. By the third quarter of FY 2012-13, the annualized reduction totaled \$2.8 million, \$2.2 million of which came out of leases for court operations.</p>  <p>Branch Rent Reduction 10.11 - 12.13.pdf Adobe Acrobat Document 503 KB</p>
<input checked="" type="checkbox"/> COST	<p>Approximately \$175,000 in sublease brokerage commissions and over-allowance tenant improvement costs for AOC space(subject to verification).</p>  File Attachment
<input checked="" type="checkbox"/> EFFICIENCIES	<p>Total office space reduction from implementation = 25.3%. Total rent reduction = 30.3%.</p>  File Attachment
<input type="checkbox"/> SERVICE LEVEL IMPACT	N/A  File Attachment
<input checked="" type="checkbox"/> OTHER	<p>Note: This directive incorporates directly-related elements of Judicial Council Approved Recommendation No. 127.</p>  File Attachment

ADMINISTRATIVE DIRECTOR OF THE COURTS (ADOC) REVIEW AND APPROVAL

ADOC REVIEW	Administrative Director of the Courts Review Date: 6/13/2013 <input type="text"/>
EXECUTIVE AND PLANNING (E&P) COMMITTEE REVIEW	
E&P REVIEW	Executive and Planning Review Date: 6/17/2013 <input type="text"/>



Rent Reductions FY 2010/11 - Q3 FY 2012/13

