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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

October 02, 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
RADIOLOGY PROGRAM PHASE 2 PROJECTS
APPROVE CONSTRUCTION CHANGE ORDERS AND
APPROVE REVISED PROJECTS SCOPE OF WORK AND REVISED BUDGETS
CAPITAL PROJECT NOS. 87343 AND 87344
(SUPERVISORIAL DISTRICTS 2 AND 5)
(4 VOTES)**

SUBJECT

Public Works is seeking Board approval to execute construction change orders with Perera Construction and Design, Inc., for the Olive View-UCLA Medical Center Radiology Program Phase 2 and the Harbor-UCLA Medical Center Radiology Program Phase 2 projects; and approve the revised scope of work and budget for both projects.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the added scope of work for the Olive View-UCLA Medical Center Radiology Program Phase 2 project is categorically exempt from the California Environmental Quality Act for reasons stated in this Board letter and in the record of the project; and find that the revised scope of work for the Harbor-UCLA Radiology Program Phase 2 project is within the scope of the Board's previous finding of exemption for the project.
2. Approve and authorize the Director of Public Works or his designee to execute a change order with Perera Construction and Design, Inc., for additional work required by the new building code requirements for the Angiography Suite at Olive View-UCLA Medical Center Radiology Program Phase 2 project (Capital Project No. 87343) for a \$477,789 not-to-exceed amount.

3. Approve and authorize the Director of Public Works or his designee to execute a deductive change order in the amount of \$1,145,901 to delete the scope of work for the Angiography Suite for the Harbor-UCLA Medical Center Radiology Program Phase 2 project (Capital Project No. 87344) from the previously approved Perera Construction and Design, Inc's., contract.
4. Approve the revised project budget from the previous Board-approved amount of \$3,895,000 to \$5,332,000 for the Olive View-UCLA Medical Center Radiology Program Phase 2 project (Capital Project No. 87343).
5. Approve the revised project budget from the previous Board-approved amount of \$3,445,000 to \$1,923,000 for the Harbor-UCLA Medical Center Radiology Program Phase 2 project (Capital Project No. 87344).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will find that the proposed added scope of work for the previously approved Olive View-UCLA Medical Center (OV-UCLA MC) Radiology Program Phase 2 project is exempt from the California Environmental Quality Act (CEQA), and find that the revised scope of work for the Harbor-UCLA Medical Center (H-UCLA MC) Radiology Program Phase 2 project is within the scope of the Board's previous finding of exemption for the project; authorize Public Works to execute a deductive change order with Perera Construction and Design, Inc. (Perera) to delete the scope of work for the Angiography Suite in the amount not to exceed \$1,145,901 for the H-UCLA MC Radiology Program Phase 2 project, and authorize Public Works to execute a construction change order with Perera for additional work required by the new 2016 California Building Code (CBC) requirements for the Angiography Suite in the amount not to exceed \$477,789 for the OV-UCLA MC Radiology Program Phase 2 project, and approve the revised project budget for the H-UCLA MC Radiology Program Phase 2 and for the OV-UCLA MC Radiology Program Phase 2 projects.

Background

On June 13, 2017, the Board approved the projects' budgets with a combined total projects budget of \$8,059,000 consisting of \$3,895,000 for the OV-UCLA MC project, Capital Project (C.P.)87343; \$3,445,000 for the H-UCLA MC project, C.P. 87344; and \$719,000 for the OV-UCLA MC General Radiology Room 18 Phase 3 project, C.P. 87407. In addition, the Board approved the award of the design-build contract to Perera for a not-to-exceed contract amount of \$5,277,895 for the OV-UCLA MC and H-UCLA MC Phase 2 projects, and \$455,778 allowance for the OV-UCLA MC Phase 3 project, for a maximum contract amount of \$5,733,673.

The 2016 CBC was only published and made available to the public after the design-build contract was awarded in June 2017. In July 2017, during the design phase, it was discovered that the 2016 CBC requirements for the Angiography Suites at OV-UCLA MC and H-UCLA MC are more onerous than originally planned. Specifically, due to the 2016 CBC requirements, the Angiography Suites require a new soiled utility room, clean utility room, men and women's locker rooms, and restricted corridors, all of which were not required under the old code.

OV-UCLA MC Radiology Program Phase 2 project, C.P. 87343

For the Angiography Suite at OV UCLA MC, the required additional new rooms will add 599 square feet to the original 1,860 square feet. A change order with Perera for a not-to-exceed amount of \$477,789 for the revised design and construction will accommodate the new soiled utility room, a clean utility room, men and women's locker rooms, and restricted corridors, and associated work, as required under the 2016 CBC. This additional work will extend the substantial completion date for the project by 12 months from the previously Board-approved substantial completion of 19 months for a total of 31 months.

A budget increase of \$1,437,000 from \$3,895,000 to \$5,332,000 for the OV-UCLA Radiology Program Phase 2 project, C.P. 87343 is recommended. This increase in the budget will cover increased costs in civic arts, materials testing, inspection services, plan check fees, County services, and the construction change order with Perera in the not-to-exceed amount of \$477,789.

H-UCLA MC Radiology Program Phase 2 project, C.P. 87344

For the Angiography Suite at H-UCLA MC, the additional new rooms required by the 2016 CBC requirements cannot be accommodated within the original space. No viable alternate solutions are yet identified. Therefore, we recommend deleting the Angiography Suite scope of work from the H-UCLA MC Radiology Program Phase 2 project. A deductive change order with Perera in the not-to-exceed amount of \$1,145,901 is recommended to remove the previously approved project Angiography Suite scope of work.

H-UCLA MC maintains a need to provide angiography services to the public and is working with Office of Statewide Health Planning and Development (OSHPD) to obtain preliminary approval on a more cost-effective and feasible alternative. If approved by OSHPD, we will return to the Board for approval to deliver the angiography scope of work for H-UCLA MC under a separate project along with appropriate recommendations under CEQA.

Eliminating the Angiography Suite will reduce the project budget from \$3,445,000 to \$1,923,000 for the H-UCLA MC Radiology Program Phase 2 project, C.P. 87344. The remaining project budget in the amount of \$1,923,000 will allow for completion of the construction for the H-UCLA Nuclear Medicine Room, which is a component of the previously approved project scope. Perera has completed the design component for the Nuclear Medicine Room, and has submitted the plans and specifications to the OSHPD for review.

Green Building/Sustainable Design Program

The projects will continue to support the Board's Policy for Green Building/Sustainable Design Program by minimizing the amount of demolition materials disposed of in landfills.

Implementation of Strategic Plan Goals

The County Strategic Plan directs the provision of Strategy I.1, Increase our Focus on Prevention Initiatives; Strategy I.2, Enhance our Delivery of Comprehensive Interventions; 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 supporting the wellness of our communities and enhancing the delivery of comprehensive and seamless healthcare services to the residents of the County seeking healthcare assistance.

FISCAL IMPACT/FINANCING

The revised project budget for the OV-UCLA MC Radiology Program Phase 2 project, C.P. 87343, is \$5,332,000 and the H-UCLA MC Radiology Program Phase 2 project, C.P. 87344, is \$1,923,000. The revised projects' budgets include plans and specifications, construction, construction change order, civic art fee, plan check fees, consultant services, and County services.

The combined revised projects budget is estimated at \$7,255,000. Of this amount, DHS already paid \$279,000 for preliminary assessment fees from its operating budget and \$4,974,000 was budgeted in Radiology Program Phase 2 Capital Projects. DHS will provide future funding currently estimated to be \$2,001,000 from the annual revolving fund during future budget phases, as needed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with the Board's Civic Art Policy amended on August 11, 2015, the projects budget will include 1 percent of design and construction costs to be allocated to the Civic Arts fund. These amounts will be revised from the previous amounts of \$30,000, \$25,000, and \$6,000 for OV-UCLA MC Radiology Phase 2 (C.P. 87343), H-UCLA MC Radiology Phase 2 (C.P. 87344), and OV-UCLA MC General Radiology Room 18 Phase 3 (C.P. 87407), respectively, to \$40,000, \$11,000, and \$6,000 respectively.

In accordance with the Board's consolidated Local and Targeted Worker Hire Policy adopted on September 6, 2016, the projects will require 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 June 13, 2017, the Board found both projects to be categorically exempt from CEQA. A Notice of Exemption was filed. The inclusion of the revisions to the previously approved OV-UCLA MC Radiology Program Phase 2 project described above will continue to include renovation of existing radiology rooms and replacing the radiology equipment. The proposed revisions to the project continue to be within certain classes of projects that have been determined not to have a significant effect on the environment, in that it meets criteria set forth in Sections 15301 (a), (d), and (f); 15302 (c); and 15303 (d) of the State CEQA Guidelines and Classes 1 (c), (d), and (i); 2 (a) and (e); and 3 (d) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. The revisions to the project involve negligible or no expansion of an existing use and replacement features will have the same purpose and capacity. Additionally, this interior project will comply with all applicable regulations, is not located in a sensitive environment, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste sites compiled pursuant to Government Code Section 65962.5, or indications that the project may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable based on the records of the proposed project.

The proposed revised scope of work for the previously approved H-UCLA MC Radiology Program Phase 2 project is within the scope of the Board's finding of categorical exemption. The proposed reduction in scope will not result in any additional environmental impacts.

Upon the Board's approval of the change orders for both projects, Public Works will file a Notice of Exemption for each project with the Registrar-Recorder/County Clerk in accordance with Section 15062 of the State CEQA Guidelines.

CONTRACTING PROCESS

On June 13, 2017, the Board authorized the award of a design-build contract to Perera for a total amount of \$4,777,895, including \$500,000 design completion allowance for OV-UCLA MC and H-UCLA MC Phase 2 projects, and \$455,778 allowance for the OV-UCLA MC Phase 3 project, for a total maximum contract amount of \$5,733,673. To date, the County has executed three allowance reallocation change orders, which includes one reallocation change order for the OV-UCLA MC Phase 2 project from the design completion allowance in the amount of \$227,197; and two reallocation change orders for the OV-UCLA MC Phase 3 project from the allowance in the combined amount of \$455,778; increasing the total contract amount to \$5,460,870. The recommended change orders to issue a construction additive change order to Perera for a \$477,789 not-to-exceed amount for the OV-UCLA MC Radiology Program Phase 2 and a deductive change order to Perera for a \$1,145,901 amount for the H-UCLA MC Radiology Program Phase 2 will decrease the contract amount by \$668,112, for a revised total maximum contract amount of \$5,065,561.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The existing facility will remain operational during construction of the proposed improvements. During construction, the services impacted as a result of this project will be minimized by expediting the renovation/installation work and scheduling patient appointments to other radiology units on site.

CONCLUSION

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

The Honorable Board of Supervisors

10/2/2018

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark Pestrella". The signature is fluid and cursive, with the first name "Mark" and last name "Pestrella" clearly distinguishable.

MARK PESTRELLA

Director

MP:AKM:cg

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