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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: PJ-2

June 9, 2005

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:

MARTIN LUTHER KING, JR./DREW MEDICAL CENTER
PSYCHIATRIC EMERGENCY ROOM AND
INPATIENT UNIT REFURBISHMENT (C.P. 86772) AND
OPERATING ROOM SURGERY SUITE REFURBISHMENT (C.P. 86773)
APPROVE VARIOUS ACTIONS
SUPERVISORIAL DISTRICT 2
3 VOTES

JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER AND DIRECTOR OF HEALTH SERVICES THAT YOUR BOARD:

1. Find the Operating Room Surgery Suite and the Psychiatric Emergency Room and Inpatient Unit Refurbishment projects at the Martin Luther King, Jr./Drew Medical Center (King/Drew), to which a utility replacement scope has been added, to be categorically exempt from the provisions of the California Environmental Quality Act (CEQA).

2. Approve and authorize the Acting Director of Public Works to execute Supplemental Agreement 7 to Contract PW-12826 with HMC Architects (HMC) to provide construction administration services for the Operating Room Surgery Suite Refurbishment project and to provide design and support services for the added utilities infrastructure replacement scope related to the operating rooms in the Main Hospital Building, for a not to exceed fee of $1,361,123.

3. Approve and authorize the Acting Director of Public Works to execute Supplemental Agreement 3 to Contract PW-12827 with Stephen Wen Associates, Architects (SWA), to provide design for the added utilities infrastructure replacement scope related to the Psychiatric Emergency Room and Inpatient Unit Refurbishment project in the Hawkins Building, for a not to exceed fee of $677,557.

4. Approve a Project Budget of $12,550,000 for the Operating Room Surgery Suite Refurbishment project (C.P. 86773) and $19,450,000 for the Psychiatric Emergency Room and Inpatient Unit Refurbishment project (C.P. 86772).

5. Authorize construction of the Operating Room Surgery Suite and the Psychiatric Emergency Room and Inpatient Unit Refurbishment projects, to be implemented through Job Order Contracts following receipt of necessary jurisdictional approvals, subject to concurrence of the Chief Administrative Office.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will allow the County to implement the construction of both the Operating Room Surgery Suite and the Psychiatric Emergency Room and Inpatient Unit Refurbishment projects through Job Order Contracts in order to correct the deficiencies cited by the Center for Medicare and Medicaid Services (CMS) and the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO). In addition, approval of the recommended actions will allow the County to complete design for the additional utility infrastructure scopes for both projects.

Background

On January 18, 2005, your Board approved the Operating Room Surgery Suite Refurbishment project in the Main Hospital building (C.P. 86773), and the of Psychiatric Emergency Room and Inpatient Unit Refurbishment project in the Hawkins Building (C.P. 86772), in order to address regulatory compliance and infection control issues that were determined by Navigant Consulting to be essential to regaining full accreditation and licensing for King/Drew. To expedite the initiation of design, your Board appropriated $1.5 million to each project and authorized Public Works to execute consultant agreements in an amount not to exceed $300,000 per agreement.

Subsequently, Public Works executed consultant agreements for the programming and design of the Operating Room Surgery Suite and Psychiatric Emergency Room and

Inpatient Unit Refurbishment projects. The programming study and plans for both projects have since confirmed that the $1.5 million provided for each project was insufficient to complete the refurbishment scopes of work. In addition, the regulatory and patient safety issues cited by CMS and JCAHO cannot be adequately addressed without refurbishment of the utility infrastructure that supports these patient areas. We estimate that these factors will increase the total cost of the Operating Room Surgery Suite Refurbishment project from $1.5 million to $12.6 million, and the Psychiatric Emergency Room and Inpatient Unit Refurbishment project from $1.5 million to $19.5 million, for a combined total of $32 million.

Further, the interconnection of the utility systems requires a significant refurbishment of the utility infrastructure in the Hawkins, Main Hospital, and Trauma buildings for an additional estimated cost of $31.8 million. If this additional work is authorized in the future, the total program cost will be $63.8 million.

Psychiatric Emergency Room and Inpatient Unit

Refurbishment of the psychiatric emergency room and inpatient unit addresses patient safety risks, infection control, and code deficiencies in the physical environment. The project scope includes replacement of ceilings in the patient rooms from existing acoustical tile to hard ceiling, replacement of hardware and fixtures in the patient rooms that pose patient safety hazards, and accessibility upgrades to patient, staff, and public toilets. The current total project cost estimate to complete this work is $3.7 million.

Furthermore, as a result of significant deterioration in the waste and hot water pipelines, the building has experienced significant damage due to water leaks and waste spillage. We recommend replacing the utility lines located above the ceiling in all three floors of the Hawkins Building. Additionally, we recommend air duct cleaning, refurbishment of deteriorated air-handlers, and remaining accessibility upgrades. The cost to complete this additional scope is $15.8 million. The combined total project cost for the psychiatric refurbishment work and the related utility infrastructure replacement is estimated to be $19.5 million.

Under your Board's delegated authority, Public Works retained SWA to perform a programming study, provide project plans and specifications, obtain jurisdictional agency approval, and provide construction administration support services for the Psychiatric Emergency Room and Inpatient Unit Refurbishment project. Plans have been completed and were submitted to the Office of Statewide Health Planning and Development (OSHPD) on June 9, 2005, for plan check review. We anticipate plan approval from OSHPD by early July 2005. Construction completion is currently

scheduled for January 2007. We recommend the use of Job Order Contracts to complete this refurbishment work.

Upon your Board's approval of the recommended actions, Public Works will supplement SWA's contract to provide plans and specifications and obtain jurisdictional approvals for the utilities infrastructure work. Due to the complexity of the utilities infrastructure work at the Hawkins Building, we are still negotiating the fee for construction administration with SWA. We will return to your Board for authorization to execute a supplemental agreement for this scope. We estimate a four-month duration to complete plans and obtain approval from OSHPD. The start of the infrastructure work will occur approximately four months after the start of the psychiatric refurbishment work, with construction completion currently scheduled for March 2007. We intend to use Job Order Contracts to complete this scope.

Operating Room Surgery Suite

Refurbishment of the operating room surgery suite addresses potential infection control problems and substandard physical conditions that have been cited by CMS and JCAHO. The project scope includes renovation of the existing six operating rooms and the recovery room located on the third floor of the Main Hospital Building. This renovation includes the upgrades of the HVAC, flooring, and replacement of the ceiling and lighting within the suite. The current total project cost estimate to complete this work is $3.3 million.

The steam and waste lines in the ceilings above the operating room surgery suite require replacement to address infection control issues. The total project cost estimate for replacement of the utility infrastructure system in the operating suite is $1 million. We estimate a total project cost of $5.1 million for replacement of the steam and waste line systems in the north central section of the Main Hospital building. Additionally, the recommended utility infrastructure refurbishment work includes cleaning of the air duct system, air-handler refurbishment, replacement of obsolete electrical breakers, as well as accessibility upgrades required by OSHPD, for a project cost of $2.5 million. The total project cost estimate for the operating room surgery suite and the utility infrastructure replacement is $12.5 million.

Through delegated authority, Public Works retained HMC to perform a programming study, provide project plans and specifications, and obtain jurisdictional agency approval of the Operating Room Surgery Suite Refurbishment project. Completed project plans and specifications, which include the refurbishment to the operating room surgery suite and utility infrastructure replacement above the ceiling in the areas

immediately above the operating rooms, have been submitted to OSHPD for final approval.

By approving these recommended actions, the refurbishment work will proceed through Job Order Contracts maintained under the authority of Public Works within two weeks of jurisdictional approval, scheduled for July 2005. Also, Public Works will supplement HMC's contract to complete plans and specifications, obtain jurisdictional agency approval, and provide construction administration support services for the utilities infrastructure replacement work to the Operating Room Surgery Suite Refurbishment project. We currently anticipate obtaining jurisdictional agency approval in early August 2005. We expect to start construction by late August 2005.

Remaining Utility Infrastructure Needs

The two subject projects will replace and upgrade utility infrastructure covering only portions of the Hawkins and portions of the Main Hospital buildings. The remainder of the utility systems will require replacement or refurbishment to address infection control, patient safety, and fire/life safety and accessibility requirements in the Main Hospital, Hawkins, and Trauma buildings. The total estimated cost for utility systems replacement and refurbishments and upgrades is $31.8 million.

The scope of work required in the Main Hospital building not covered by the Operating Room Surgery Suite Refurbishment project (C.P. 86773) includes air-handler refurbishment, chiller replacement, duct cleaning, roof restoration, emergency power system upgrade, fire/smoke damper and fire alarm system upgrade, infant abduction alarm system, smoke barrier upgrade, elevator refurbishment, and the remaining steam and waste line replacement.

The scope of work required in the Hawkins Building not covered by the Psychiatric Emergency Room and Inpatient Unit Refurbishment project (C.P. 86772) includes fire alarm system upgrade, elevator refurbishment, roof restoration, and HVAC control upgrades.

In addition, we will need to include duct cleaning and roof restoration in the Trauma building.

We will return to your Board to address the design of this additional infrastructure utility work.

The total project cost summary is as follows (see enclosure for budget detail):

Operating Room Surgery Suite Refurbishment, including utility infrastructure replacement	$12.55 million
Psychiatric Emergency Room and Inpatient Unit Refurbishment including utility infrastructure replacement	$19.45 million
Subtotal	$32.00 million
Remaining utilities infrastructure needs	$31.80 million
Total	**$63.80 million**

Implementation of Strategic Plan Goals

These actions are consistent with the County's Strategic Plan Goal of Fiscal Responsibility as the project is an investment in public infrastructure. These actions will further the County's Strategic Plan Goal of Service Excellence by providing high standards of healthcare to the residents of the County of Los Angeles.

FISCAL IMPACT/FINANCING

On January 18, 2005, your Board appropriated $3.0 million from Health Designation (Org. 60070) to the Psychiatric Emergency Room and Inpatient Unit Refurbishment project ($1.5 million to C.P. 86772) and the Operating Room Surgery Suite Refurbishment project ($1.5 million to C.P. 86773). As part of the Final Changes to the 2005-06 Budget, an additional $29.0 million for the projects is funded from Designation for Health Services Future Financing Requirements, of which $17.95 million is allocated to C.P. 86772 and $11.05 million is allocated to C.P. 86773 to fully fund the recommended projects.

Upon approval of the recommended actions, construction of the Operating Room Surgery Suite Refurbishment project and Psychiatric Emergency Room and Inpatient work, including the related utility work, will proceed upon jurisdictional approval.

The total cost estimate for the capital project work in the Main Hospital, Hawkins, and Trauma buildings is $63.8 million. This amount includes all design, construction, County services, and miscellaneous costs. Of the $63.8 million, $31.8 million in funding

is required to fund the utilities infrastructure work not addressed in these two capital projects. The Department of Health Services will work with the CAO to identify funding.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

None.

ENVIRONMENTAL DOCUMENTATION

Both projects (C.P.s 86772 and 86773) are categorically exempt from CEQA pursuant to Section 15301, Class 1, Paragraphs (a) and (d) of the State CEQA Guidelines and Class 1, Paragraphs (c) and (d) of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987.

CONTRACTING PROCESS

On January 18, 2005, your Board authorized Public Works, after compliance with applicable laws governing contract solicitation and award, to enter into agreements for the design and/or refurbishment of the Operating Room Surgery Suite Refurbishment and the Psychiatric Emergency Room and Inpatient Unit Refurbishment projects, for a not to exceed amount of $300,000 per agreement, as directed by the CAO.

Due to the urgency of the project, Public Works utilized an expedited architect/engineer selection process and issued electronic Requests for Oral Proposals on January 20, 2005, to the firms on the Architectural Evaluation Board list. The Requests for Oral Proposals described the scope of work related to the project, established a telephonic oral interview process, and solicited the firms' willingness and capability to perform the requested services.

On January 25, 2005, an A/E Evaluation Committee made up of Public Works staff selected HMC and SWA as being the best qualified firms to perform the requested services.

HMC Contract PW-12826

On January 31, 2005, Contract PW-12826 was executed under delegated authority to HMC; the scope of this initial contract included a programming and scope definition study for a not to exceed fee of $31,000.

On February 15, 2005, HMC completed the field investigation, programming, and scope definition report. Three solutions were proposed in this report: an immediate solution, an intermediate solution, and a long-term solution. The CAO authorized Public Works to proceed with the immediate solution, which will allow the facility to meet a currently planned, targeted date for re-accreditation by JCAHO at the end of 2005.

Supplemental Agreements 1 through 6 to Contract PW-12826 with HMC were executed under delegated authority, to identify the various building systems on CAD plans as an initial step to eventually produce a comprehensive master schedule and phasing plan for work such as duct cleaning, air-handlers refurbishment, and plumbing replacement. The work included the development of departmental color-coded plans identifying the existing space allocation throughout the Main Hospital building in preparation for the move management and phasing plans. Under these agreements, HMC also provided final design documents and services to obtain jurisdictional agency approval of the renovation of the operating room and developed the schematic design plans for the replacement and upgrade of the utilities infrastructure impacted by the operating room refurbishment. HMC also included services to inventory, document, and tag (if necessary) existing medical equipment in the operating room.

As authorized by your Board on January 18, 2005, as well as authority delegated by the County Code, Public Works executed a basic contract and Supplemental Agreements 1 through 6, for a total not to exceed amount of $350,127.

We are recommending approval of Supplemental Agreement 7 for a not to exceed fee of $1,361,123, to complete plans and specifications for the related utilities infrastructure replacement, complete the remaining medical equipment inventory, add contract administration personnel to manage construction activities, provide move management planning, and employ a signage consultant. Due to the complexity and urgency to complete the work, there may be as yet, undetermined additional scope of work that must be completed by HMC, which have been included, under optional services fees in the supplemental agreement. Public Works will not authorize use of these optional services without prior direction from the CAO. We have reviewed HMC's proposals and find the costs to be reasonable.

Approval of Supplemental Agreement 7 will increase the total amount of Contract PW-12826 to $1,711,250.

SWA Contract PW-12827

On January 31, 2005, Contract PW-12827 was executed under delegated authority to SWA. The scope of this contract included the design of the ceiling refurbishment at the psychiatric unit, as well as a field condition survey report to determine unidentified patient safety deficiencies in the unit. SWA agreed to perform this scope of work for a not to exceed fee of $132,625.

Supplemental Agreements 1 and 2 were approved to provide the design for "Priority 1" items identified in the Field Condition Survey Report and to provide the CAD drawings for the mechanical, electrical, and plumbing systems in the Hawkins Building that were required for the development of plans for the utilities infrastructure replacement. This increased the total contract amount to $151,910.

We are recommending approval of Supplemental Agreement 3 for a not to exceed fee of $677,557 to complete plans and specifications for the utilities infrastructure replacement at the Hawkins building. We have reviewed SWA's proposal and find the cost to be reasonable.

Approval of Supplemental Agreement 3 will increase the amount of Contract PW-12827 to $962,092.

Construction Contracts

The refurbishment work will be performed through Job Order Contracts, managed and maintained under the authority of ISD and Public Works.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will allow the County to maintain key medical services with minimal disruption to the public, and better manage the overall renovation process in a comprehensive manner with planning aimed at long-term interests of the County. The hospital will remain open throughout the duration of construction.

CONCLUSION

Please return one adopted copy of this letter to the CAO (Capital Projects Division), Health Services, and Public Works.

Respectfully submitted,

for DONALD L. WOLFE
Acting Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

CAO:
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Enc.

cc: County Counsel

June 9, 2005

ENCLOSURE

MARTIN LUTHER KING, JR./DREW MEDICAL CENTER PSYCHIATRIC EMERGENCY ROOM AND INPATIENT UNIT REFURBISHMENT (C.P. 86772) AND OPERATING ROOM SURGERY SUITE REFURBISHMENT (C.P. 86773) APPROVE VARIOUS ACTIONS

I. PROPOSED PROJECT SCHEDULE

Project Activity	Completion Dates
PSYCHIATRIC EMERGENCY ROOM AND INPATIENT UNIT REFURBISHMENT	
Design	06/09/2005
Jurisdictional Approval	07/07/2005
Construction Bid, Award, and Execution (JOC)	07/21/2005
Construction Substantial Completion Acceptance	 01/22/2007 03/22/2007
UTILITIES INFRASTRUCTURE REPLACEMENT RELATED TO PSYCHIATRIC EMERGENCY ROOM AND INPATIENT UNIT	
Design	09/22/2005
Jurisdictional Approval	10/20/2005
Construction Bid, Award, and Execution (JOC)	11/03/2005
Construction Substantial Completion Acceptance	 04/23/2007 06/22/2007
OPERATING SURGERY SUITE RENOVATION	
Design	04/25/2005
Jurisdictional Approval	06/20/2005
Construction Bid, Award, and Execution (JOC)	07/06/2005
Construction Substantial Completion Acceptance	 12/31/2005 02/15/2006
UTILITIES INFRASTRUCTURE REPLACEMENT RELATED TO OPERATING SURGERY SUITE	
Design	07/08/2005
Jurisdictional Approval	08/08/2005
Construction Bid, Award, and Execution (JOC)	08/22/2005
Construction Substantial Completion Acceptance	 02/15/2006 04/17/2006
UTILITIES INFRASTRUCTURE NEEDS (FUTURE)	
Design	(1)
Jurisdictional Approval	(1)
Construction Bid, Award, and Execution (JOC)	(1)
Construction Substantial Completion Acceptance	 (1) (1)

(1) Dates to be determined in upcoming Board letters.

II. PROJECT BUDGETS

PSYCHIATRIC EMERGENCY ROOM AND INPATIENT UNIT REFURBISHMENT (C.P. 86772)

Budget Category	Project Budget
Construction	
Psychiatric Emergency Room Refurbishment	$ 2,600,000
Utilities Infrastructure Replacement	11,500,000
Construction Contingency	2,204,000
Subtotal	$ 16,304,000
Plans and Specifications	
Design	$ 1,568,000
Miscellaneous Expenditure	
Office of Affirmative Action	$ 18,000
Printing	10,000
Subtotal	$ 28,000
Jurisdictional Review Fees	$ 200,000
County Services	
Project Management	$ 900,000
Hazardous Material Specification/Monitor	80,000
Contract Administration and Inspection	370,000
	$ 1,350,000
TOTAL	**$ 19,450,000**

OPERATING ROOM SURGERY SUITE REFURBISHMENT (C.P. 86773)

Budget Category	Project Budget
Construction	
Operating Room Surgery Suite	$ 2,500,000
Utilities Infrastructure Replacement	5,600,000
Construction Contingency	1,181,000
Subtotal	$ 9,281,000
Plans and Specifications	
Design	$ 1,800,000
Miscellaneous Expenditure	
Office of Affirmative Action	$ 12,000
Printing	10,000
Subtotal	$ 22,000
Jurisdictional Review Fees	$ 135,000
County Services	
Project Management	$ 899,000
Hazardous Material Specification/Monitor	50,000
Contract Administration and Inspection	363,000
	$ 1,312,000
TOTAL	**$ 12,550,000**