



GAIL FARBER, Director

**COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS**

"To Enrich Lives Through Effective and Caring Service"

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June 14, 2016

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

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

27 June 21, 2016

LORI GLASGOW
EXECUTIVE OFFICER

**CONSTRUCTION CONTRACT
MARTIN LUTHER KING, JR., MEDICAL CAMPUS
PARKING STRUCTURE PROJECT
APPROVE TOTAL PROJECT BUDGET
AWARD DESIGN-BUILD CONTRACT
CAPITAL PROJECT NOS. 69727 AND 67942
(SUPERVISORIAL DISTRICT 2)
(3 VOTES)**

SUBJECT

The recommended actions will approve the total project budget, award and authorize a design-build contract to McCarthy Building Companies, Inc., for the completion of the Martin Luther King, Jr., Medical Campus Parking Structure project.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve the total project budget of \$44,000,000 for the Martin Luther King, Jr., Medical Campus Parking Structure project, and authorize to use \$43,225,000 in commercial paper proceeds and \$775,000 net County cost to fully fund the project.
2. Find that McCarthy Building Companies, Inc., is the responsive and responsible bidder that submitted the best value proposal for design and construction of the Martin Luther King, Jr., Medical Campus Parking Structure project.
3. Award a design-build contract to McCarthy Building Companies, Inc., and authorize the Director of Public Works or her designee to execute the design-build contract with McCarthy Building

Companies, Inc., for a contract amount not to exceed \$32,375,083, and a maximum contract amount not to exceed \$32,875,083 (inclusive of a design completion allowance of \$500,000), subject to receipt by the County of acceptable Faithful Performance and Payment for Labor and Materials Bonds and evidence of required contract insurance filed by the design-build entity.

4. Authorize the Director of Public Works or her designee to exercise control of the design completion allowance, including the authority to reallocate the allowance into the contract amount, as appropriate, in accordance with the project specifications.

5. Delegate authority to the Director of Public Works or her designee to execute consultant services agreements for a stipend amount not to exceed \$40,000 each with the second and third highest ranked, qualifying design-build proposers, and 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 find that the award and execution of the design-build contract are within the scope of the environmental impacts analyzed in the previously certified Addendum to the Final Environmental Impact Report (EIR) for the Martin Luther King, Jr. (MLK), Medical Campus Redevelopment project; approve the total project budget; award the design-build contract to McCarthy Building Companies, Inc. (McCarthy); and authorize the Director of Public Works or her designee to execute the design-build contract with McCarthy for completion of the MLK Medical Campus Parking Structure project, and approve related actions for the project.

Project Description and Background

On December 9, 2014, the Board established Capital Project Nos. 69727 and 67942 for the development of the MLK Medical Campus Parking Structure, and authorized the implementation of a Local Worker Hiring Program for the project.

The MLK Medical Campus Parking Structure project is a 6-level parking structure on the southeast corner of the medical campus that will include approximately 1,400 parking spaces to accommodate the current parking demands on the campus. The project also includes associated infrastructure work and on-site and off-site make-ready improvements.

Public Works has completed environmental and scoping documents and solicitation for design-builder.

On January 5, 2016, the Board certified the Addendum to the previously certified Final EIR and was provided with a preliminary project budget of \$44 million. Upon design completion and permitting, the MLK Medical Campus Parking Structure project is anticipated to take 19 months to complete.

Design Completion Allowance

The \$32,875,083 contract amount includes a \$500,000 design completion allowance intended to

facilitate the resolution of issues identified only during the design phase of the project including changes required by jurisdictional agencies and other unanticipated issues. The inclusion of the design completion allowance will facilitate the design decision process and minimize potential delays that could occur with design phase issues.

The use and reallocation of the design completion allowance will be controlled by Public Works, with concurrence from the Chief Executive Office. Any remaining unused design completion allowance funds will be credited back to the County.

Consultant Services Agreements

Upon the Board's approval, the second and third highest ranked, qualifying design-build proposers for the MLK Medical Campus Parking Structure project will each be paid a stipend of \$40,000 pursuant to consultant services agreements, which afford the County the right to use the information and ideas submitted by the proposers.

Green Building/Sustainable Design Program

Effective September 1, 2011, the United States Green Building Council, Inc., stopped Leadership in Energy and Environmental Development certificates for parking structures. However, in accordance with the Countywide Energy and Environmental Policy adopted by the Board on January 16, 2007, the project will incorporate sustainable design features to optimize energy and water use efficiency and maximize the use and reuse of sustainable and local resources.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness/Fiscal Sustainability (Goal 1), Community Support and Responsiveness (Goal 2), and Integrated Services Delivery (Goal 3). The proposed project supports these goals by maximizing the effectiveness of process, structure, operations, and strong fiscal management to support timely delivery of customer oriented and efficient public services, investing in public infrastructure that maximizes opportunities to measurably improve client and community outcomes, and improving patient care.

FISCAL IMPACT/FINANCING

The total project budget is \$44,000,000, which includes plans and specifications, plan check, make-ready effort, construction, consultant services, civic art, inspection, and project and construction management services. The project is funded with \$775,000 net County cost and the remaining \$43,225,000 in commercial paper proceeds.

The Department of Health Services is working with other potential users on the finalization of the cost sharing plan in accordance with Medicare cost principles for the cost allocation of the new parking structure. The completion of the cost sharing plan will be submitted to the Chief Executive Office by the end of December 2016. The majority of the cost will be allocated to the Department of Health Services. A portion of the project budget in the amount of \$43,225,000 is to be financed with commercial paper initially and then be redeemed with bond proceeds. The annual debt payments will be allocated in accordance with the approved cost sharing plan.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The design-build contract with McCarthy contains terms and conditions supporting the Board's

ordinances and policies, including, but not limited to, the County's Greater Avenues for Independence and General Relief Opportunities for Work Programs, Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Contractor Employee Jury Service Program, Los Angeles County's Child Support Compliance Program, and Local Worker Hiring for Veterans Policy.

In accordance with the Board's Civic Art Policy amended on August 11, 2015, the project budget includes 1 percent of design and construction costs be allocated to the Civic Art fund.

ENVIRONMENTAL DOCUMENTATION

On January 5, 2016, the Board certified an Addendum to the Final EIR for the MLK Medical Campus Redevelopment project when it approved the MLK Medical Campus Parking Structure project. Approval of the award and execution of the design-build contract are within the scope of the previously approved project analyzed in the certified Addendum and Final EIR and there have been no changes to the project or the circumstances under which it will be implemented since the time of approval.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Determination with the Registrar-Recorder/County Clerk in accordance with Section 21152(a) of the California Public Resources Code.

CONTRACTING PROCESS

On December 10, 2014, Public Works issued a Request for Proposal (RFP) for design-build services. The contract opportunity was listed on the County's Doing Business with Us website.

The first phase of the RFP process was the submittal of a prequalification questionnaire by all interested design-build firms. On January 20, 2016, five prequalification questionnaires were received for evaluation. The prequalification questionnaires were reviewed by an evaluation committee comprised of staff from the Chief Executive Office, the Department of Health Services, and Public Works. The evaluation was made based on responses to questions concerning the business type and ownership of each design-build entity; evidence of the design-builder's experience and capacity to perform projects of similar size, type, and complexity; licenses; registration; credentials; violations of State and Federal labor codes and safety regulations; debarment; default; bankruptcy; lawsuits on Public Works projects in the preceding 5 years; and other relevant criteria. Based on the review and evaluation of the prequalification questionnaires, five firms were determined to be prequalified. In accordance with the shortlisting requirements in the RFP, the top three firms (McCarthy, Swinerton Builders, and Bomel Construction Company, Inc.) were shortlisted and invited to submit technical and cost proposals for the project.

On March 22, 2016, the top three design-build firms submitted technical and cost proposals for evaluation. The technical and cost proposals were evaluated by the evaluation committee based design and construction expertise, team organization and personnel, proposed work plan, life cycle cost analysis, skilled labor force availability, cost proposal, proposed design, and design excellence. Final ranking of the proposers is enclosed. McCarthy, in its design-build proposal, was found to have submitted the best value and most advantageous proposal to perform these services under the design-build delivery method, in accordance with the evaluation criteria stated in the RFP. These evaluations were completed without regard to race, creed, color, or gender.

The contract requires the contractor to pay its employees applicable prevailing wages in accordance with the California Labor Code.

McCarthy's Community Business Enterprises participation data and 3-year contracting history with the County are on file with Public Works.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will have no impact on current services at the campus. Patient care services on campus will remain fully operational during construction. The project includes leasing parking spaces for staff that will be displaced when the project is under construction.

CONCLUSION

Please return one adopted copy of this Board letter to the Department of Public Works, Project Management Division I.

Respectfully submitted,



GAIL FARBER

Director

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Enclosures

- c: Arts Commission
- Chief Executive Office (Capital Programs Division)
- County Counsel
- Executive Office
- Department of Health Services

June 14, 2016

ENCLOSURE

**CONSTRUCTION CONTRACT
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Proposal Summary

Proposer	Best Value Score (Max. Score = 1,000)	Base Price Proposal
McCarthy Building Companies, Inc.	920	\$ 32,359,083
Swinerton Builders	910	\$ 29,408,473
Bomel Construction Company, Inc.	581	\$ 40,350,875