



MARK PESTRELLA, 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

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

29 July 31, 2018

CELIA ZAVALA
ACTING EXECUTIVE OFFICER

July 31, 2018

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:

**CONSTRUCTION CONTRACT
PUBLIC BUILDINGS CORE SERVICE AREA
MARTIN LUTHER KING, JR. MEDICAL CAMPUS
CHILD CARE CENTER PROJECT
APPROVE REVISED PROJECT BUDGET
RELATED APPROPRIATION ADJUSTMENT AND
AMEND KINDERCARE AGREEMENT
CAPITAL PROJECT NO. 87295
(SUPERVISORIAL DISTRICT 2)
(4 VOTES)**

SUBJECT

Public Works is seeking Board approval to revise the Martin Luther King, Jr. Medical Campus Child Care Center project budget to address a number of design and unforeseen issues encountered during construction and allow the Department of Health Services to amend an agreement with the operator of the Child Care Center.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the recommended actions are within the scope of the project impacts analyzed in the previously certified Addendum for the Martin Luther King, Jr. Medical Campus Child Care Center project to the final Environmental Impact Report for the Martin Luther King, Jr. Medical Campus Redevelopment project and that there have been no substantial changes to the project.
2. Approve the revised total project budget of \$7,707,000 from the previously Board-approved amount of \$7,317,000, for the Martin Luther King, Jr. Child Care Center project, Capital Project No. 87295.

3. Delegate authority to the Acting Director of Health Services or her designee to execute an amendment to the Department of Health Services Agreement H-706855 between the County of Los Angeles and KinderCare Learning Center, LLC to permit KinderCare to purchase furniture and class room supplies to furnish the Martin Luther King, Jr. Child Care Center for a one-time cost not to exceed \$200,000.
4. Approve the Fiscal Year 2018-19 Appropriation Adjustment to reallocate \$390,000 from the Department of Health Services' Enterprise Fund-Committed for the Department of Health Services to Capital Project No. 87295 to fund the revised projected Fiscal Year 2018-19 aforementioned expenditures of the total project budget.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will find that the recommended actions 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 revised project budget, related Appropriation Adjustment, and allow the Department of Health Services (DHS) to amend an agreement with the operator of the Child Care Center.

Background

On January 31, 2017, the Board certified the Addendum to the final EIR, approved the project budget, and authorized the Director or Public Works or his designee to adopt, advertise, and award the MLK Child Care Center project, with a total estimated project budget of \$6,675,000. On May 30, 2017, the Board approved the revised project of \$7,317,000 and revised schedule.

Construction began in August 2017. During construction various unforeseen conditions were discovered that conflict with the planned work, which includes relocating roof drains due to conflict with existing underground drains and differential settlement that requires voids in the soil to be filled and the floor to be leveled. In addition, the architect/engineer's revisions to the plans impacted the construction costs. The estimated cost for this additional scope of work is \$390,000, including construction cost, additional geotechnical and materials testing, and project management services.

As a part of a competitive solicitation process, KinderCare Learning Center, LLC (KinderCare) was selected to operate three existing DHS Child Care facilities and the future MLK Child Care Center. When the solicitation was released, the County was in the early design phase of the Child Care Center project. KinderCare has extensive experience with children's furniture and children's supplies and would be the most appropriate party to assign for this purchase. In order to ensure a timely opening of the MLK Child Care Center, approval of the recommendation to execute an amendment to the KinderCare agreement will enable KinderCare, the Board-approved child care provider for the MLK Child Care Center, to purchase furniture and child care supplies to maintain child safety standards within child state mandatory licensing requirements and provide a rich learning environment in alignment with KinderCare's Early Foundations® curriculum that employs the most up-to-date science about how children grow, learn, and develop.

Approval of the recommended actions will increase the total project budget by \$590,000 from \$7,317,000 to \$7,707,000. The substantial completion date remains as September 2018.

The project is designed to support the Board's policy for Green Building/Sustainable Design Program by incorporating water and energy conservation features, enhancing indoor environmental quality by using low-gas emitting building materials, and providing daylight throughout much of the building.

Implementation of Strategic Plan Goals

The County Strategic Plan directs the provision of Strategy II.1, Drive Economic and Workforce Development in the County; Strategy II.2, Support the Wellness of our Communities; and Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability. These recommended actions support the Strategic Plan by providing valuable childcare resources for the community that will in turn benefit the common good by driving the development of the workforce and the economic development of the County.

FISCAL IMPACT/FINANCING

Approval of the recommendations will increase the previously Board-approved project budget from \$7,317,000 to \$7,707,000. The revised total project budget of \$7,907,000 includes plans and specifications, plan check, demolition, construction, consultant services, Civic Art fee, inspection, furnishings and County services.

The enclosed Appropriation Adjustment will reallocate an additional \$390,000 from the Department of Health Services' Enterprise Fund-Committed for DHS to the MLK Child Care Center project, Capital Project No. 87295, to fund the revised projected Fiscal Year 2018-19 expenditures.

Funding for the amendment to the KinderCare agreement is included in the DHS Fiscal Year 2018-19 Final Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with the Board's Civic Art Policy amended on August 11, 2015, the proposed project budget includes 1 percent of the design and construction costs to be allocated to the Civic Art fund will be increased from the previous amount of \$57,500 to \$62,000.

In accordance with the Board's consolidated Local and Targeted Worker Hire Policy adopted on September 6, 2016, the project requires that at least 30 percent of the total California craft worker hours for construction of the project be performed by Local Residents and at least 10 percent be performed by Targeted Workers facing employment barriers.

ENVIRONMENTAL DOCUMENTATION

On October 11, 2011, the Board, acting as lead agency, certified the EIR for the MLK Redevelopment project pursuant to the California Environmental Quality Act (CEQA). The EIR analyzed at a project level the environmental impacts of the MLK Outpatient Center, formerly known as the MLK Multi-Service Ambulatory Care Center, as a Tier I development. The development of the remainder of the campus, the Tier II development, was analyzed at a program level in the EIR that included up to 1,476,010 square feet of a master planned future mixed-use development, and this was termed Tier II.

On January 31, 2017, the Board certified the Addendum to the EIR under the Tier II development,

which analyzed the environmental impacts from the MLK Child Care Center project and approved the project. The Addendum concluded that the Child Care Center project would be within the assumptions for construction and operation analyzed in the 2011 final EIR. Since approval, there have been no substantial changes to the Child Care Center project or to the circumstances under which the project will be undertaken that require further review under CEQA.

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 of the California Public Resources Code.

Responses to public agencies that submitted comment letters were sent pursuant to Section 21092.5 of the California Public Resources Code. The location of the documents and other materials constituting the record of the proceedings, upon which the Board's decision is based, is the County of Los Angeles Department of Public Works, Project Management Division I, 900 South Fremont Avenue, Alhambra, CA.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended actions will have no additional impact on current services on campus. Public Works continues to work with DHS to minimize construction impacts and disruptions at the facilities. All adjacent campus facilities remain operational during construction.

CONCLUSION

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

Respectfully submitted,



MARK PESTRELLA

Director

MP:AKM:ms

Enclosures

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

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF HEALTH SERVICES

DEPT'S. NO. 110

July 6, 2018

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 2018-19

4 - VOTES

SOURCES

USES

BA Detail - See Attachment Page 1.

BA Detail - See Attachment Page 1.

SOURCES TOTAL: \$ 1,170,000

USES TOTAL: \$ 1,170,000

JUSTIFICATION

This budget adjustment is necessary to provide additional funding for Capital Project No. 87295 Martin Luther King-Child Care Center Project from DHS Enterprise Fund-Committed for DHS for anticipated expenditures in FY 2018-19.

ADOPTED

BOARD OF SUPERVISORS COUNTY OF LOS ANGELES

AUTHORIZED SIGNATURE Mela Guerrero, Controller, DHS

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

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JUL 31 2018

Celia Zavala CELIA ZAVALA ACTING EXECUTIVE OFFICER

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR ---

ACTION

RECOMMENDATION

APPROVED AS REQUESTED

APPROVED AS REVISED

AUDITOR-CONTROLLER

BY [Signature] July 10 20 18

CHIEF EXECUTIVE OFFICER

BY [Signature] July 11 20 18

B.A. NO. 008

**DEPARTMENT OF HEALTH SERVICES
REQUEST FOR APPROPRIATION ADJUSTMENT
CAPITAL PROJECTS
FISCAL YEAR 2018-19**

4 VOTES

SOURCES:

USES:

DHS Enterprise Fund
MN2-3078
Committed for DHS
Decrease Obligated Fund Balance 390,000

DHS Enterprise Fund
MN2-HS-6100-60070
Other Financing Uses 390,000
Increase Appropriation

Harbor Care South Enterprise Fund
MN1-HH-96-9911-60020
Operating Transfers In 390,000
Increase Revenue

Harbor Care South Enterprise Fund
MN1-HH-96-9912-60020
Operating Subsidy - General Fund 390,000
Decrease Revenue

Total Enterprise Fund \$ 780,000

Total Enterprise Fund \$ 780,000

Ent Sub - Harbor Care South
A01-AC-6100-21200-21226
Other Financing Uses 390,000
Decrease Appropriation

Martin Luther King Jr. Outpatient Ctr Capital Improvements
Martin Luther King-Child Care Center Project
A01-CP-6014-64020-87295
Capital Assets - Buildings & Improvements 390,000
Increase Appropriation

Total General Fund \$ 390,000

Total General Fund \$ 390,000

Total \$ 1,170,000

Total \$ 1,170,000

Noted & Approved:



Mela Guerrero, Contoller
Department of Health Services

BA # 008

Janfer 7/10/18

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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JUL 31 2018


CELIA ZAVALA
ACTING EXECUTIVE OFFICER