



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

November 12, 2019

30 November 12, 2019

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

CELIA ZAVALA
EXECUTIVE OFFICER

Dear Supervisors:

**CONSTRUCTION CONTRACT
PUBLIC BUILDINGS CORE SERVICE AREA
LAC+USC MEDICAL CENTER
RESTORATIVE CARE VILLAGE PROJECTS
APPROVE PROJECTS AND APPROPRIATION ADJUSTMENTS
AWARD DESIGN-BUILD CONTRACT
SPECS. 7549; CAPITAL PROJECT NO. 69863
SPECS. 7552; CAPITAL PROJECT NO. 69870
(SUPERVISORIAL DISTRICT 1)
(4 VOTES)**

SUBJECT

Public Works is seeking Board approval of the LAC+USC Medical Center Restorative Care Village that includes the Recuperative Care Center and Residential Treatment Program projects, the award of a design-build contract, and approval of an Appropriation Adjustment.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the recommended actions are within the scope of impacts analyzed in the previously certified Final Environmental Impact Report for the LAC+USC Medical Center Master Plan project and the addendum, which was subsequently certified by the Board in December 2017.

2. Approve the project for the LAC+USC Medical Center Recuperative Care Center project, Capital Project No. 69863, with a project budget of \$24,145,000.
3. Approve the project for the LAC+USC Medical Center Residential Treatment Program project, Capital Project No. 69870, with a project budget of \$44,316,000.
4. Approve an Appropriation Adjustment for a combined total amount of \$25,933,000 to fund the Fiscal Year 2019-20 project expenditures for two capital projects as follows: \$12,271,000 for the Recuperative Care Center, Capital Project No. 69863 and \$13,662,000 for the Residential Treatment Program, Capital Project No. 69870.
5. Find that CannonDesign, Inc., is the responsive and responsible proposer that submitted the best value proposal for design and construction of the LAC+USC Medical Center Residential Treatment Programs and Recuperative Care Center projects.
6. Award and authorize the Director of Public Works or his designee to execute a design-build contract to CannonDesign, Inc., for the design and construction of the LAC+USC Medical Center Recuperative Care Center and Residential Treatment Programs projects for a not-to-exceed amount of \$55,750,000 plus a \$1,105,000 design completion allowance and \$60,000 allowance for permit fees for a not-to-exceed maximum contract sum of \$56,915,000.
7. Authorize the Director of Public Works or his designee in coordination with the Chief Executive Office to exercise control over the design completion allowance, including the authority to reallocate the design completion allowance into the contract amount, as appropriate, in accordance with the project specifications.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will find the proposed LAC+USC Medical Center Recuperative Care Center (RCC) and Residential Treatment Programs (RTP) projects are within the scope of the previously certified Final Environmental Impact Report (EIR) for the LAC+USC Medical Center Master Plan project and the Addendum, which was subsequently certified by the Board in December 2017; approve the project budgets; authorize Public Works to execute design-build (D-B) contract; and authorize Public Works to exercise control of the proposed project allowances, with concurrence of the Chief Executive Office.

Background

On September 4, 2018, the Board established the LAC+USC Restorative Care Village RTP and RCC capital projects and authorized the use of Board-approved Job Order Contracts for the make-ready work of the proposed LAC+USC RTP and RCC projects. Make-ready work for RTP and RCC includes demolishing miscellaneous buildings, rough grading, and utility preparation work.

The proposed RCC is programmed to be 32,000 square feet to include 96 beds and is a clinically enriched form of interim housing, which offers on-site nursing support, health oversight, case management, and linkage to permanent housing to serve those who have been discharged.

The proposed RTP is programmed to be a total of 39,600 square feet and includes 4 buildings with a

total of 64 beds that provides intensive treatment programs for individuals being discharged from County hospital psychiatric emergency services, inpatient psychiatric units, and psychiatric urgent care centers, and will provide therapy and support services to patients who are rehabilitating from physical trauma.

The proposed RTP and RCC projects will be built on a shared location of approximately 2 acres of existing vacant land on the north-west side of the campus. Additionally, the project will provide landscaping improvements, walkways, walking trails, and driveway approaches to serve both facilities and surrounding health care infrastructures.

Project Delivery Method

The proposed projects will be delivered through a D-B project delivery method. Upon completion of the procurement process for the D-B, CannonDesign, Inc., was found to have submitted the best value and most advantageous proposal. However, cost proposals were higher than the original budgeted construction amount due to unusual cost escalations being experienced in a high demand construction market. Value engineering efforts were reviewed with CannonDesign to reduce and finalize their cost proposal, without compromising the building quality and patient care services. After extensive negotiations to reduce the cost proposal, Public Works negotiated the final maximum contract sum amount at \$56,915,000.

It is anticipated that the construction of the projects will begin in the first quarter of 2020 and be substantially completed in the spring of 2021.

Design Completion Allowance

The maximum contract sum of \$56,915,000 includes a \$1,105,000 design completion allowance and \$60,000 allowance for permit fees that is intended to facilitate the resolution of issues identified during the design phase. The design completion allowance is reserved for changes required by jurisdictional agencies and other unanticipated design issues. The inclusion of the design completion allowance will facilitate the design decision process and minimize potential delays that could occur with design issues.

Green Building/Sustainable Design Program

On December 20, 2016, the Board adopted a new Leadership in Energy and Environmental Design (LEED) policy. The RCC project will be designed to achieve the United States Green Building Council LEED Gold level certifications by incorporating sustainable design features to optimize energy and water use efficiency, enhance the sustainability of the site, improve indoor environmental quality, and maximize the use and reuse of sustainable and local resources.

The RTP project is exempt from this policy because the proposed buildings for this project are all expected to be under 10,000 square feet.

Implementation of Strategic Plan Goals

The County Strategic Plan directs the provision of Strategy II.2, Support the Wellness of our Communities, and Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability, Objective III.3.2, Manage and Maximize County Assets. The recommended actions help to achieve these goals by using existing buildings or land that will provide centralized services

for comprehensive and seamless healthcare services to the residents of the County seeking healthcare assistance.

FISCAL IMPACT/FINANCING

The total project budgets (Enclosure A) for the proposed LAC+USC RCC and RTP are \$24,145,000 and \$44,316,000, respectively. The project budgets include costs for construction, change order contingency, plans and specifications, permit fees, consultant services, inspection services, and County services.

The LAC+USC Campus RTP is funded by the Department of Mental Health (DMH) State 2011 Realignment revenue in the amount of \$34,316,000 and SB 82 Grant from California Health Facilities Financing Authority in the amount of \$10,000,000 for a total of \$44,316,000.

The enclosed FY 2019-20 Appropriation Adjustment will reallocate \$12,271,000 from the Department of Health Services' Obligated Enterprise Fund Balance – Committed for the Department of Health Services (DHS) to fund the projected FY 2019-20 expenditures for the LAC+USC RCC project. DHS will request future year's funding as necessary in future budget phases, funded by DHS Obligated Enterprise Fund Balance. DHS will also work with the Chief Executive Office to evaluate additional funding options that could be utilized in future fiscal years in lieu of DHS Obligated Enterprise Fund Balance. DMH also will provide \$13,662,000 to fund the projected expenditures for FY 2019-20 and request future year's funding in future budget phases.

Approval of the enclosed Appropriation Adjustment (Enclosure B) will provide sufficient appropriation in FY 2019-20 Capital Projects budget to fund the FY 2019-20 project expenditures for the RCC and the RTP projects.

Operating Budget Impact

RCC Project

Future fiscal year operating costs will be quantified and requested through the annual budget request process by DHS.

RTP Project

Following completion of the project, the Department of Mental Health (DMH) anticipates one-time cost estimated at \$2,000,000 for the project, fully funded by State Mental Health Services Act revenue.

DMH also anticipates ongoing annual operation costs estimated \$12,000,000 for LAC+USC Campus RTP. The ongoing costs for this program will be funded by State and Federal revenues.

Funding for operating costs will be requested through DMH's annual budget request process. There is no net County cost impact associated with the recommended actions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with the Board's Civic Arts Policy, the RTP and RCC project budgets includes a budget of \$565,000 to be allocated to the Civic Arts Special Fund that is 1 percent of the design and construction costs.

In accordance with the Board's consolidated Local and Targeted Worker Hire Policy, 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.

The D-B contract with CannonDesign will contain terms and conditions supporting the Board's ordinance and policies, including but not limited to: Child Support Compliance Program; Contractor Responsibility and Debarment; Contractor Employee Jury Service Program; Defaulted Property Tax Reduction Program; County's Greater Avenues for Independence and General Relief Opportunities for Work Policies; Reporting of Improper Solicitations; Contract Language to Assist in Placement of Displaced County Workers; and Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law).

ENVIRONMENTAL DOCUMENTATION

A Final EIR was certified and the LAC+USC Medical Center Campus Master Plan project for the LAC+USC Medical Center was approved by the Board on November 18, 2014. Findings of Fact and a Statement of Overriding Consideration (SOC), as well as a Mitigation Monitoring and Reporting Program (MMRP) were adopted.

An Addendum to the EIR was certified by the Board on December 19, 2017, for proposed changes to the LAC+USC Medical Center Campus Master Plan project, which addressed impacts associated with the proposed RTP and RCC projects.

The Restorative Care Village projects are a part of the Master Plan and included at a project level of analysis in the EIR and Addendum environmental analysis for Tier 1. Approval of the award and execution for the D-B contract are within the scope of the adopted EIR, Addendum, and MMRP.

CannonDesign's proposal for the Restorative Care Village RCC and RTP projects are consistent with the scope of the projects analyzed in the EIR and Addendum. There are no changes to the projects or to the circumstances under which the projects are undertaken that require further review under CEQA. The MMRP, Findings of Fact, and SOC will apply.

The previously certified EIR and Addendum are available and can be viewed at 900 South Fremont Avenue, 5th Floor, Alhambra, California 91803, as well as online at: <ftp://dpwftp.co.la.ca.us/pub/pmd/LACUSCEIRandAddendum>. The location of the documents and other materials constituting the record of proceedings upon which the Board of Supervisors' decision is based in this matter is the Los Angeles County Public Works, Project Management Division I, 900 South Fremont Avenue, 5th Floor, Alhambra, California 91803.

CONTRACTING PROCESS

The D-B procurement was conducted in accordance with the D-B policy adopted by the Board on June 4, 2016.

On December 20, 2018, Public Works issued a Request for Proposals (RFP) for D-B services on the LAC+USC Restorative Care Village RTP and RCC projects. The contract opportunity was listed on the County's "Doing Business with Us" and "Do Business with Public Works" websites. Public Works also informed the local small business enterprises about this business opportunity for those certified by the County of Los Angeles Department of Consumer and Business Affairs.

The first phase of the RFP process was the submittal of a prequalification questionnaire by all interested D-B firms. On January 24, 2019, six prequalification questionnaires were received for evaluation for the LAC+USC Restorative Care Village RTP and RCC projects RFP. The prequalification questionnaires for the LAC+USC Restorative Care Village RTP and RCC projects were reviewed by an evaluation committee comprised of staff from the DMH, DHS, and Public Works. Based on the review and evaluation of the prequalification questionnaires, six firms were determined to be prequalified. In accordance with the shortlisting requirements in the RFPs, three firms (CannonDesign.; Charles Pankow Builders, Ltd.; and J.R. Abbott Construction, Inc.) were shortlisted and invited to submit technical and cost proposals for the projects.

On September 19, 2019, two of the three short-listed D-B firms submitted technical and cost proposals for evaluation. The technical and cost proposals were evaluated by the evaluation committee members based on technical design and construction expertise, team organization and personnel, proposed delivery plans, life cycle cost analysis, skilled labor force availability, cost proposal, proposed design, and design excellence. CannonDesign in its D-B proposal for the RFP, was found to have submitted the best value and most advantageous proposal that complied with solicitation requirements to perform these services under the D-B delivery method, in accordance with the evaluation criteria stated in the RFP. These evaluations were completed without regard to race, creed, color, or gender.

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

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will not impact current services at the LAC+USC Medical campus. All patient care services on the LAC+USC Medical campus will remain fully operational during construction.

CONCLUSION

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

The Honorable Board of Supervisors

11/12/2019

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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" written in a larger, more prominent script than the last name "Pestrella".

MARK PESTRELLA

Director

MP:AKM:jc

Enclosures

- c: Department of Arts and Culture
- Auditor-Controller
- Chief Executive Office (Capital Programs Division)
- County Counsel
- Executive Office
- Department of Health Services (Capital Projects Division)
- Department of Mental Health
- Department of Public Social Services (GAIN/GROW Program)

ENCLOSURE A

**CONSTRUCTION CONTRACT
PUBLIC BUILDINGS CORE SERVICE AREA
LAC+USC MEDICAL CENTER
RESTORATIVE CARE VILLAGE PROJECTS
APPROVE PROJECT BUDGETS
APPROPRIATION ADJUSTMENT AND
AWARD DESIGN-BUILD CONTRACT
SPECS. 7552; CAPITAL PROJECT NO. 69870
SPECS. 7549; CAPITAL PROJECT NO. 69863
(SUPERVISORIAL DISTRICT 1)
(4 VOTES)**

I. PROJECT SCHEDULE SUMMARY – RCC – C.P. NO. 69863

Project Activity	Scheduled Completion Date
Environmental Document	12/17*
Scoping Documents	06/19
Design-Build Award	11/19
Construction Start	04/20
Substantial Completion	02/21
Project Close-out	05/21

*Completed activity.

II. PROJECT BUDGET SUMMARY – RCC

Budget Category	Total
Hard Costs	
Construction (Design-Build)	\$ 18,617,000
Contingency	\$ 2,816,000
Construction Subtotal	\$ 21,433,000
Civic Art	\$ 190,000
Equipment	\$ 60,000
Hard Costs Subtotal	\$ 21,683,000
Soft Costs	
Plans and Specifications	\$ 299,000
Consultant Services	\$ 305,000
Miscellaneous Expenditure	\$ 117,000
Jurisdictional Review, Plan Check and Permit	\$ 470,000
County Services	\$ 1,270,270
Soft Costs Subtotal	\$ 2,462,000
TOTAL	\$ 24,145,000

ENCLOSURE A

**CONSTRUCTION CONTRACT
 PUBLIC BUILDINGS CORE SERVICE AREA
 LAC+USC MEDICAL CENTER
 RESTORATIVE CARE VILLAGE PROJECTS
 APPROVE PROJECTS AND APPROPRIATION ADJUSTMENT
 AWARD DESIGN-BUILD CONTRACT
 SPECS. 7552; CAPITAL PROJECT NO. 69870
 SPECS. 7549; CAPITAL PROJECT NO. 69863
 (SUPERVISORIAL DISTRICT 1)
 (4 VOTES)**

III. PROJECT SCHEDULE SUMMARY – RTP – C.P. NO. 69870

Project Activity	Scheduled Completion Date
Environmental Document	12/17*
Project Scoping Documents	06/19
Award Design-Build Contract	11/19
Construction Start	04/20
Substantial Completion	02/21
Final Close-out	05/21

*Completed activity.

IV. PROJECT BUDGET SUMMARY – RTP

Budget Category	Total
Hard Costs	
Construction (Design-Build)	\$ 37,133,000
Contingency	\$ 3,908,000
Construction Subtotal	\$ 41,041,000
Civic Art	\$ 375,000
Equipment	\$ 60,000
Hard Costs Subtotal	\$ 41,476,000
Soft Costs	
Plans and Specifications	\$ 364,000
Consultant Services	\$ 305,000
Miscellaneous Expenditure	\$ 150,000
Jurisdictional Review, Plan Check and Permit	\$ 565,000
County Services	\$ 146,000
Soft Cost Subtotal	\$ 2,840,000
TOTAL	\$ 44,316,000

October 01, 2019

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

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 HER RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFORE

**FY 2019-20
4 - VOTES**

SOURCES

USES

BA DETAIL - SEE ATTACHMENT PAGE 1

BA DETAIL - SEE ATTACHMENT PAGE 1

SOURCES TOTAL \$ 50,475,000

USES TOTAL \$ 50,475,000

JUSTIFICATION

Reflects an increase in appropriation to the LAC+USC Campus Residential Treatment Program with \$13,662,000 offset by State 2011-Realignment revenue of \$4,828,000 and SB 82 grant from California Health Facilities Financing Authority of \$8,834,000; also reallocate \$12,271,000 from the DHS Enterprise Fund-Committed for DHS to fund the anticipated FY2019-20 expenditures for the LAC+USC MC Recuperative Care Center.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

James Yun
AUTHORIZED SIGNATURE

JAMES YUN, MANAGER, CEO

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

#30 NOV 12 2019

Celia Zavala
CELIA ZAVALA

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR RECOMMENDATION
EXECUTIVE OFFICER FOR---

RECOMMENDATION

APPROVED AS REQUESTED

APPROVED AS REVISED

AUDITOR-CONTROLLER

BY *Lanfan*

CHIEF EXECUTIVE OFFICER

BY *MWRA*

B.A. NO. 073

DATE Nov. 5, 2019

DATE Nov 6, 2019

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT
DEPARTMENT OF CHIEF EXECUTIVE OFFICER

FY 2019-20

4 - VOTES

SOURCES

USES

MENTAL HEALTH
LAC+USC MEDICAL CENTER RESIDENTIAL TREATMENT PROGRAM
A01-CP-88-8918-65039-69870
2011 REALIGNMENT - CAPITAL PROJECTS
INCREASE REVENUE **4,828,000**

MENTAL HEALTH
LAC+USC MEDICAL CENTER RESIDENTIAL TREATMENT PROGRAM
A01-CP-6014-65039-69870
CAPITAL ASSETS - B & I
INCREASE APPROPRIATION **13,662,000**

MENTAL HEALTH
LAC+USC MEDICAL CENTER RESIDENTIAL TREATMENT PROGRAM
A01-CP-88-8783-65039-69870
STATE AID-CONSTRUCTION / CAPITAL PROJECTS
INCREASE REVENUE **8,834,000**

DHS ENTERPRISE FUND
MN2-3078
COMMITTED FOR DHS
DECREASE OBLIGATED FUND BALANCE **12,271,000**

DHS ENTERPRISE FUND
MN2-HS-6100-60070
OTHER FINANCING USES
INCREASE APPROPRIATION **12,271,000**

LAC+USC MEDICAL CENTER ENTERPRISE FUND
MN4-HG-96-9911-60010
OPERATING TRANSFERS IN
INCREASE REVENUE **12,271,000**

LAC+USC MEDICAL CENTER ENTERPRISE FUND
MN4-HG-96-9912-60010
OPERATING SUBSIDY - GENERAL FUND
DECREASE REVENUE **12,271,000**

ENT SUB - LAC+USC MEDICAL CENTER
A01-AC-6100-21200-21224
OTHER FINANCING USES
DECREASE APPROPRIATION **12,271,000**

LAC+USC MEDICAL CENTER
LAC+USC MEDICAL CENTER RECUPERATIVE CARE CENTER
A01-CP-6014-64010-69863
CAPITAL ASSETS - B & I
INCREASE APPROPRIATION **12,271,000**

SOURCES TOTAL **\$ 50,475,000**

USES TOTAL **\$ 50,475,000**

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

30  **NOV 1 2 2019**

Celia Zavala
CELIA ZAVALA
EXECUTIVE OFFICER

BA # 073
Lantam 11/5/19