COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

DONALD L. WOLFE, Director

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March 9, 2006

IN REPLY PLEASE
REFER TO FILE: PJ-2

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:

LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
APPROVAL OF VARIOUS CONSTRUCTION CHANGE ORDERS
CONTRACT PW-12641; MCCARTHY/CLARK/HUNT, A JOINT VENTURE
SPECS. 6550; C.P. 70787
SUPERVISORIAL DISTRICT 1
4 VOTES

JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER THAT YOUR BOARD:

Approve and authorize the Director of Public Works to execute change orders to modify the door hardware and related electrical systems in the Diagnostic and Treatment and Outpatient Department buildings for a not-to-exceed amount of $625,000.

REASON AND SCOPE - RECOMMENDATION

Unforeseen condition	☐	Regulatory agency requirement	☐
Drawing coordination	☐	Previously approved scope change	☐
Errors and omissions	☒		

On November 1, 2005, and January 10, 2006, your Board approved the issuance of change orders in the aggregate total of $990,000 for the door hardware and related electrical system conflicts associated with the Inpatient Tower building. At that time, we

stated that additional change requests were anticipated for the Outpatient Department and Diagnostic and Treatment buildings. As previously discussed, the contractor raised a large number of questions concerning the door hardware and its integration with the normal- and low-voltage systems during preparation of their door hardware submittals. The architect in response issued revised drawings and specifications that incorporated a final set of instructions, clarifications, and revisions to the hardware and associated systems for all levels of the Outpatient Department and Diagnostic and Treatment buildings.

Approving the recommended action will allow the contractor to make the required modifications for all levels of the Outpatient Department and Diagnostic and Treatment buildings. Cost negotiations of this change with McCarthy/Clark/Hunt, a Joint Venture, have not been finalized. Public Works is investigating the full ramifications of the bulletin changes at the current stage of construction completion and is evaluating possible mitigation strategies to minimize rework costs. We estimate that the total cost will not exceed $625,000 with no delay to the project completion date. However, if the final value of the change orders exceeds the cost estimate, we will return to your Board for approval. Public Works issued a proceed order in the amount of $150,000 for the portion of this work in the Outpatient Department building and $150,000 in the Diagnostic and Treatment building to avoid delay impact, the value of which is included in the recommended $625,000.

We have reviewed each of the above recommendations as well as the potential cost impact with the Project Advisory Committee. These change orders are considered to be within the scope of the project.

CONTINGENCY BUDGET SUMMARY

	CHANGE SUMMARY				
Contingency Budget	Executed Change Orders	Board-Approved Changes Pending Execution	Impact of These Actions	Remaining Contingency Budget	Percentage Remaining
$55,979,027	$41,673,589	$9,313,225	$625,000	$4,367,213	7.80%

Notes:

1. The executed change order amount shown above reflects executed changes as of February 1, 2006.

2. The aggregate value of executed construction change orders does not include the value of potential changes currently under review. The merit and scope of each issue must first be evaluated and then the value negotiated. The combined value of these issues, as quoted by the contractor and including the amounts requested in this Board letter, could be as high as $27,637,672. However, Public Works historically settles quotes from the contractor at less than 60 percent of the quoted value. Therefore, the anticipated value of the open issues is approximately $16,582.603. When added to the $41,673,589 of change orders executed and pending through February 1, 2006, there is an estimated total potential change exposure of $58,256,192 against the $55,979,027 Board-approved contingency.

CONCLUSION

Please return an adopted copy of this letter to the Chief Administrative Office (Capital Projects Division) and Public Works.

Respectfully submitted,

for DONALD L. WOLFE
Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

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cc: County Counsel
Department of Health Services (Fred Leaf, Azar Kattan)
Project Advisory Committee (A. Redmond Doms, Jerry Epstein, Nick Patsaouras)