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Approved 8-22-06 Agenda No 19

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August 15, 2006

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 FACILITY APPROVAL OF INFRASTRUCTURE FOR VOICE-OVER INTERNET PROTOCOL PHONE SYSTEM, APPROVAL OF ADDITIONAL CONSTRUCTION COSTS FOR USP 797 PHARMACY AND POSITRON EMISSION TOMOGRAPHY/COMPUTERIZED TOMOGRAPHY SCANNER CHANGES, AND AUTHORIZATION TO REIMBURSE PROJECT FUNDS FOR OUT-OF-SCOPE DESIGN RESEARCH FEES SPEC. 6550; (C.P. NO. 70787)
(First District) (4 Votes)

JOINT RECOMMENDATIONS WITH THE CHIEF ADMINISTRATIVE OFFICER AND THE DIRECTOR OF PUBLIC WORKS THAT YOUR BOARD:

1. ~~Find that the recommended changes to the project are categorically exempt under California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines, Section 15301(a) and Class 1, Subsection (d) of the County of Los Angeles Revised Environmental Document Reporting Procedures and Guidelines, adopted by your Board on November 17, 1987~~.

2. Approve design and construction changes to building infrastructure necessary to provide for the installation of a Voice-Over Internet Protocol (VoIP) phone system at an estimated cost of $168,000, which includes $100,000 in additional construction costs, $66,700 in additional design fees, and $1,300 in estimated permitting fees.

3. Approve and authorize the Director of Public Works to execute a Supplemental Agreement with Helmuth, Obata, Kassabaum + Lee, Burkhart, Liu (HOK+LBL) to provide architectural design services associated with the VoIP phone system for the estimated not-to-exceed amount of $66,700, as referenced in Recommendation 2 above.

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4. ~~Increase the authorization previously delegated to the Director of Public Works to execute a change order to Agreement PW-12641 with McCarthy/Clark/Hunt (MCH), a Joint Venture, for construction costs associated with design clarifications of the pharmacy in the Diagnostic and Treatment building necessitated by implementing new standards in United States Pharmacopoeia 797 (USP 797) from $526,509 to a not-to-exceed amount of $663,065, an increase of $136,556~~.

5. ~~Approve and authorize the Director of Public Works to execute a change order to Agreement PW-12641 with MCH for construction costs associated with the replacement of one 2-head and two 3-head gamma cameras with a Positron Emission Tomography/Computerized Tomography (PET/CT) scanner in the Diagnostic and Treatment building for a not-to-exceed amount of $322,662, an increase of $122,662 from the previous construction cost estimate of $200,000~~.

6. Approve an increase to the total project budget ~~in the amount of $1,227,218, which consists~~ of $168,000 for VoIP, ~~$136,556 for USP 797, $122,662 for PET/CT Scanners, and an $800,000 increase in architectural contingency fees, and~~ authorize the Chief Administrative Officer to include ~~these~~ this adjustment~~s~~ in the 2006-07 Supplemental Changes.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

Voice-Over Internet Protocol (VoIP)

The original contract drawings included the design for an infrastructure to accommodate a Private Branch Exchange (PBX) phone system to be provided by the Department of Health Services (DHS). In the time since this project was designed, telephone system technology has developed around VoIP technology. In acknowledgement of this trend, on June 30, 2004, the Chief Information Officer requested that all new County facilities utilize VoIP technology.

In order to accommodate the VoIP equipment, infrastructure changes are required. The VoIP equipment creates a higher heat load in the telecommunication (telecom) closets and, therefore, some mechanical upgrades and door louvers are necessary to maintain the proper ambient temperatures in these closets. Additionally, the VoIP equipment has different electrical requirements than a PBX system. The VoIP equipment requires an uninterruptible power source (UPS) and the UPS equipment to be provided by DHS requires that electrical circuits in the telecom closets be upgraded. These changes are estimated to cost $168,000, which includes $100,000 in additional construction costs, $66,700 in additional design fees, and $1,300 in estimated permitting fees.

USP 797 Additional Construction Costs

On February 28, 2006, your Board approved changes associated with the redesign of the pharmacy in the Diagnostic and Treatment building. The aggregate total of the original request was $620,000, which included $526,509 in estimated construction costs, $84,491 in estimated architectural design fees, and $9,000 in miscellaneous permitting fees.

Because Public Works did not have authorization to design the change, the preliminary construction estimate was based on a conceptual design. After receiving the Office of Statewide Health Planning and Development's (OSHPD) approved construction documents, the cost of construction was negotiated between Public Works and the contractor for a not-to-exceed cost of $663,065. This increase of $136,556 from the Board-approved amount of $526,509 is primarily due to an enhanced scope of work in the structural support of the air handler unit, system controls, laboratory casework, and minor increases in the electrical and mechanical systems.

PET/CT Revisions - Additional Construction Costs

On June 15, 2004, your Board approved changes associated with the replacement of one 2-head and two 3-head gamma cameras with one PET/CT scanner in the Diagnostic and Treatment building. The aggregate total of the original request was $704,231, which included $414,000 in medical equipment procurement costs, $200,000 in construction costs, $74,931 in architectural design fees, and $15,300 in permitting fees.

The construction estimate developed in June 2004 was based on preliminary equipment specifications and schematic floor plan revisions. Because we did not have a firm construction cost quote, we stated that if this final construction amount exceeded the $150,000 limit of authority delegated to the Director of Public Works, we would return to your Board for approval of the change order. After receiving OSHPD-approved construction documents, the construction costs were negotiated for a total not-to-exceed cost of $322,662. The $122,662 increase beyond our original estimate is due to an enhanced scope of work in the electrical and radiation protection requirements for the new equipment and increases in construction material costs due to economic impacts over the last two years. We are now seeking a funding increase of $122,662 and authority to execute a change order in the full amount of $322,662. We are requesting authority to execute a change order for revised total construction costs of $322,662 because a change order did not accompany the $200,000 original construction estimate presented to your Board on June 15, 2004. However, $200,000 in funding for the original construction estimate was approved by your Board at that time. Accordingly, only $122,662 in incremental funding is requested for the change order being sought now.

Design Fees Budget Replenishment

Throughout the project, DHS has requested assistance in evaluating potential program changes to the Replacement Project. Public Works, with the concurrence of the Chief Administrative Office, directed the architect to provide design services for these evaluations in an expedited manner in order to maintain the project schedule. The services included determining the feasibility and cost impacts of potential changes. Preliminary design work is required to quantify the potential change and the construction modifications required to implement the change in order to determine the potential construction cost. Some of these changes were related to medical equipment based on changes in technology or patient service paradigms since the inception of the project. In many cases, at the conclusion of these evaluations, DHS determined the potential change to be infeasible, and, therefore, did not seek your Board's approval to implement the change.

The cost of these services was initially funded by utilizing the contingency within the architect's existing Agreement within the budget of the Replacement Project; therefore an increase of $800,000 is requested now to accommodate current and projected future architectural design needs.

CONSTRUCTION CHANGE ORDER:

On December 3, 2002, your Board awarded Contract PW-12641 to MCH for $497,883,000 to construct the LAC+USC Medical Center Replacement Facility project. The above-recommended changes will require change orders to the construction contract. The preliminary estimate for each of these construction changes is as follows:

VoIP:	$100,000
USP 797:	$136,556
PET/CT:	$322,662

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 outside of the scope of the project. The $322,662 construction change order for PET/CT includes an increase of $122,662 from the previous construction cost estimate approved by your Board on June 15, 2004.

FISCAL IMPACT/FUNDING:

The total estimated cost for these changes is $1,227,218 and has been requested in the Department's Fiscal Year 2006-07 Supplemental Budget request. The funds will be transferred to the Replacement Facility Capital Project during the supplemental phase of the budget process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The recommended design and construction changes require your Board's approval because they exceed the authority delegated to the Director of Public Works.

Implementation of Strategic Plan Goals

The actions meet the County's Strategic Plan Goal of Service Excellence by promoting best practices in patient care and the Goal of Fiscal Responsibility by investing in the public infrastructure.

Consistency with DHS System Redesign

These actions meet the Department's strategic goals by improving the health care provided by DHS and enhancing the health of the residents of the County of Los Angeles.

ENVIRONMENTAL DOCUMENTATION:

On June 6, 2000, the Board certified the Environmental Impact Report/Environmental Assessment (EIR/EA) for the project. On June 7, 2000, FEMA issued a Finding of No Significant Impact for the project and approved the EIR/EA. The recommended changes to the project do not result in any environmental impacts that are not considered in the approved EIR/EA insofar as we are only modifying interior telecommunication closets and wiring. Further, such changes are categorically exempt under California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, Section 15301(a) and Class 1, Subsection (d) of the County of Los Angeles Revised Environmental Document Reporting Procedures and Guidelines, adopted by your Board on November 17, 1987.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

The existing hospital and all patient care services will remain operational throughout the entire construction period. The project specifications include instructions to the contractor to comply with specific construction constraints from the EIR/EA that will be used to control construction generated dust, noise, and traffic to within acceptable thresholds.

Contracting Process

On December 3, 2002, your Board awarded Agreement PW-12641 to MCH for $497,883,000, to construct the LAC+USC Medical Center Replacement.

As a result of the previously approved changes for the USP 797 and PET/CT, the contractor must provide work beyond that included in the contract documents. Upon completion of the design revisions, the full scope of construction work was reassessed and then negotiated with the contractor. Public Works and the contractor negotiated the costs for the USP 797 at $663,065 and the cost for the PET/CT at $322,662.

The full scope of VoIP work cannot be assessed accurately until the architect has completed the design work but it is estimated not to exceed $100,000. If the construction cost exceeds $100,000, we will return to your Board for approval of the final cost associated with this work.

Upon approval by your Board, the Executive Officer of the Board is requested to return three adopted copies of this letter to the DHS, Chief Administrative Office (Capital Projects), and Public Works.

Respectfully submitted,

BRUCE A. CHERNOF, M.D.
Director and Chief Medical Officer

DAVID E. JANSSEN
Chief Administrative Officer

for DONALD L. WOLFE
Director of Public Works

BAC:DEJ:DLW:r
DHS VoIP-PETCT-USP797-AE Reimbursement BL 8-3-06 final.DOC

c: County Counsel
Auditor-Controller
Office of Affirmative Action Compliance