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

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
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MICHAEL D. ANTONOVICH
Fifth District

September 18, 2012

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:
HARBOR-UCLA MEDICAL CENTER
SURGERY/EMERGENCY REPLACEMENT PROJECT
AWARD SUPPLEMENT TO CONTRACT PW-12985 AND
AMEND HEALTH SERVICES CONTRACT H-705376
CAPITAL PROJECT NO. 69220
(SECOND DISTRICT) (3 VOTES)

SUBJECT

Approval of these actions will authorize the Director of Public Works, or her designee, to execute a supplemental agreement with gkkworks, Inc., to provide equipment procurement planning and coordination services for Groups 1 and 2 for the Harbor-UCLA Medical Center Surgery/Emergency Replacement Project, and delegate authority to the Director of Health Services, or his designee, to amend an existing agreement with RTKL Associates, Inc., to provide equipment procurement management and coordination for Group 3A for the Harbor-UCLA Medical Center Surgery/Emergency Replacement Project.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and authorize the Director of Public Works, or her designee, to execute Supplemental Agreement 2 to Contract PW-12985 with gkkworks, Inc., to provide additional construction management services for the Harbor-UCLA Medical Center Surgery/Emergency Replacement Project, and increase the maximum not-to-exceed contract amount by $1,735,300 from $24,338,000 to $26,073,300.

2. Delegate authority to the Director of Health Services, or his designee, to amend an existing Transition Planning Consulting Services Agreement H-705376 with RTKL Associates, Inc., to add equipment procurement management and coordination services for additional fixed medical equipment for the Harbor-UCLA Medical Center Surgery/Emergency Replacement Project, and increase the maximum not-to-exceed contract amount by $136,000 from $1,251,940 to $1,387,940.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will approve and authorize the Director of Public Works, or her designee, to execute Supplemental Agreement 2 with gkkworks, Inc. (gkkworks), to provide additional construction management services for the Harbor-UCLA Medical Center (H-UCLA) Surgery/Emergency Replacement (S/E) Project through completion of the Project.

Approval of the second recommendation will delegate authority to the Director of Health Services, or his designee, to amend a current agreement with RTKL Associates, Inc. (RTKL), to add the provision of necessary Group 3A equipment procurement management services and coordination services for the H-UCLA S/E Project.

Background

Supplemental Agreement 2 with gkkworks

On December 20, 2005, the Board approved the award of Contract PW-12985 with gkkworks in a not-to-exceed amount of $13,300,000. The Board's approval of Supplemental Agreement 1 on September 8, 2009, increased the gkkworks total contract amount by $11,038,000 to a $24,338,000 not-to-exceed amount to support design-build services for the Project.

We are recommending the Board's approval of Supplemental Agreement 2 for a $1,735,300 not-to-exceed amount to provide equipment procurement planning and coordination services on the H-UCLA S/E Project. On May 29, 2012, we advised the Board that this Supplemental Agreement 2 with gkkworks was in negotiations and that we would return for approval once negotiations were completed. The additional cost includes equipment procurement coordination services for purchase of the Project-budgeted fixed medical equipment, known as Groups 1 and 2. These costs also include assisting the County with consolidation and finalization of the Department of Health Services (Health Services) funded medical equipment lists, known as Groups 3A through 6 for the Project; and development of equipment specifications of the Group 3A

fixed medical equipment. This scope does not include procurement and processing of bids/purchase orders for Group 3A equipment.

Approval of Supplemental Agreement 2 will increase the total not-to-exceed amount of gkkworks' agreement to $26,073,300 from $24,338,000, but will have no impact on the overall Project budget.

Amendment to Agreement with RTKL

On March 6, 2012, the Board approved Health Services' request to procure additional fixed medical equipment known as Group 3A. This equipment valued at $14,200,000 and funded by Health Services was deemed imperative by Health Services to enhance timely patient care and efficient operations by H-UCLA's administration and medical staff.

On May 29, 2012, the Board approved an agreement with RTKL for a not-to-exceed contract amount of $1,251,940 to provide transition planning consulting services for the H-UCLA S/E Project. The services provided under this agreement include equipment procurement management and coordination of moveable equipment, information system equipment, and furniture for the H-UCLA S/E Project, known as Groups 3 through 6.

This RTKL agreement did not include the scope of work necessary to procure Group 3A fixed medical equipment, such as processing of bids/purchase orders.

Approval of this amendment at $136,000 will increase the total not-to-exceed amount of RTKL's agreement from $1,251,940 to $1,387,940.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1) by minimizing the disruption to services during construction of the Project to the greatest extent possible, as this Project is an investment in public health infrastructure.

FISCAL IMPACT/FINANCING

The recommended actions, if authorized, will not increase the Board-approved Capital Project budget of $322,600,000 for the H-UCLA S/E Project (see attachment).

Supplemental Agreement 2 with gkkworks

Supplemental Agreement 2 with gkkworks will be funded by reallocating $1,735,300 from the medical equipment budget line item of the existing Project budget. This will increase gkkworks' contract from a not-to-exceed amount of $24,338,000 to a not-to-exceed amount of $26,073,300, but will not increase the Project budget as approved by the Board on September 8, 2009 (see attachment).

Amendment to Agreement with RTKL

Pursuant to the recommended amendment to the RTKL agreement, the maximum contract amount will be increased by $136,000 to a maximum not-to-exceed amount of $1,387,940. Funding for the RTKL contract supplement is included in H-UCLA's Fiscal Year 2012-13 adopted budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Supplemental Agreement 2 with gkkworks

Supplemental Agreement 2 will be in the form previously reviewed and approved as to form by County Counsel. The existing contract contains terms and conditions supporting the Board's ordinances, policies, and programs, including, but not limited to: County's Greater Avenues for Independence (GAIN) and General Relief Opportunities for Work (GROW) Programs, 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 Employees 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.

Amendment to Agreement with RTKL

The current agreement with RTKL contains all of the current Board-required provisions. County Counsel will approve as to form the recommended amendment before it is executed.

ENVIRONMENTAL DOCUMENTATION

The proposed activities are not projects pursuant to the California Environmental Quality Act (CEQA) because they are an activity that is excluded from the definition of a project by Section 15378(b) of the CEQA Guidelines. The proposed actions are an administrative activity of the government, which will not result in direct or indirect changes to the environment.

CONTRACTING PROCESS

Supplemental Agreement 2 with gkkworks

On December 20, 2005, the Board approved award of Contract PW-12985 with gkkworks for a $13,300,000 not-to-exceed amount. Subsequently, the Board approved Supplemental Agreement 1 on September 8, 2009, to increase gkkworks' total contract amount by $11,038,000 to a $24,338,000 not-to-exceed amount in order to reflect the conversion of this Project to a design-build delivery method and extension of the Project's completion date to July 24, 2013.

On September 21, 2010, the Board delegated authority to the Internal Services Department (ISD), as the County's Purchasing Agent, to purchase the fixed medical equipment, also known as Groups 1 and 2, and the related installation services in support of the H-UCLA S/E Project, within the approved medical equipment budget of $34,862,000.

In order to coordinate procurement of Groups 1 and 2 fixed equipment with the Project schedule and ISD, a medical equipment team was needed to assist the Project team, with consolidation and finalization of fixed medical equipment lists, development of equipment specifications, and processing the procurement of equipment using ISD's standard procedure.

In order to keep the Project on schedule, the Department of Public Works (Public Works) authorized gkkworks to coordinate the procurement of Groups 1 and 2 medical equipment as part of their overall construction management services.

Amendment to Agreement with RTKL

On May 29, 2012, the Board approved an agreement with RTKL for a not-to-exceed contract amount of $1,251,940, to provide transition planning consulting services at H-UCLA. The services provided under this agreement include equipment procurement management and coordination of moveable equipment, information system equipment, and furniture for the H-UCLA S/E Replacement Project, known as Groups 3 through 6. RTKL's scope of work did not include these services for Group 3A equipment.

Group 3A fixed medical equipment requires procurement management services, which includes coordination between Health Services, Public Works, ISD, and the design-builder. Approval of this recommendation would ensure that RTKL is responsible for managing the procurement of all equipment, Groups 3A through 6, funded by Health Services.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approving the recommended actions will have no impact on current County services provided at H-UCLA, but will enable timely completion of the H-UCLA S/E Replacement Project, and will facilitate Health Services' procurement of additional fixed medical equipment for the Project.

CONCLUSION

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

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Office

WTF:RLR:DJT
SW:TH:cvb

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Health Services
Internal Services
Public Works

ATTACHMENT
September 18, 2012

DEPARTMENT OF PUBLIC WORKS:
HARBOR-UCLA MEDICAL CENTER
SURGERY/EMERGENCY REPLACEMENT PROJECT
AWARD SUPPLEMENT TO CONTRACT PW-12985 AND
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CAPITAL PROJECT NO. 69220

I. PROJECT SCHEDULE

Project Activity	Board-Approved Schedule Completion Date
Environment Documents	04/11/06*
Make-Ready	
Jurisdictional Approval	06/12/06*
Construction Award	10/18/06*
Construction Start	10/19/06*
Substantial Completion	12/31/09
S/E Building	
Contract Award	09/08/09
Jurisdictional Approvals	12/26/11
Construction Start	11/24/09
Substantial Completion	07/24/13
Backfill	
Jurisdictional Approvals	TBD
Contract Award	TBD
Construction Start	TBD
Substantial Completion	TBD

* Indicates actual date.

II. PROJECT BUDGET SUMMARY

Project Activity	Approved Project Budget	Impact of this Action	Proposed Budget
Land Acquisition	$ 0	$ 0	$ 0
Construction			
Low Bid Construction Contract	$ 2,321,654	0	$ 2,321,654
Design-Build Contract			
(a) S/E Building and Site	161,140,000	0	161,140,000
(b) Option for Parking Structure	9,717,000	0	9,717,000
Job Order Contract	16,852,000	0	16,852,000
Purchase Order Contract	3,500,000	0	3,500,000
Southern California Edison Contract	285,000	0	285,000
Change Orders Total	18,320,346	0	18,320,346
Department Crafts	0	0	0
Youth Employment	0	0	0
Construction Consultants	0	0	0
Misc. Expense			
Design-Build Stipends	250,000	0	250,000
Side Plate License	107,000	0	107,000
Builder's Risk Insurance	2,000,000	0	2,000,000
Other	93,000	0	93,000
Telecomm Equip–Affixed to Building	2,100,000	0	2,100,000
Medical Equipment*	32,762,000	(1,735,300)	31,026,700
Project Contingency	5,634,000	0	5,634,000
Civic Arts	0	0	0
Subtotal	$255,082,000	$(1,735,300)	$ 253,346,700
Programming/Development	$ 0	$ 0	$ 0
Plans and Specs	$ 9,553,650	$ 0	$ 9,553,650
Consultant Services			
Site Planning	$ 0	$ 0	$ 0
Hazardous Materials	490,000	0	490,000
Geotech/Soils Report & Soils Testing	1,006,000	0	1,006,000
Material Testing	3,960,000	0	3,960,000
Cost Estimating	560,845	0	560,845
Topographic Surveys	190,000	0	190,000
Construction Management	20,139,834	0	20,811,442
Equipment Procurement Services	0	1,735,300	1,735,300
Peer Review	1,801,074	0	1,801,074
Design Management	1,012,981	0	1,012,981
Environmental	600,000	0	600,000
Move Management	267,000	0	267,000
Equipment Planning	975,000	0	975,000
Legal	1,971,000	0	1,971,000
Construction/Change Order	0	0	0
Other: Document Management	2,637,000	0	2,637,000
Other: Commissioning	823,266	0	823,266
Consultant Services Subtotal:	$ 36,434,000	$ 1,735,300	$ 38,169,300

* Medical Equipment budget included $2,500,000 allocated for medical equipment procurement services. This recommendation will reallocate funds from this line item to an identified budget line (Equipment Procurement Services).

III. PROJECT BUDGET SUMMARY (CONT.)

Project Activity	Approved Project Budget	Impact of this Action	Proposed Budget
Miscellaneous Expenditures	$ 262,000	$ 0	$ 262,000
Jurisdictional Review/Plan Check/Permit	$ 3,970,000	$ 0	$ 3,970,000
County Services			
Code Compliance Inspection	$ 3,305,175	$ 0	$ 3,305,175
Quality Control Inspection	2,857,525	0	2,857,525
Design Review	150,000	0	150,000
Design Services	100,000	0	100,000
Contract Administration	554,015	0	554,015
Project Management	7,169,958	0	7,169,958
Project Management Support Services	509,000	0	509,000
ISD Job Order Contract Management	402,000	0	402,000
DPW Job Order Contract Management	673,000	0	673,000
ISD ITS Communications	500,000	0	500,000
Project Security	0	0	0
Project Technical Support	581,268	0	581,268
Office of Affirmative Action	346,409	0	346,409
County Counsel	0	0	0
Regional Planning	15,000	0	15,000
Other: DPW Materials & Testing	10,000	0	10,000
Other: DPW Land Development	50,000	0	50,000
Other: DPW Traffic & Lighting	45,000	0	45,000
Other: DPW Design Division	10,000	0	10,000
Other: DPW Construction Division	10,000	0	10,000
Other: DPW Flood Maintenance Division	10,000	0	10,000
Subtotal	$ 7,298,350	$ 0	$ 7,298,350
TOTAL	**$322,600,000**	**$ 0**	**$322,600,000**