



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

December 06, 2022

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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

52 December 6, 2022

CELIA ZAVALA
EXECUTIVE OFFICER

Dear Supervisors:

**CONSTRUCTION CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
MARTIN LUTHER KING, JR. MEDICAL CAMPUS
CLINICAL LABORATORY AND RED-BAG STORAGE PROJECT
APPROVE REVISED PROJECT BUDGET
APPROVE APPROPRIATION ADJUSTMENT
CAPITAL PROJECT NO. 69857
(FISCAL YEAR 2022-2023)
(SUPERVISORIAL DISTRICT 2)
(4 VOTES)**

SUBJECT

Public Works is seeking Board approval to revise the project budget for the Martin Luther King, Jr. Medical Campus Clinical Laboratory and Red-Bag Storage Project.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the recommended actions are within the scope of the exemption finding by the Board for the Martin Luther King, Jr. Medical Campus Clinical Laboratory and Red-Bag Storage Project from the California Environmental Quality Act for the reasons stated in this Board letter and in the record of the project.
2. Approve the revised project budget of \$15,900,000, an increase of \$1,350,000 from the previous Board-approved amount of \$14,550,000, for the Martin Luther King, Jr. Medical Campus Clinical Laboratory and Red-Bag Storage Project, Capital Project No. 69857.

3. Approve the Fiscal Year 2022-2023 appropriation adjustment to reallocate \$1,350,000 from the Department of Health Services' Enterprise Fund Committed for the Department of Health Services to fund the remaining project expenditures of the Martin Luther King, Jr. Medical Campus Clinical Laboratory and Red-Bag Storage Project, Capital Project No. 69857.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will find that they are within the within the scope of the previous exemption finding by the Board from the California Environmental Quality Act (CEQA) and approve the revised project budget and associated appropriation adjustment for the Martin Luther King, (MLK) Jr. Medical Campus Clinical Laboratory and Red-Bag Storage Project.

Background

On June 11, 2019, the Board established and approved the MLK Clinical Laboratory and Red-Bag Storage Project and the make-ready work using a Board approved Job Order Contract as part of the various related projects for the MLK Behavioral Health Center Renovation Project.

On February 23, 2021, the Board approved the total project budget of \$14,550,000 for the MLK Clinical Laboratory and Red-Bag Storage Project, and authorized Public Works to award and execute a construction contract to the lowest responsible bidder, AWI Builders, Inc., for a not-to-exceed amount of \$8,486,500.

Construction of the MLK Clinical Laboratory and Red-Bag Storage Project is approximately 70 percent complete and is expected to be substantially completed in April 2023.

Unforeseen Underground Conditions/Jurisdictional Review

During grading and excavation for utilities and foundations, unforeseen conditions were encountered, including unsuitable native soils that had to be excavated, removed, and replaced with import soil, existing asbestos-cement pipes that had to be abated and disposed; and existing concrete caissons that had to be removed due to conflicts with the new work. Additionally, a conflict between the new utilities and existing subgrade was identified, requiring redesign of the backfill for pipe trenches and resubmittal for plan check.

These unforeseen conditions are outside of the original scope of work and will result in both cost and schedule impacts to the project. Public Works estimates the cost of this additional work at \$1,200,000, and the additional time required to address these unforeseen conditions will delay substantially completion from September 2022 to April 2023.

Laboratory Equipment Changes

Changes to both the owner-furnished and contractor-furnished laboratory equipment were identified by the tenant department during equipment validation phase. The changes are required to meet the operational and programmatic needs for clinical staff and for laboratory operations. The equipment changes will result in modifications to structural supports, electrical and low voltage cabling and outlets, plumbing, mechanical ductwork, and casework. These equipment changes are outside of the original scope of work and will result in cost impacts to the project. Public Works estimates the cost of this additional work at \$150,000.

Green Building/Sustainable Design Program

On December 20, 2016, the Board adopted a new Leadership in Energy and Environmental Design (LEED) policy, requiring all new County buildings greater than 10,000 square feet in size, to achieve LEED Gold Certification. The MLK Clinical Laboratory and Red-Bag Storage Project's new laboratory building is less than 10,000 square feet; therefore, it is exempt from achieving LEED certification. However, the project will continue to support the Board's policy for Green Building/Sustainable Design Program by recycling disposable material, incorporating energy efficient products during construction, and by incorporating water and energy conservation features.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: Strategy II.1, Drive Economic Development in the County; Strategy II.2, Support the Wellness of our Communities; and Strategy III.3, Coordinate Workforce Development. Strategic Plan supports the wellness of our communities and enhances the delivery of comprehensive and seamless healthcare services to the residents of the County seeking healthcare assistance.

FISCAL IMPACT/FINANCING

Approval of the recommended actions will increase the previous Board approved project budget from \$14,550,000 to \$15,900,000, an increase of \$1,350,000. The revised project budget includes programming, predevelopment activities, make-ready work, scoping documents, plans and specifications, permit fees, construction, construction change order allowance, consultant services, inspection services, and County services. The revised project budget and schedule are included in Enclosure A.

The proposed budget increase in the amount of \$1,350,000 will provide additional funding to cover the cost of unforeseen underground conditions, additional jurisdictional review, and changes to the laboratory equipment.

Board approval of the enclosed Fiscal Year 2022-2023 appropriation adjustment (Enclosure B) will reallocate \$1,350,000 from the Department of Health Services Enterprise (DHS) Fund-Committed for DHS to fund the projected Fiscal Year 2022-2023 expenditures for the MLK Clinical Laboratory and Red-Bag Storage Project, Capital Project No. 69857.

Operating Budget Impact

Following completion of the projects, DHS will fund the associated ongoing maintenance and operational costs with the departmental resources in future budget phases. There is no net County cost impact associated with the recommended actions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with the Board's Civic Art Policy amended on August 4, 2020, the project budget includes one percent of the design and construction costs to be allocated to the Civic Art fund. If approved, this budget increase will increase the eligible Civic Art allocation from \$117,000 to \$145,000.

In accordance with the Board's consolidated Local and Targeted Worker Hire Policy adopted on September 6, 2016, the project continues to 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 11, 2019, the Board found the MLK Clinical Laboratory and Red-Bag Storage Project categorically exempt from CEQA. A Notice of Exemption was filed on June 18, 2019. The project remains 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 (l) (3) and (4); 15303 (c); and 15304 (a) and (b) of the State CEQA Guidelines and Classes 1 (h) (3) and (4); 3 (k); and 4 (a) and (c) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. The project continues to provide for demolition of individual small structures and construction of small buildings not exceeding 10,000 square feet with negligible or no expansion of use. The currently recommended actions are within the scope of the previous finding of exemption, and there are no changes that require additional findings under CEQA.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Exemption with the Registrar-Recorder/County Clerk in accordance with Public Resources Code Section 21152 and will post the Notice of Exemption to its website pursuant to Section 21092.2.

CONTRACTING PROCESS

On July 12, 2021, Public Works entered into low-bid agreement for construction services with AWI Builders Inc., for an \$8,486,500. To date, Public Works has executed 16 change orders under delegated authority in the amount of \$572,304.26 or 6.74 percent of the original contract sum. Approval of the recommended actions will allow Public Works to execute construction change orders under delegated authority to address the unforeseen underground conditions, additional jurisdictional reviews and laboratory equipment changes.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will have no impact on current services at the MLK Medical Campus. There are no anticipated impacts to laboratory testing during equipment relocation. All patient care services on campus will remain fully operational during construction.

CONCLUSION

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

Respectfully submitted,



MARK PESTRELLA, PE

Director

MP:LR:jc

Enclosures

- c: Department of Arts and Culture
- Auditor-Controller
- Chief Executive Office (Capital Programs Division)
- Department of Children and Family Services
- County Counsel
- Executive Office
- Department of Health Services (Capital Projects Division)

**CONSTRUCTION CONTRACT
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MARTIN LUTHER KING, JR. MEDICAL CAMPUS
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(FISCAL YEAR 2022-2023)
(SUPERVISORIAL DISTRICT 2)
(4 VOTES)**

I. PROJECT SCHEDULE SUMMARY

Project Activity	Scheduled Completion Date	Revised Scheduled Completion Date
Make-Ready		
Construction Documents	07/19/2019 (Actual)	
Jurisdictional Approvals	09/23/2019 (Actual)	
Construction Award	08/06/2020 (Actual)	
Substantial Completion	11/13/2020 (Actual)	
Low-Bid Construction		
Construction Documents	06/26/2020 (Actual)	
Jurisdictional Approvals	02/09/2021 (Actual)	
Construction Award	June 2021	July 2021 (Actual)
Substantial Completion	September 2022	April 2023
Project Acceptance	November 2022	May 2023

II. PROJECT BUDGET SUMMARY

Project Budget Category	Proposed Budget	Changes Since Previous Board Approved Budget	Revised Budget
Low-Bid Construction	\$ 8,500,000		\$ 8,500,000
Make-Ready Construction	\$ 1,040,000		\$ 1,040,000
Change Order Contingency	\$ 996,000	\$1,582,000	\$ 2,578,000
Utility Connections	\$ 10,000	(\$ 10,000)	\$ 0
Construction Subtotal	\$10,546,000	\$1,572,000	\$12,118,000
Civic Art	\$ 117,000	\$ 28,000	\$ 145,000
Plans and Specifications	\$ 2,314,500	(\$ 75,000)	\$ 2,239,500
Consultant Services	\$ 911,000	(\$ 25,000)	\$ 886,000
Miscellaneous Expenditures	\$ 20,000		\$ 20,000
Jurisdictional Review/Plan Check/Permits	\$ 305,000		\$ 305,000
County Services	\$ 336,500	(\$ 150,000)	\$ 186,500
TOTAL PROJECT COST	\$14,550,000	\$1,350,000	\$15,900,000

November 10, 2022

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF HEALTH SERVICES

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 2022-23

4 - VOTES

Table with 2 columns: SOURCES and USES. Rows include DHS ENTERPRISE FUND, HARBOR CARE SOUTH ENTERPRISE FUND, and ENT SUB - HARBOR CARE SOUTH. Totals are \$ 4,050,000.

JUSTIFICATION

This budget adjustment of \$1,350,000 is necessary to fund Capital Project No. 69857, MLK Clinical Laboratory and Red-Bag Storage Project, from DHS Enterprise Fund-Committed for DHS for anticipated expenditures in FY 2022-23.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Jean Lo

Digitally signed by Jean Lo
Date: 2022.11.10 08:57:34 -08'00'

#52 DEC 6 2022

AUTHORIZED SIGNATURE

JEAN LO, CHIEF, CONTROLLER'S DIVISION

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

Celia Zavala signature

CELIA ZAVALA
EXECUTIVE OFFICER

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR---

ACTION

RECOMMENDATION

APPROVED AS REQUESTED

APPROVED AS REVISED

AUDITOR-CONTROLLER

BY Lan Sam
Digitally signed by Lan Sam
Date: 2022.11.16 16:26:38

CHIEF EXECUTIVE OFFICER

Amir Alam
Digitally signed by Amir Alam
Date: 2022.11.17
11:41:22 -08'00'

B.A. NO. 055

DATE 11/16/2022

DATE 11/17/2022