



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

DONALD L. WOLFE, Director

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

February 6, 2007

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:

**HARBOR-UCLA MEDICAL CENTER
SURGERY/EMERGENCY REPLACEMENT PROJECT
APPROVE VARIOUS ACTIONS
SPECS. 5110 AND 6779; C.P. 69220
SUPERVISORIAL DISTRICT 2
3 VOTES**

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

1. Approve in concept the use of design-build contracting for the Harbor-UCLA Medical Center Surgery/Emergency (S/E) Replacement project.
2. Award and authorize the Director of Public Works to execute Supplemental Agreement 21 with Leo A. Daly/HKS to prepare design-build bridging documents, and provide construction support services for a \$6,059,000 not-to-exceed fee to be funded through Capital Project (C.P.) 69220, and establish the effective date following your Board's approval.
3. Reject all bids received by Public Works on November 21, 2006, for construction of the Harbor-UCLA Medical Center S/E project interim helistop.

4. Adopt revised plans and specifications for construction of the Harbor-UCLA Medical Center S/E project interim helistop at an estimated \$1,100,000 construction cost, funded through C.P. 69220, and instruct the Executive Officer of the Board to advertise for bids to be received and opened on March 13, 2007, according to the Instruction Sheet for Publishing Legal Advertisements (Enclosure B).
5. Authorize the Director of Public Works to execute a Consultant Services Agreement with the apparent lowest responsible bidder for the interim helistop to prepare a baseline construction schedule for a \$2,200 not-to-exceed fee funded by existing project funds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The recommended actions will approve in concept the design-build method of project implementation and authorize the architect to prepare design-build bridging documents for use in selecting a design-build team.

In addition, Public Works is also recommending rejecting all bids received for the interim helistop and readvertising based on an alternate procurement strategy that utilizes both conventional low-bid construction and Job Order Contracts to potentially complete the project more cost effectively.

These actions support the ongoing site preparation construction program and effectively configure the Harbor-UCLA Medical Center S/E project to minimize risk and yield a higher-quality construction product.

Design-Build Project Delivery

In October 2006, we reported to your Board that we were evaluating the possible use of design-build project delivery for the Harbor-UCLA Medical Center S/E project. Utilizing a design-build delivery method can assist the County in attracting contractors with significant resources and experience on complex hospital projects. It also substantially shifts responsibility for errors and omissions in design documents to the design builder during construction and helps create a collaborative environment where risk for project coordination is shared.

Recently enacted legislation authorizing the use of a design-build approach for County of Los Angeles projects, however, requires the completion of certain documents and processes prior to your Board's selection of this project implementation process for any capital project. Public Works is developing a design-build project delivery procedure that will require coordination with the State and other agencies during the project development phase. The design-build project delivery procedure and processes are tentatively scheduled for your Board's approval in the spring of 2007.

It is important to note that saturated construction market conditions are currently resulting in single or no-bid responses to significant public projects regardless of contracting approach (i.e., competitive low-bid or design-build). Input obtained from the construction industry by Public Works through conferences, workshops, and discussions with professional organizations, however, indicates that the design-build approach offers a more flexible, adaptable, and collaborative project delivery system, which will reduce the industry's perception of risk on a major, complex project such as the Harbor-UCLA Medical Center S/E project and best promote contractor interest and participation in the project.

Based upon the industry outreach conducted by Public Works with respect to the Harbor-UCLA Medical Center S/E project and the design-build approach, we have concluded that use of a design-build approach can significantly reduce the County's exposure to completion risk, streamline the overall project delivery, and provide the best opportunity to optimize contractor interest in the project.

In order to avoid delays to the Harbor-UCLA Medical Center S/E project, we are seeking conceptual approval to utilize a design-build delivery method. Upon completion of Public Works' design-build project delivery procedures and prequalification criteria specific to the Harbor-UCLA Medical Center S/E project in spring 2007, we will return to your Board to obtain final approval to utilize the design-build project delivery method.

Supplemental Design Agreement

The proposed Supplemental Agreement with Leo A. Daly/HKS will provide architectural/engineering services from completion of the preliminary site preparation phase through the Harbor-UCLA Medical Center S/E project's construction phase. Supplemental Agreement 21 authorizes approximately \$6 million of architectural/engineering services, including \$2.4 million to develop the design-build bridging documents; \$2.2 million for design clarification and review services; and \$1.4 million to provide construction administration support, record drawing services for the site preparation phase, and quality assurance reviews associated with construction activities.

The recommended Agreement does not reflect any activities related to the backfill of the existing space that will be vacated in favor of the new Harbor-UCLA Medical Center S/E building. We will return to your Board for future approval of design and construction services fees for the final backfill phase of this project once the detailed scope and proposed construction procurement method are better defined.

Rebid of Interim Helistop

On October 17, 2006, your Board adopted plans and specifications for the interim helistop and authorized advertising for bids with an estimated \$1,200,000 construction cost. The four construction bids received exceeded the estimated construction cost previously authorized by your Board for the proposed project (Enclosure A). To address this potential cost increase, Public Works identified construction activities that could be deleted from the bid package and performed through a Job Order Contract at a lower cost and, thereby, reduce the value of the bid package without delaying the overall completion schedule.

Toward this end, the plans and specifications have been revised to delete the scope of work that will be performed by the Job Order Contract. The Job Order Contract will include installation and maintenance of construction fencing, soil recompaction upon removal of existing asphalt paving, and the relocation and reinstallation of high-voltage power poles and subgrade footings. The remaining scope of work that will be rebid includes the construction of the helistop, including the structural steel, helistop deck, ramp structure, and new site utilities. Therefore, we are recommending that your Board reject all bids, adopt revised plans and specifications, and advertise rebidding of the revised interim helistop project.

Implementation of Strategic Plan Goals

These actions meet the County Strategic Plan Goals of Service Excellence, Fiscal Responsibility, and Children and Families' Well-Being by investing in public health infrastructure and improving access to surgery and emergency services in the southern and western areas of the County. Completion of this project will provide much needed improvements to the facility for the residents of the County.

FISCAL IMPACT/FINANCING

Approval in concept of the design-build implementation process and the Supplemental Agreement with the architect/engineer will not increase the \$344.1 million budget or delay the schedule authorized by your Board on October 17, 2006 (Enclosure C).

We anticipate that reconfiguration of the helistop procurement will obtain improved pricing compared to bids received to date. The two trades causing the bid overage in excess of the estimated \$1.2 million construction cost will now be procured using Job Order Contracting, which is based on fixed unit costs and a contractual multiplier. Due to cost savings realized and projected in the ongoing site preparation work, the proposed rebid of the helistop scope will not affect the overall site preparation budget of \$18.2 million authorized by your Board.

Sufficient appropriation is available within the Fiscal Year 2006-07 Harbor-UCLA Medical Center S/E project (C.P. 69220) to fund the recommended Supplemental Agreement and interim helistop construction.

It is anticipated that the proposed project will be financed initially through the issuance of tax-exempt commercial paper and, ultimately, the issuance of long-term, tax-exempt bonds. We will return to your Board with final financing and funding recommendations prior to awarding the Design-Build Contract.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Standard Agreements, in the form previously approved by County Counsel, will be used. The Agreements and the project specifications include the standard Board-directed clauses that provide for Contract termination, renegotiation, hiring qualified displaced County employees, and consideration for Greater Avenues for Independence Program/General Relief Opportunities for Work participants for future employment.

As required by your Board, language has been incorporated into the project specifications and Agreements allowing the County to terminate the Contracts if it is found that the contractor offered or gave improper consideration to County employees.

The project's specifications and Agreements also require contractors and consultants to show full compliance with Los Angeles County Code Chapter 2.200 (Child Support Compliance Program), Chapter 2.203 (Contractor Employee Jury Service Program), and Board Policy 5.135 (Safely Surrendered Baby Law). Daly/HKS is in compliance with these Contract provisions.

ENVIRONMENTAL DOCUMENTATION

On April 11, 2006, your Board approved a Mitigated Negative Declaration for the Harbor-UCLA Medical Center S/E project. The approved mitigation measures are being incorporated into the project documents, and a construction monitoring program has been developed.

CONTRACTING PROCESS

Daly/HKS Design Services

On August 23, 1993, Internal Services Department executed Contract IS-10966 with Daly/HKS. In 1996, the project was suspended. On October 3, 2000, your Board restarted the project and authorized Supplemental Agreement 3 for \$1,078,000. Subsequently, 17 additional Supplemental Agreements to this Contract, totaling \$4,349,592, have been executed, bringing the current Contract value to \$5,427,592.

The recommended Supplement Agreement will include services for finalizing design-build bridging documents, construction administration and record drawings for the site preparation construction, three-dimensional coordination, and periodic medical equipment updates as well as supporting the design-build phase of the project.

Daly/HKS will provide these services for a \$6,059,000 not-to-exceed fee. This Supplemental Agreement will increase the total value of Contract IS-10966 to Daly/HKS to \$11,486,592. The total Contract fee is within the Board-approved architect/engineer fee schedule.

Interim Helistop

On October 17, 2006, your Board adopted plans and specifications for the interim helistop project and instructed the Executive Officer of the Board to advertise for bids. On November 21, 2006, four bids were received. Public Works recommends that all bids be rejected and the revised plans and specifications be readvertised.

Readvertising for bids for the modified interim helistop will be in accordance with the County's standard Instruction Sheet for Publishing Legal Advertisements (Enclosure B). As requested by your Board on February 3, 1998, this Contract opportunity will be listed on the Doing Business with Us website. Participation by Community Business Enterprises (CBE) in the project is encouraged through Public Works' Capital Projects CBE Outreach Program and by monitoring the good faith efforts of bidders to utilize CBE.

The proposed Consultant Services Agreement requires the apparent lowest responsible bidder to prepare a baseline construction schedule that conforms to the County's schedule specification, which is critical to successfully managing construction activities by both the contractor and the County. Bid documents provide that if the apparent lowest responsible bidder fails to complete an acceptable schedule, the Director of Public Works may return to your Board to recommend that the low bidder be declared nonresponsible so that the Construction Contract could be awarded to the next apparent lowest responsible bidder, contingent on the bidder completing a baseline schedule that conforms to the County's specification. Following receipt of bids scheduled for March 13, 2007, we will return to your Board for Construction Contract award.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

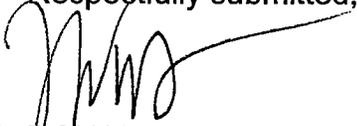
The project is being implemented in phases in order to reduce disruption to hospital operations. Construction of the interim helistop and other site preparation activities will reroute, relocate, or replace existing facilities to prepare for construction of the new Surgery/Emergency building. The project specifications require the contractors and vendors to coordinate their construction schedules to minimize disruption of the daily activities of the hospital, which will remain fully operational during these construction activities.

During the design phase, extensive coordination was performed with the hospital staff to identify and implement measures to mitigate potential construction conflicts and minimize impacts on hospital operations and patient care.

CONCLUSION

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

Respectfully submitted,


for DONALD L. WOLFE
Director of Public Works


DAVID E. JANSSEN
Chief Administrative Officer


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

SB:js

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Enc.

cc: County Counsel
Office of Affirmative Action Compliance
Department of Public Social Services (GAIN/GROW Program)

February 6, 2007

ENCLOSURE A

**HARBOR-UCLA MEDICAL CENTER
SURGERY/EMERGENCY REPLACEMENT PROJECT
APPROVE VARIOUS ACTIONS
SPECS. 5110 AND 6779; C.P. 69220**

The Interim Helistop project as bid on November 21, 2006, consisted of constructing an interim prefabricated helistop and associated equipment, including site preparation, minor excavation, foundations, steel support system, site utilities, and site improvements.

Bid Opening Date: November 21, 2006

Bid Summary: (All bids are recommended to be rejected)

<u>Bidder</u>	<u>Total Lump Sum Base Bid</u>
G Coast Construction, Inc.	\$1,750,000*
Trimax Construction, Corp.	\$1,888,000*
MTM Construction, Inc.	\$2,029,000*
Minako America Corporation dba Minco	\$2,277,000*

*The final ranking of bids from lowest to highest is in the same order as above, inclusive of each bidder's daily overhead rates and a \$50,000 credit for qualifying as a Small Business Enterprise received by G Coast Construction, Inc., and Minako America Corporation dba Minco.

February 6, 2007

ENCLOSURE B

**HARBOR-UCLA MEDICAL CENTER
SURGERY/EMERGENCY REPLACEMENT PROJECT
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PUBLISHING LEGAL ADVERTISEMENTS: In accordance with the State of California Public Contract Code Section 20125, you may publish once a week for two weeks in a weekly newspaper or ten times in a daily newspaper. Forward three reprints of this advertisement to Architectural Engineering Division, Department of Public Works, 900 South Fremont Avenue, 8th Floor, Alhambra, California 91803-1331.

**OFFICIAL NOTICE
INVITING BIDS**

Notice is hereby given that the Director of Public Works will receive sealed bids for furnishing all materials, labor, and equipment required to complete construction for the following work:

<u>SD</u>	<u>SPECS.</u>	<u>PROJECT</u>	<u>BID DOC. FEE</u>	<u>DATE OF BID OPENING</u>
2	5110	Harbor-UCLA Medical Center Surgery/Emergency Replacement Project Interim Helistop 1000 West Carson Street Torrance, CA 90509	\$75	3/13/07

Copies of the project manual and drawings may be obtained at the Cashier's office, Department of Public Works, 900 South Fremont Avenue, Mezzanine, Alhambra, California 91803, for the fee stated above. For bid information, please contact Mr. David Asato of Architectural Engineering Division at (626) 458-2586. Each bid shall be submitted on the required form, sealed, and filed at the Cashier's office no later than 10:45 a.m. on the date indicated. Bids will be publicly opened, examined, and declared by Public Works at 11 a.m. in the Architectural Engineering Division's Conference Room, 8th Floor, at 900 South Fremont Avenue, Alhambra, California 91803. Bids must conform to the drawings and project manual and all bidding requirements. This project requires the prime contractor to possess an A or B license classification at the time of bid. The contractor should verify to his/her satisfaction that he/she holds the correct license for this type of project.

OTHER INSTRUCTIONS

The County supports and encourages equal opportunity contracting. The contractor shall make good faith efforts, as defined in Section 2000 of Public Contract Code, relating to contracting with Community Business Enterprises.

The Board of Supervisors reserves the right to reject any or all bids or to waive technical errors and discrepancies in bids submitted in the public's interest.

Si necesita información en Español, por favor llame al telefono (626) 458-2563.



Upon 72-hours notice, Public Works can provide program information and publications in alternate formats or make other accommodations for people with disabilities. In addition, program documents are available at our main office in Alhambra (900 South Fremont Avenue), which is accessible to individuals with disabilities. To request accommodations ONLY or for more Americans with Disabilities Act (ADA) information, please contact our departmental ADA Coordinator at (626) 458-4081 or TDD (626) 282-7829, Monday through Thursday, from 7 a.m. to 5:30 p.m.



Con 72 horas de noticia, el Departamento puede proveerle información y publicaciones sobre el programa y formatos alternativos o hacer adaptaciones para incapacitados. Además, documentación sobre el programa está disponible en nuestra oficina principal en Alhambra (900 South Fremont Avenue), la cual es accesible para individuos con incapacidades. Para solicitar adaptaciones SOLAMENTE o para mas información del ADA, pongase en contacto con nuestro Coordinador del ADA del Departamento al (626) 458-4081 o TDD (626) 282-7829, de lunes a jueves de las 7 a.m. a 5:30 p.m.

By order of the Board of Supervisors of the County of Los Angeles, State of California, dated February 6, 2007.

Specs. 5110

SACHI A. HAMAI, EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF LOS ANGELES

February 6, 2007

ENCLOSURE C

**HARBOR-UCLA MEDICAL CENTER
SURGERY/EMERGENCY REPLACEMENT PROJECT
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I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date
Environmental Documents	04/11/06*
<u>Make-Ready</u>	
Jurisdictional Approvals	06/12/06*
Construction Award	10/18/06*
Construction Start	10/19/06*
Substantial Completion	02/29/08
<u>Surgery/Emergency Building</u>	
Jurisdictional Approvals	08/29/07
Construction Award	01/15/08
Construction Start	04/24/08
Substantial Completion	07/10/11
<u>Backfill</u>	
Jurisdictional Approvals	06/08/11
Construction Award	01/16/12
Construction Start	04/17/12
Substantial Completion	05/16/13

*Indicates actual dates

II. PROJECT BUDGET SUMMARY

	Approved Project Budget	Impact of Actions	Proposed Project Budget
Land Acquisition	\$ 0	\$ 0	\$ 0
Construction			
a) Site Preparation	\$ 18,200,000	\$ 0	\$ 18,200,000
b) Surgery/Emergency Replacement			
- Base Construction	\$ 170,250,000	\$ 0	\$ 170,250,000
- Change Order Allowance	\$ 25,538,000	\$ 0	\$ 25,538,000
Subtotal Construction	\$ 213,988,000	\$ 0	\$ 213,988,000
Plans and Specs (1)	\$ 32,830,000	\$ 0	\$ 32,830,000
Equipment	\$ 45,380,000	\$ 0	\$ 45,380,000
Consultant Services	\$ 33,367,000	\$ 0	\$ 33,367,000
Permits and Fees	\$ 3,707,000	\$ 0	\$ 3,707,000
County Services	\$ 12,356,000	\$ 0	\$ 12,356,000
Miscellaneous Expenditures	\$ 2,472,000	\$ 0	\$ 2,472,000
TOTAL	\$ 344,100,000	\$ 0	\$ 344,100,000

(1) Plans and Specification includes Leo A. Daly/HKS total contract amount of \$11,486,592 (including the \$6,059,000 Supplemental Agreement #21 currently recommended).