



**Health Services**  
LOS ANGELES COUNTY

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Board of Supervisors

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313 N. Figueroa Street, Suite 912  
Los Angeles, CA 90012

Tel: (213) 240-8101  
Fax: (213) 481-0503

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*To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.*



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December 20, 2016

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:

**AUTHORIZE THE ACQUISITION OF MODULAR CHILLER PLANT EQUIPMENT FOR LAC+USC MEDICAL CENTER; ESTABLISH THE LAC+USC MODULAR CHILLER PLANT PROJECT; AND APPROVE APPROPRIATION ADJUSTMENT (FIRST DISTRICT)  
(4 VOTES)**

**SUBJECT**

Authorize the Director of the Internal Services Department, as the County Purchasing Agent to proceed with the acquisition of modular chiller plant equipment with a purchase cost of \$3.750 million; establish the LAC+USC Modular Chiller Project Capital Project No. 87383; and approve the appropriation adjustment.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the recommended actions, including acquisition of the modular chiller plant equipment, are within the scope of the previously certified Environmental Impact Report for the LAC+USC Campus and are ongoing administrative activities of government which do not constitute a project under Section 15378(b) (2) and (4) of the California Environmental Quality Act.
2. Authorize the Internal Services Department (ISD), as the County Purchasing Agent to proceed with the acquisition of a modular chiller plant equipment for LAC+USC Medical Center (LAC+USC MC) with a total estimated cost of approximately \$3.750 million.
3. Establish the LAC+USC Modular Chiller Plant project, Capital Project No. 87383, to provide necessary cooling capability to the LAC+USC Medical Center.

*"To Enrich Lives Through Effective And Caring Service"*

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

32 December 20, 2016

LORI GLASGOW  
EXECUTIVE OFFICER

4. Approve an appropriation adjustment (Attachment A) to reallocate \$3.750 million from the Department of Health Services' (DHS) Obligated Fund Balance to LAC+USC MC, to fully fund the proposed acquisition of Modular Chiller Plant Equipment for Fiscal Year 2016-17.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

Approval of the recommended actions will find the recommended actions including the acquisition of the modular chiller plant equipment within the scope of the previously certified Environmental Impact Report (EIR) for the LAC+USC Medical Center Campus Master Plan and are ongoing administrative activities of government which do not constitute a project under Section 15378(b) (2) and (4) of the California Environmental Quality Act (CEQA); authorize the Director of the County's ISD, in his capacity as the Purchasing Agent to proceed with the acquisition of the modular chiller plant equipment through a competitive bid as a complete manufactured unit using a single contract vendor that will be responsible for providing all components pre-fabricated in functional modules for on-site assembly; establish the LAC+USC Modular Chiller Plant project, Capital Project No. 87383, at the LAC+USC Medical Center (MC); and approve an Appropriation Adjustment.

#### **Background**

The East Central Plant provides chilled water for the cooling of the three medical towers, Clinic Tower, Inpatient Tower, and Diagnostic and Treatment Tower at LAC+USC MC. Since the opening of the LAC+USC MC in 2008, building cooling demand has been increasing due to a significant amount of heat generating equipment including computers for the Online Real-Time Centralized Health Information Database (ORCHID) Project, laboratory and other medical equipment, have been installed in the hospital. As a result, the cooling system often runs at or near its total rated capacity. The East Central Plant has five 1,000-ton chillers. Currently, the maximum building load during outside air temperature at approximately 95 °F is 4500 tons. If one chiller is down for repairs or maintenance, the central plant cannot carry the full building load. This Modular Chiller Plant and East Central Plant together would comprise an energy efficient system with the capacity to adequately cool and heat the facilities during extreme weather months while reducing the facility's overall energy use.

Approval of the recommendations will allow ISD to proceed with procurement of the modular central plant which is a long lead item. Upon procurement, fabrication, and delivery of the modular central plant, the Department of Public Works (DPW) will install the Modular Chiller Plant at the location that is now identified. The LAC+USC Modular Chiller Plant project will include the installation of a concrete pad to place the plant, electrical service to power the plant, and chilled water plumbing that will connect the new plant to the air-handlers at the Clinic Tower. DPW will return to the Board to recommend the proposed construction delivery method and seek approval of the project budget and schedule.

### **Sustainable Design Program**

The proposed project will support the Board's Policy for Green Building/Sustainable Design Program, as the new Modular Chiller Plant will reduce the overall amount of energy to cool the facility.

### **Implementation of Strategic Plan Goals**

The recommended actions will support Operational Effectiveness (Goal 1) and Fiscal Sustainability (Goal 2) of the County's updated Strategic Plan by ensuring reliable availability of medical services and public safety to the community.

### **FISCAL IMPACT/FINANCING**

The total project budget is preliminarily estimated at \$11.300 million. Of this amount, the estimated equipment cost is \$3.750 million which include acquisition of the modular chiller plant equipment and proposed future on-site assembly.

Approval of the appropriation adjustment (Attachment A) will reallocate \$3.750 million from DHS' Obligated Fund Balance – Committed for DHS to LAC+USC MC, to fully fund the proposed acquisition cost of \$3.750 million for Fiscal Year 2016-17. DPW will return to the Board to seek approval of the related capital project budget estimated to be \$7.550 million. DHS will provide funding for the project at that time and in future budget phases, as needed.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On October 16, 2001, the Board approved the classification categories for capital equipment (formerly fixed assets) and new requirements for major capital equipment acquisitions whereby departments will obtain Board approval to purchase or finance equipment with a unit cost of \$0.250 million or greater prior to submitting their requisitions to Purchasing.

DHS, ISD and DPW will perform specific roles to ensure an integrated and coordinated approach to procure and for the proposed installation of the modular chiller plant equipment, whereby DHS is financially responsible for the purchase, proposed installation and infrastructure additions, ISD procures the equipment, and DPW would manage the design to install the equipment and make the necessary infrastructure additions to accommodate the equipment at LAC+USC MC, using a Board-approved as-needed architect/engineer.

### **ENVIRONMENTAL DOCUMENTATION**

On November 18, 2014, acting as lead agency under CEQA, the Board certified the EIR for the LAC+USC MC Campus Master Plan pursuant to CEQA. The EIR analyzed at a program level the environmental impacts of the development of the campus, which could

result in a total of approximately 1,725,000 square feet of development throughout the campus. Elements include Inpatient Facilities, Outpatient Facilities, Medical Center Offices, Central Utility Expansion, Pedestrian Circulation and Access, Biotech Research and On-campus Housing, Parking Facilities, and Community Open Space and Landscape Conceptual Elements. The modular chiller plant is part of the planned central utility expansion included in the EIR supporting future campus development.

On November 18, 2014, the Board adopted the LAC+USC MC Campus Master Plan as a policy document to serve as a guideline for the future development of facilities and services at this campus. In the Master Plan, central utility expansion supports future campus development. An identified component of this expansion is the development of a chilled water piping loop. The modular chiller plant is in this loop, reducing reliance on the existing central plant, and allowing its eventual replacement as shown in the Master Plan. The modular chiller plant will increase the reliability and efficiency of the campus cooling system.

Additionally, the recommended actions do not constitute a project under CEQA. The activities are excluded from the definition of a project by Section 15378(b) (2) and (4) of the State CEQA Guidelines, as they involve purchases of supplies and organizational or administrative activity of government, which will not result in direct or indirect changes to the environment

DPW will return to the Board to recommend approval of appropriate environmental findings when we return to the Board to seek approval of the project budget and schedule.

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

### **CONTRACTING PROCESS**

This is a commodity purchase under the statutory authority of the County Purchasing Agent. The purchase will be requisitioned through and accomplished by the Purchasing Agent in accordance with the County's Purchasing policies and procedures.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

All critical work will be completed during off hours and on weekends in order to minimize disruptions to patient services.

Respectfully submitted,

A handwritten signature in black ink that reads "Mitchell Katz". The signature is written in a cursive, slightly slanted style.

Mitchell H. Katz  
Director

MHK:JS:av

Attachment

- c: Executive Officer – Board of Supervisors
- Art Commission
- County Counsel
- Internal Services Department
- Department of Public Works
- Chief Executive Office (Capital Programs Division)



COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF HEALTH SERVICES

DEPT'S. NO. 160

November 23, 2016

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2016-17

4 - VOTES

SOURCES

USES

DHS ENTERPRISE FUND MN2-3078 COMMITTED FOR DHS DECREASE OBLIGATED FUND BALANCE 3,750,000

DHS ENTERPRISE FUND MN2-HS-6100-60070 OTHER FINANCING USES INCREASE APPROPRIATION 3,750,000

LAC+USC HEALTHCARE NETWORK ENTERPRISE FUND MN4-HG-96-9911-60010 OPERATING TRANSFERS IN INCREASE REVENUE 3,750,000

LAC+USC HEALTHCARE NETWORK ENTERPRISE FUND MN4-HG-6030-60010 CAPITAL ASSETS - EQUIPMENT INCREASE APPROPRIATION 3,750,000

SOURCES TOTAL: \$ 7,500,000

USES TOTAL: \$ 7,500,000

JUSTIFICATION

This appropriation adjustment is to reallocate \$3,750,000 from Department of Health Services' Obligated Fund Balance to LAC+USC Healthcare Network Capital Assets-Equipment. The adjustment is necessary to fully fund the acquisition of Modular Chiller Plant Equipment.

ADOPTED BOARD OF SUPERVISORS COUNTY OF LOS ANGELES

Mela Guerrero, Controller, DHS

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

Lori Glasgow, EXECUTIVE OFFICER

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR ---

- ACTION
RECOMMENDATION

AUDITOR-CONTROLLER

BY [Signature]

B.A. NO. 065

Nov. 29 20 16

APPROVED AS REQUESTED

APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

[Signature]

12/2/2016