



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles **CHIEF EXECUTIVE OFFICE**

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

November 3, 2009

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:

**DEPARTMENT OF PUBLIC WORKS:
PSYCHIATRIC URGENT CARE CENTER PROJECT AT
OLIVE VIEW-UCLA MEDICAL CENTER
ADOPT MITIGATED NEGATIVE DECLARATION
APPROVE PROJECT BUDGET
AWARD DESIGN/BUILD CONSTRUCTION CONTRACT
APPROVE RELATED ACTION
SPECS. 6893; CAPITAL PROJECT 69545
(FIFTH DISTRICT) (3 VOTES)**

SUBJECT

Award of a design-build contract and approval of related actions for the construction of the Psychiatric Urgent Care Center project at Olive View-UCLA Medical Center.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Consider the Mitigated Negative Declaration for the Psychiatric Urgent Care Center project at Olive View-UCLA Medical Center together with any comments received during the public review process; find that the Mitigated Negative Declaration reflects the independent judgment and analysis of the Board, and adopt the Mitigated Monitoring and Reporting Program, finding that the Mitigated Monitoring and Reporting Program is adequately designed to ensure compliance with the mitigation measures during project implementation; find on the basis of the whole record before the Board that there is no substantial evidence that the project will have a significant effect on the environment; and adopt the Mitigated Negative Declaration.

"To Enrich Lives Through Effective And Caring Service"

Please Conserve Paper – This Document and Copies are Two-Sided

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

2. Approve the project and the project budget in the amount of \$10,800,000 for the Psychiatric Urgent Care Center project at Olive View-UCLA Medical Center, Capital Project 69545.
3. Find that gkkworks is the most advantageous and best value proposer; award a design-build contract to gkkworks in an amount not-to-exceed \$6,761,936 for the Psychiatric Urgent Care Center project at Olive View-UCLA Medical Center; and authorize the Director of Public Works to execute the contract, upon receipt of acceptable and approved Faithful Performance and Labor and Materials Bonds and insurance certificates filed by the design-builder, and to establish the contract effective date.
4. Authorize the Director of Public Works, in coordination with the Chief Executive Officer, to control the use of the design completion allowance of \$400,000, including the authority to reallocate any portion or all of the allowance into the base contract amount.
5. Delegate authority to the Director of Public Works to execute a consultant services agreement for a not-to-exceed fee of \$25,000, with the second and third highest ranked, qualifying proposers, neither of which was selected as the design-builder for the project, enabling the County to use all design and construction ideas and concepts included within their proposals.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will adopt the Mitigated Negative Declaration (MND), approve the project budget, and award the design-build contract of the Psychiatric Urgent Care Center project at Olive View-UCLA Medical Center.

Background

On February 12, 2008, your Board approved the use of the design-build delivery method for the project.

On April 15, 2008, your Board approved and authorized advertising the prequalification questionnaires to prequalify and short-list prospective design-build entities for the project. On May 14, 2008, completed prequalification questionnaires were received from five design-build entities of which four firms were determined to be prequalified and short-listed. An Evaluation Committee (Committee) comprised of staff from the Department of Public Works (Public Works), the Chief Executive Office, and the Department of Mental Health (Mental Health) reviewed the completed prequalification questionnaires of the five

prequalified design-build entities in order to determine the three highest ranked design-build entities for purposes of short-listing. The following three design-build entities were determined to be the highest ranked: 1) gkkworks; 2) Innovative Technical Solutions, Inc., - Leo A. Daly Architects; and 3) Perera Construction - Langdon Wilson Architects. The three design-build entities were short-listed and we requested them to submit technical and cost proposals for the project.

On May 11, 2009, all three short-listed design-build entities submitted a final proposal consisting of a technical submittal, a price proposal, and target price solutions. The Committee scored and ranked each proposal based on the requirements and scoring criteria outlined in the RFP. The Committee ranked the proposals based on scoring in eight criteria categories, five of which are specified in the enabling legislation: technical design and construction expertise, life cycle cost analysis, skilled labor force availability, safety record, price, design-build team personnel and organization, delivery plan, and target price solutions. The three proposals were ranked in order from the highest averaged score to the lowest averaged score.

gkkworks was determined to be the apparent best value proposer in accordance with provisions of the RFP. A summary reflecting the Committee's scoring of the proposals is included in Attachment B.

Design Build Contract and Design Completion Allowance

Upon determination of the apparent best value proposer by the Committee, Public Works negotiated final terms with gkkworks, including value engineering solutions that had been proposed by gkkworks and the two other proposers. gkkworks submitted a price proposal of \$6,689,880. The recommended not-to-exceed contract amount of \$6,761,936 fee is higher than gkkworks' price proposal because it includes a portion of scope previously planned to be completed by Job Order Contract (JOC). The negotiations resulted in the recommended base contract amount of \$6,361,936, plus the design completion allowance of \$400,000 for a maximum, not-to-exceed contract sum of \$6,761,936.

The contract's design completion allowance of \$400,000 is intended to facilitate the resolution of issues identified only during the design phase of the project, including issues concerning the County's scoping documents or changes required by jurisdictional agencies or due to unforeseen conditions discovered during design, including any increased design or construction costs associated therewith. The inclusion of the design completion allowance will facilitate the decision process during design and minimize potential delays that could occur while design phase issues are resolved. The use of the design completion allowance will be controlled by Public Works, but will

require Public Works to notify Mental Health and obtain written authorization from the Chief Executive Office before any reallocation of funds from the design completion allowance into the contract sum is permitted. The design completion allowance shall not be used to fund the resolution of issues, conditions, or changes encountered during the construction phase.

Upon your Board's approval, the second and third highest ranked proposers will each be paid a stipend of \$25,000, which affords the County the right to use the information and ideas contained in the proposals submitted by such proposers.

Public Works proposes to use a JOC for the Make-Ready scope of work to eliminate potential delays or change orders to the design-build contract related to the unforeseen field conditions. The Make-Ready work includes site preparation and utility connections.

Green Building/Sustainable Design Program

The project will support your Board's sustainable design program by incorporating into the project design and construction features for certification at a silver level under the U.S. Green Building Council's Leadership in Energy and Environmental Design. The project design will substantially reduce water consumption, address storm water runoff, enhance indoor environmental quality by using low-emitting building materials and finishes, provide daylight through much of the building, and allow building operators to make adjustments in building systems for thermal comfort and lighting needs.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1), as the project is an investment in public infrastructure. This action will further the Children, Family, and Adult Well-Being (Goal 2), Community and Municipal Services (Goal 3), and client-centered Health and Mental Health (Goal 4) by providing high standards of healthcare to the residents of the County of Los Angeles. Completion of this project will provide a much needed health benefit for the residents of the County.

FISCAL IMPACT/FINANCING

On April 15, 2008, we noted that we would return to your Board for approval of the final project cost along with the recommendation for the selected design-build entity for your Board's approval.

The total project cost, including plans and specifications, plan check, construction, consultant services, Civic Art fee, miscellaneous expenditures, and County services, is currently estimated at \$10,800,000. The project is funded by \$6.65 million in net County cost and \$4.15 million from the Mental Health Services Act. Sufficient appropriation is available in the Fiscal Year 2009-10 Capital Projects/Refurbishments Budget to fund the recommended actions. The Project Schedule and Budget are included in Attachment A.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

As required by your Board, the project budget allocates one percent of the construction costs to the Civic Art Fund per your Board's Civic Art Policy, adopted on December 7, 2004, and subsequently amended on November 18, 2008.

The design-build construction contract will be in the form previously reviewed and approved as to form by County Counsel. The recommended contract was solicited on an open competitive basis and is in accordance with applicable Federal, State, and County requirements.

This contract contains terms and conditions supporting your Board's ordinances, policies, and programs, including but not limited to: County's Greater Avenues for Independence and General Relief Opportunities for Work Programs (GAIN/GROW), Board Policy No. 5.050; Contract Language to Assist in Placement of Displaced County Workers, Board Policy No. 5.110; Reporting of Improper Solicitations, Board Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Board Policy No. 5.135; Contractor Employee Jury Service Program, Los Angeles County Code, Chapter 2.203; Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service Notice 1015); Contractor Responsibility and Debarment, Los Angeles County Code, Chapter 2.202; and the Los Angeles County's Child Support Compliance Program, Los Angeles County Code, Chapter 2.200; and the standard Board-directed clauses that provide for contract termination or renegotiation.

ENVIRONMENTAL DOCUMENTATION

An initial study was prepared for this project in compliance with the California Environmental Quality Act (CEQA). The initial study identified potentially significant effects of the project in the following areas: biological resources, cultural resources, and noise. Prior to the release of the proposed MND and initial study for public review, revisions to the project were made or agreed to which would avoid the effects or mitigate the effects to a point where clearly no significant effects would occur, as follows:

- Biological Resources: Per California Department of Fish and Game (CDFG) and U.S. Fish and Wildlife Service accepted policies, should clearing, grading, or tree removal activities occur during the breeding season (February 1 through September 15) for migratory nongame native bird species, weekly bird surveys will be performed to detect any protected native birds in the trees to be removed and other suitable nesting habitat within 300 feet of the construction work area (500 feet for raptors). The surveys will be conducted 30 days prior to the disturbance of suitable nesting habitat by a qualified biologist with experience in conducting nesting bird surveys. At minimum, the County will relocate removed protected trees or replace each removed protected tree within the medical campus with at least two trees of a protected variety. Trees will be moved to other locations on the property only if the environmental conditions of the new locations are favorable to the survival of the trees and there is a reasonable probability that the trees will survive.
- Cultural Resources: In the event any unidentified archaeological materials are encountered during earthmoving activities, the construction contractor will cease activity in the affected area until the discovery can be evaluated by a qualified cultural resources specialist (archaeologist) in accordance with the provisions of CEQA Section 15064.5. The archaeologist will complete any requirements for the mitigation of adverse effects on any resources determined to be significant and implement appropriate treatment measures.
- Noise: The construction contractor will require all construction equipment, stationary and mobile, to be equipped with properly operating and maintained muffling devices. The construction contractor will require stationary construction equipment and vehicle staging areas to be placed such that the noise sources are located at the furthest project boundary from sensitive receptors. Simultaneous use of major equipment will be minimized as feasible.

The initial study and project revisions showed that there is no substantial evidence, in light of the whole record before the County, that the project as revised may have a significant effect on the environment. Based on the initial study and project revisions, an MND was prepared for this project.

The public notice was published on April 15, 2009, pursuant to Public Resources Code 21092 and posted pursuant to Section 21092.3. During the public review period, no responses or comments were received from the public.

The location of the documents and other materials constituting the record of the proceedings, upon which your Board's decision is based in this matter, is the County of Los Angeles Public Works, Project Management Division I, 5th Floor, 900 South Fremont, Alhambra, California 91803. The custodian of such documents and materials is the Assistant Deputy Director for the Project Management Division I.

The project is not exempt from payment of a fee to the CDFG pursuant to Section 711.4 of the CDFG Code to defray the costs of fish and wildlife protection and management incurred by the CDFG. Upon your Board's adoption of the MND, Public Works will file a Notice of Determination in accordance with Section 21152(a) of the California Public Resources Code, and pay the required filing and processing fees with the Registrar-Recorder/County Clerk in the amount of \$2,043 (\$1993 + \$50 per CDFG website). A copy of the MND is provided in Attachment C.

CONTRACTING PROCESS

On June 17, 2008, your Board adopted the County policy for design-build project delivery. The RFP and evaluation process were conducted in accordance with the adopted policy.

OPERATING BUDGET IMPACT

Following construction of the proposed Psychiatric Urgent Care Center project at Olive View-UCLA Medical Center, Mental Health anticipates incurring start-up costs of \$565,200 for furniture and other equipment. Ongoing annual operating costs, including salaries, employee benefits, and supplies are estimated at \$7,150,805. The start-up and ongoing costs will be funded by Mental Health Service Act, State general fund, and Federal Financial Participation.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no negative impact on current County services or projects during the performance of these recommended actions, and the Olive View-UCLA Medical Center will remain fully operational.

The Honorable Board of Supervisors
November 3, 2009
Page 8

CONCLUSION

Please return an adopted copy of this letter to the Chief Executive Office, Capital Projects Division; Public Works, Project Management Division I; and Mental Health.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'William T. Fujioka', with a stylized flourish at the end.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:GF:SK
DJT:SW:zu

Attachments

- c: County Counsel
 - Department of Mental Health
 - Department of Public Social Services (GAIN/GROW Program)
 - Department of Public Works
 - Office of Affirmative Action Compliance

ATTACHMENT A

**DEPARTMENT OF PUBLIC WORKS:
PSYCHIATRIC URGENT CARE CENTER PROJECT AT
OLIVE VIEW-UCLA MEDICAL CENTER
ADOPT MITIGATED NEGATIVE DECLARATION
APPROVE PROJECT BUDGET
AWARD DESIGN/BUILD CONSTRUCTION CONTRACT
APPROVE RELATED ACTION
SPECS. 6893; CAPITAL PROJECT 69545**

I. PROJECT SCHEDULE

Project Activity	Board-Approved Schedule Completion Date	Proposed Schedule Completion Date
Environmental Documents		
<u>Make-Ready</u>		
Jurisdictional Approvals		10/22/09
Construction Award		10/29/09
Construction Start		10/30/09
Substantial Completion		12/22/09
<u>PUCC Construction</u>		
Contract Award	11/2008	11/03/09
Jurisdictional Approvals	05/2009	02/11/10
Construction Start		02/15/09
Substantial Completion	05/2010	02/24/11

II. PROJECT BUDGET SUMMARY

Project Activity	Proposed Budget
Land Acquisition	\$ 0
Construction	
Design-Build Contract	6,761,936
Job Order Contract	650,000
Change Orders Contingency Total	680,000
Misc. Expense (Stipend)	50,000
Arts Commission	74,064
Subtotal	\$ 8,216,000
Equipment	\$ 450,000
Programming/Development	\$ 0
Plans and Specs	\$ 400,000
Consultant Services	
Construction Management Support	\$ 16,154
Deputy Inspection	90,000
Deputy Inspection(Materials Testing)	10,000
Geotechnical Survey	16,816
Environmental Documents	2,124
Project Cost Estimating Services	50,000
Topographical Site Survey	0
Subtotal	\$ 185,094
Office of Affirmative Action Compliance	\$ 15,000
Jurisdictional Review/Plan Check/Permit	\$ 111,364
County Services	
Code Compliance Inspection	\$ 114,062
Design Review	30,555
Design Services	13,511
Contract Administration	76,227
Project Technical Support	55,226
Building and Safety Division	35,000
Environmental Programs Division	2,102
Geotechnical & Materials Engineering Division	4,000
Land Development Division	1,127
Traffic and Lighting Division	975
ISD Telecommunications	42,400
Project Management I Division	1,044,627
Project Management II Division	2,730
Subtotal	\$ 1,422,542
TOTAL	\$10,800,000

November 3, 2009

ATTACHMENT B

**DEPARTMENT OF PUBLIC WORKS:
PSYCHIATRIC URGENT CARE CENTER PROJECT AT
OLIVE VIEW-UCLA MEDICAL CENTER
ADOPT MITIGATED NEGATIVE DECLARATION
APPROVE PROJECT BUDGET
AWARD DESIGN/BUILD CONSTRUCTION CONTRACT
APPROVE RELATED ACTION
SPECS. 6893; CAPITAL PROJECT 69545**

PROPOSAL SUMMARY

Proposer	Best Value Average Score (Max. Score = 1,000)	Base Price Proposal
gkkworks	882	\$6,689,880
Innovative Technical Solutions, Inc., Leo A. Daly Architects	735	\$7,642,124
Perera Construction and Design, Inc., Langdon Wilson Architects	830	\$6,608,820