



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE
REFER TO FILE: **PJ-2**

March 29, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
APPROVAL OF POST-BID VALUE ENGINEERING SAVINGS
SPECS. 6550; C.P. 70787
SUPERVISORIAL DISTRICT 1
4 VOTES**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER THAT
YOUR BOARD:**

Approve and authorize the Director of Public Works to execute a credit change order in the amount of \$2,098,456 to Contract PW-12641 with McCarthy/Clark/Hunt, a Joint Venture, for savings realized during a post-bid value engineering review. This will be credited back to the project and added to the construction contingency funds.

REASON AND SCOPE

Unforeseen Condition	<input type="checkbox"/>	Regulatory Agency Requirement	<input type="checkbox"/>
Drawing Coordination	<input type="checkbox"/>	Previously Approved Scope Change	<input type="checkbox"/>
Errors and Omissions	<input type="checkbox"/>	Other	<input checked="" type="checkbox"/>

On December 3, 2002, your Board approved the award of the original construction contract at a value of \$497,883,000. At that time we referenced that MCH offered to participate in a partnered value engineering process with the County to explore methods for reducing the project cost without changing program elements or compromising the life-cycle value of the building systems. Recently, MCH identified \$2,098,456 of potential savings that Public Works, Health Services, the Sheriff's Department, and the Chief Administrative Office reviewed and have determined can be accepted by the County without reducing the quality or useful life of the project. These savings result from changes to the drawings, specifications, or methods of construction, such as a change in a limited application of a certain concrete design mix; minor substitutions to specified mechanical, electrical, or plumbing equipment; and changes to the contractor's work methods. Enclosure A includes a more detailed description of these items.

To date, MCH's original contract amount of \$497,883,000 has increased by \$2,989,729 based on approved change orders including the \$850,000 change order approved by your Board on March 23, 2004, for a current contract value of \$500,872,729. Approval of this credit change order will reduce their contract total to \$498,774,273.

BACKGROUND

The changes recommended are a result of the collaborative efforts of the contractor, their subcontractors, Public Works, and our consultants. They represent significant potential savings to the County that would be realized with no reduction in the quality or life-cycle value to the project.

CONTINGENCY BUDGET SUMMARY

	CHANGE SUMMARY				
Board-Approved Contingency Budget	Executed Change Orders	Impact of This Action	Remaining Contingency Budget	Percentage Remaining	
\$39,488,624	\$2,989,729	(\$2,098,456)	\$38,597,351	97.7%	

Note: The executed change order amount shown above reflects an increase of \$1,345,206 from the \$1,665,867 previously reported to your Board on March 23, 2004. This increase includes \$449,336 for final execution of the gusset plate change issue approved by your Board on September 23, 2003, \$850,000 to resequence and accelerate work to recover 65 calendar days of construction schedule delay as approved on March 23, 2003, and \$45,870 in other miscellaneous changes recently executed under delegated authority.

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CONCLUSION

Please return one adopted copy of this letter to the Chief Administrative Office (Capital Projects Division) and Public Works.

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

SB:cb

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Enc.

cc: County Counsel
Department of Health Services
Office of Affirmative Action Compliance
Sheriff's Department

March 29, 2004

ENCLOSURE A

**LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
APPROVAL OF POST-BID VALUE ENGINEERING SAVINGS**

Description	Value	Remarks
Eliminate 2 percent cleanup labor	\$914,620	This item eliminates a requirement for supplemental cleanup of the construction site at the discretion of Public Works.
Grout fill in depressed slabs	\$480,000	This item changes the concrete mix design, for depressed slabs only, from non-aggregate grout to concrete with 3/8 inch or less aggregate.
Revise detention equipment supplier list	\$450,000	This item allows the inclusion of another detention equipment supplier, with no change in quality, operability, or appearance of the equipment.
Substitute Simplex equipment for fire alarm/building automation equipment	\$100,000	This item allows for the inclusion of Simplex equipment for fire alarm/building automation equipment with virtually no change in quality, operability, or appearance.
Plumbing pipe connections	\$68,525	This item allows change from hard soldered pipe connections to grooved victaulic couplers with no change in quality.
Substitute PVC electrical conduit elbows for galvanized steel elbows	\$49,311	This item allows the substitution of PVC elbows instead of galvanized steel elbows for below grade applications in specific locations only.
Revise absorption chillers	\$36,000	This item substitutes currently designed steam absorption chillers with more economical centrifugal chillers.
Total	\$2,098,456	