



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

September 8, 2009

36 September 8, 2009

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

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS: HARBOR-UCLA MEDICAL CENTER  
SURGERY/EMERGENCY REPLACEMENT PROJECT  
AWARD DESIGN/BUILD CONSTRUCTION CONTRACT AND  
APPROVE RELATED ACTIONS  
SPECS. 5110 AND 6779; C.P. 69220  
(SECOND DISTRICT) (3 VOTES)**

**SUBJECT**

The recommended actions will approve the revised total project budget, award a design-build contract and approve related actions for the construction of the Harbor-UCLA Medical Center Surgery/Emergency Replacement project.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve the revised project scope and budget in the amount of \$322.6 million for the Harbor-UCLA Medical Center Surgery/Emergency Replacement Capital Project No. 69220.
2. Find that Hensel Phelps Construction Co. is the most advantageous and best value proposer; and award a design-build contract to Hensel Phelps Construction Co. in an amount not to exceed \$170,857,000 (which amount includes the contract sum of \$150,052,000, the design completion allowance of \$11,088,000 and a unilateral option, if exercised, in favor of the County for construction of a parking structure in the amount of \$9,717,000) for the Harbor-UCLA Medical Center Surgery/Emergency Replacement project; and authorize the Director of Public Works to execute the contract, upon receipt of acceptable and approved Faithful Performance and Labor and Materials Bonds and insurance certificates filed by the design-builder, and to establish the contract effective date.

*"To Enrich Lives Through Effective And Caring Service"*

**Please Conserve Paper – This Document and Copies are Two-Sided  
Intra-County Correspondence Sent Electronically Only**

3. Authorize the Director of Public Works, in coordination with the Chief Executive Officer, to control the use of the design completion allowance of \$11,088,000, including the authority to reallocate all or any portion of the allowance into the contract sum.
4. Award and authorize the Director of Public Works, or her designee, to execute an agreement with SidePlate Systems Inc. for a non-exclusive license for proprietary and patented structural connection technology and related consulting services for a \$107,000 not-to-exceed fee, and to establish the effective date following your Board's approval.
5. Award and authorize the Director of Public Works, or her designee, to execute Supplemental Agreement 1 to Contract PW -12895 with Gkkworks, Inc., for additional construction management services for a \$11,038,000 not-to-exceed fee.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended actions will award the design-build contract and support construction of the Harbor-UCLA Medical Center Surgery/Emergency Replacement Project (S/E Replacement).

#### **Background**

In August 2008, your Board authorized Public Works to issue a Request for Proposal (RFP), Part 2, to three design-build entities that were determined to meet the prequalification criteria for the S/E Replacement project. The three prequalified entities were Clark Design/Build of California - RBB Architects (Rochlin, Balbona, and Baran); Hensel Phelps Construction Co. - KMD Architects (Kaplan, McLaughlin, and Diaz); and McCarthy Building Companies, Inc. - HMC Architects (Harnish, Morgan, and Causey).

The RFP established a target contract price of \$182.0 million, inclusive of a lump sum price for the project's design-build delivery, a design completion allowance of \$9.4 million, and pricing for any scope alternates requested by the County or offered by a proposer and accepted by the County. During the proposal phase, the County discussed with the proposers the base scope requirements and various Target Price Solutions suggested by the proposers to enhance the project's scope.

On May 7, 2009 all three prequalified design-build entities submitted a final proposal consisting of a technical submittal, a price proposal, and Target Price Solutions. Each proposal was scored and ranked, based on the requirements and scoring criteria

outlined in the RFP, by an evaluation committee (Committee) comprised of County employees from Public Works, Health Services, and the Chief Executive Office (CEO). The Committee ranked proposals based on scoring in eight criteria categories, five of which are specified in the enabling legislation: technical design and construction expertise, life cycle cost analysis at 20 years, skilled labor force availability, safety record, price, design-build team personnel and organization, delivery plan, and target price solutions. The three proposals were ranked in order from the highest averaged score to lowest averaged score.

By submitting the proposal receiving the highest averaged score, Hensel Phelps Construction Co. (Hensel Phelps), was determined by the Committee to be the apparent best value proposer in accordance with provisions of the RFP. A summary reflecting the Committee's averaged scoring of the submitted proposals is included in Attachment B.

### **Project Scope Reallocation**

In June 2008, your Board approved a budget reallocation of \$28.4 million to address certain electrical system deficiencies, including the design and construction of a new, \$11.9 million, Southern California Edison (SCE) 66 kV substation. That action reduced funding for the backfill phase of the project to \$9.6 million, in order to offset costs associated primarily with these electrical changes while maintaining the existing budget of \$344.1 million. In August 2008, SCE determined that its requirement for the project to provide a new 66 kV substation for dedicated use by the Medical Center could be otherwise met by redistribution of electrical capacity from within SCE's service grid. Additionally, ongoing Health Services budgetary constraints have required that the remainder of the backfill phase be deferred, and the project budget reduced from \$344.1 million to \$322.6 million until additional funding is identified.

### **Design Build Contract and Design Completion Allowance**

Upon determination of the apparent best value proposer by the Committee, Public Works negotiated final terms with Hensel Phelps, including with respect to Target Price Solutions that had been proposed by Hensel-Phelps and the two other proposers. The negotiations resulted in the recommended contract sum of \$150,052,000, plus the design completion allowance of \$11,088,000 for a not-to-exceed amount of \$161,140,000.

Further, the contract includes a "unilateral option" in favor of the County for the construction of a new three-story parking structure in the amount of \$9,717,000. Should your Board, as part of a later action, decide to exercise the unilateral option, after

consideration of the environmental documentation prepared pursuant to the requirements of the California Environmental Quality Act (CEQA), the not-to-exceed amount of the contract, inclusive of the contract sum, the design completion allowance, and the unilateral option will be \$170,857,000, which equates to \$777 per square foot for the design-build completion of this project. This price compares favorably to the \$850 per square foot for other hospital construction-only projects that have been recently awarded in California.

The contract's design completion allowance, which totals \$11,088,000, is intended to facilitate the resolution of issues identified only during the design phase of the project, including issues concerning the County's scoping documents or changes required by jurisdictional agencies or due to unforeseen conditions discovered during design, including any increased design or construction costs associated therewith. The inclusion of the design completion allowance will facilitate the design decision process and minimize potential delays that could occur while design phase issues, including potential Office of Statewide Health Planning and Development review delays due to staffing furloughs and shortages caused by state budget constraints, are resolved. The use of the design completion allowance will be strictly controlled by the CEO, and will require Public Works to obtain written authorization from the CEO before a reallocation of funds from the design completion allowance into the contract sum, is permitted. The design completion allowance shall not be used to fund the resolution of issues, conditions, or changes encountered during the construction phase.

In accordance with your Board's previously approved August 2008 actions, the second and third ranked proposers will each be paid a stipend of \$125,000, which affords the County the right to use the information and ideas contained in the proposals submitted by such proposers.

### **Unilateral Option for Parking Structure**

The County's RFP required the proposals to include Target Price Solutions intended to enhance the project's scope. As one of its Target Price Solutions, Hensel Phelps proposed design and construction of a parking structure. During negotiations, the County and Hensel-Phelps reached terms on a unilateral option that may be exercised by your Board for construction of a three-story, 544 space parking structure, for \$9,717,000. The parking structure option, as structured and priced, includes a solar panels array on the upper deck that will partially offset the cost of ongoing electrical use at the campus.

The recommended contract sum of \$150,052,000 includes \$595,000 in costs for Hensel Phelps to prepare the design of the parking structure.

The Mitigated Negative Declaration (MND) approved by your Board in April 2006 does not include a parking structure as part of the current project scope. As such, award of the parking structure unilateral option is not included in the present recommendations under this Board letter. We will return to your Board to request consideration of the appropriate environmental documentation under CEQA, which is necessary for authorization of the unilateral option relative to the parking structure. If your Board does exercise the option, a change order in amount of \$9,717,000 would be issued to Hensel Phelps, which would result in a total not to exceed contract amount of \$170,857,000, including construction of the parking structure and the design completion allowance.

The parking structure option is priced advantageously and would provide improved access to the hospital and increase flexibility for future projects at the Medical Center if your Board approves exercise of the option following appropriate CEQA recommendations. The option provides that Hensel Phelps must hold its price of \$9,717,000 for the parking structure construction until April 26, 2010. After that date, the unilateral option in favor of the County at the stated price expires. Accordingly, we anticipate returning to your Board with a recommendation concerning exercise of the option and related CEQA findings before April 26, 2010.

### **Consultant Services Agreements**

The existing Office of State Hospital Planning and Development (OSHPD) permit is based on the use of a proprietary Special Moment Resisting Frame structural system designed by SidePlate Systems, Inc. A change in the structural system would require the re-design of the entire project, which would require additional time and cost without an increase in benefit. To avoid jeopardizing compliance with the existing OSHPD permit, the final design and construction must incorporate the SidePlate Systems structural system. The recommended agreement with SidePlate Systems, for a cost of \$107,000, provides for use of the SidePlate Systems technology, and also provides for quality control review during design, fabrication and construction to confirm that the design-builder's work conforms to the design criteria.

Gkkworks has performed construction management services for this project since December 2005. This construction management contract considered the S/E Replacement project to be ready for construction with only minor detailing revisions required, related to the update of medical equipment. Subsequent to award of this contract, your Board approved the redesign and revision of the original interior floor plans to reflect contemporary medical practice and the use of design-build delivery. These two changes resulted in additional scope of work that was not anticipated, including design management, peer review services, a full commissioning program, and

developing the design-build process and contract documents. At the request of the County, Gkkworks responded to the different requirements that were created by these changes and has provided the required extensive specialized services for successful implementation of the design-build process.

To support the design-build construction phase of this project Gkkworks, for an aggregate supplemental cost of \$11,038,000, will continue to provide construction management services of \$6,839,834, design management services of \$1,012,981, peer review services of \$1,801,074, cost estimating services of \$560,845, and independent building system commissioning services of \$823,266 to assure that the design-builder's design and construction are in full compliance with the RFP and contract requirements. Current hourly rates charged by Gkkworks are very cost efficient and have contributed to this project's low (22 percent) overall project soft cost ratio. However, recognizing current economic conditions and in response to your Board's recent action to seek reduction of labor rates for consultant agreements, Gkkworks has included a 5 percent reduction of its current hourly rates for construction management within this proposal, which is estimated to result in an approximate \$455,000 savings to the County.

It is recommended that your Board approve the requested consultant services agreement for SidePlate Systems, Inc. and Supplemental Agreement 1 for Gkkworks for successful implementation of the S/E Replacement project and related project scope.

### **Sustainable Design Program**

The S/E Replacement project was established and permitted by OSHPD prior to your Board's enactment of the policy for Green Buildings/Sustainable Design Program; therefore, the project does not require LEED certification for the new building. However, the project will support your Board's Policy for Green Building/Sustainable Design Program to the extent feasible by using building materials that are composed of recycled materials; strategically designing mechanical, plumbing, and electrical systems to optimize energy efficiency; reducing the amount of demolition materials that would be disposed in landfills; and constructing interior spaces to provide indoor environmental quality and a healthy work environment for Health Services staff and public members using the Medical Center. The solar panel array proposed to be located at the parking structure's upper deck will contribute to the long range reduction of costs associated with the campus' electrical demand.

Additionally, Hensel Phelps' proposal includes a Green Guide for Health Care (GGHC) Minimum Goal of 37 points, which is similar to LEED-NC (LEED-New Construction) Certification, and a GGHC Target Goal of 45 points, which is similar to LEED-NC Silver

Certification. GGHC is a nationally recognized, self-certifying best-practices toolkit specifically suited to hospital construction.

### **Local Worker Hiring**

Hensel Phelps proposes a fully integrated Local Worker Hiring Program focused on creating opportunities for local workers. The Local Worker Hiring Program utilizes coordination with project subcontractors and its partners in organized labor and trade associations to search for and hire qualified local workers within a 10 mile radius of the proposed project as well as the entire County. Furthermore, Hensel Phelps plans to help develop a "paths to partnerships program" with various approved training apprenticeship programs. As proposed, these opportunities will be locally advertised through outreach events at various community forums, as well as the coordination of education and training seminars for potential local workers. Of the three submitted proposals, Hensel Phelps received the highest average score for its Local Worker Hiring Program. The proposed Local Worker Hiring Program is more defined in Attachment D.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs that we provide Service Excellence (Goal 1), Fiscal Responsibility (Goal 4), and Children and Families' Well-Being (Goal 5) 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**

The S/E Replacement project total budget is estimated at \$322.6 million. Electrical systems deficiencies previously discussed and Health Services budgetary constraints have required the deferral of renovations to the vacated space in the inpatient tower causing a decrease in the previously approved total project budget of \$344.1 million. The revised total project budget of \$322.6 million includes the preparation of scoping documents, plan check fees, design and construction, design completion allowance, change order contingency, the unilateral option for the parking structure, consultant services, miscellaneous expenditures, County services, and a project contingency.

Included within the design-build contract with Hensel Phelps is a design completion allowance in the amount of \$11,088,000, which is intended to facilitate the resolution of cost issues identified only during the design phase of the project, including issues concerning the County's scoping documents or changes required by jurisdictional agencies or due to unforeseen conditions (discovered during the design phase), including any increased design or construction costs associated therewith.

The total project budget also includes a change order contingency in the amount of \$18,320,000, and a project contingency in the amount of \$5,343,000. The project contingency consists of a portion of the savings realized during the bid process. Public Works would utilize the project contingency to augment the change order contingency only in the event unforeseen conditions are encountered during the construction phase, the cost of which exceeds the change order contingency. The use of the change order contingency and project contingency will be subject to the limitations established under Public Contract Code Sections 20142 and 20145, and the County Code, which limit the change order authority delegable to the Director of Public Works (Director). The aggregate amount allocated for change orders under the change order and project contingencies is \$25,663,000, which is approximately 17 percent of the design-build contract sum of \$150,052,000 (which amount does not include the unilateral option for the parking structure in the amount of \$9,717,000 or the design-completion allowance of \$11,088,000). Public Works will obtain written authorization from the CEO prior to utilizing the project contingency for this purpose. Should a change order or the cumulative amount of executed change orders exceed the Director's delegated authority, Public Works will return to your Board for approval, prior to executing a change to the design-build contract. The revised Project Schedule and Budget Summary are included in Attachment A.

It is anticipated that the project will be financed initially through the issuance of tax-exempt commercial paper and ultimately through the issuance of long-term bonds authorized under the American Recovery and Reinvestment Act. Annual debt service are currently estimated at \$14.9 million each year, commencing in Fiscal Year 2012-13. Payments will be eligible for partial reimbursement under the State's SB 1732 Program and on a net basis. We will return with the Treasurer and Tax Collector to present final financing recommendations prior to the issuance of bonds.

### **Operating Budget Impact**

Based upon current salary and employee benefit rates, Health Services currently estimates that annual ongoing operating costs will increase approximately \$3.3 million to operate and maintain the S/E Replacement Project.

Based on the S/E Replacement project's current schedule, one-time and ongoing operating costs would be incurred beginning in Fiscal Year 2011-12. The CEO will work with Health Services to review the operating cost estimates and determine the appropriate operating requirements and available funding. Although Health Services is restructuring its programming to address its budget gap and mitigate the need for

program and services curtailments in future years, Health Services has placed a high priority on this project and will include these additional operating costs in its forecast.

Further, upon completion of the S/E Replacement project, Health Services anticipates additional one-time startup costs for medical equipment, telecommunication equipment and furniture, which would be funded separately from the project budget. Health Services is working closely with Public Works and its consultants to identify needs and analyze options utilizing reuse, leasing and new purchasing.

### **CONTRACTING PROCESS**

The recommended agreements have been contracted and negotiated as described below. The negotiated fees recommended have been reviewed by Public Works and are considered reasonable for the scope.

#### **Design-Build Services**

In June 2007, your Board approved the use of the design-build process specifically for implementation of this project, as well as the use of a Standard Prequalification Questionnaire. In August 2008, your Board approved the previously mentioned design-build teams as meeting the prequalification criteria.

In August 2008, your Board authorized the Acting Director of Public Works to issue an RFP for the proposed project. On May 7, 2009, each of the three proposers, Clark, Hensel Phelps, and McCarthy submitted a proposal comprised of a technical submittal, a price proposal, and target price solutions. Each proposal was evaluated and Hensel Phelps was determined to be the apparent most advantageous and best value proposer. The scores assigned by the Committee and proposal prices received are documented in the Design Build Proposal Summary included as Attachment B. Since receipt of these proposals, the County and Hensel Phelps have negotiated the not-to-exceed contract amount inclusive of the base scope, the design-completion allowance and the target price solutions selected by the County, as well as the amount of the unilateral option in favor of the County.

#### **Steel Connection License and Related Consulting Services**

In August 1995, the original agreement IS-11571 between the County and SidePlate Systems, Inc. (formerly known as Myers Nelson Houghton SMRF) was executed, and subsequently terminated in August 2001 due to lack of ongoing project activity. The County's ability to use the existing (2006) OSHPD permit is predicated on inclusion of the SidePlate Systems technology, which is also an OSHPD-approved structural

system. The design-builder must utilize the SidePlate technology or otherwise fully redesign and re-initiate the OSHPD structural review process, which would increase cost and delay the project. The only method of procuring this proprietary patented license and supporting attendant consultant services is via a sole source agreement with SidePlate Systems. The sole source checklist required by your Board as of February 6, 2006 is Attachment C.

### **Construction Management Services**

In December 2005, your Board awarded Gkkworks a construction management services contract PW-12895 for a not-to-exceed fee of \$13,300,000. The recommended supplemental consultant services agreement, in the amount of \$11,038,000, provides for traditional construction management services, design management services, peer review services, cost estimating services, and independent building system commissioning services to assure that the design-builder's design and construction are in full compliance with the RFP and contract requirements. The supplemental agreement represents 5.5 percent of the value of the project's remaining construction and equipment procurement and will increase their not-to-exceed contract amount to \$24,338,000.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

County Counsel has reviewed and approved as to form the design-build contract and consultant agreements and amendments.

Hensel Phelps and Gkkworks' original contracts were solicited on an open competitive basis and bid in accordance with applicable Federal, State and County requirements. SidePlate System's original contract with the County was procured without typical competition under emergency powers granted due to the Northridge Earthquake. All of these firms are in compliance with the CEO and your Board's requirements.

These contracts contain terms and conditions supporting your Board's ordinances, policies, and programs, including but not limited to: County's Greater Avenues for Independence and General Relief Opportunities for Work Programs (GAIN/GROW), Board Policy No. 5.050; Contract Language to Assist in Placement of Displaced County Workers, Board Policy No. 5.110; Reporting of Improper Solicitations, Board Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Board Policy No. 5.135; Contractor Employee Jury Service Program, Los Angeles County Code, Chapter 2.203; Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service Notice 1015); Contractor Responsibility and Debarment, Los Angeles County Code, Chapter 2.202; and the Los Angeles County's Child Support Compliance Program,

Los Angeles County Code, Chapter 2.200; and the standard Board-directed clauses that provide for contract termination or renegotiation.

### **ENVIRONMENTAL DOCUMENTATION**

On April 11, 2006, your Board adopted a Mitigated Negative Declaration (MND) for the S/E Replacement project. The recommended actions are within the scope of the previously adopted MND.

An additional CEQA document is required to address the environmental impacts from the exercise of the unilateral option by your Board to construct a parking structure. In June 2008, your Board approved a supplemental agreement to Sigma Engineering, Inc. for additional environmental consulting services due at that time to the revised electrical project scope. Due to the decrease in the electrical requirements identified by SCE for this project, the additional environmental consulting services will be utilized for the parking structure project scope. We will return to your Board for consideration of the appropriate additional environmental document prior to recommending that your Board exercise the unilateral option for the parking structure.

Upon your Board's approval of the project, Public Works will file a Notice of determination with the County Clerk in accordance with Section 21152(a) of the California Public Resources Code.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed project is being implemented in phases in order to reduce disruption to hospital operations. Construction of the interim helistop and other site preparation activities to modify existing facilities to prepare for construction of the S/E Replacement project are near completion. The project specifications require the Design-Builder to coordinate its construction schedule to minimize disruption of the activities of the hospital that will remain fully operational during these construction activities. Concurrent to this project's construction, Public Works is also managing the SB 1953 Seismic Retrofit project at the Medical Center. Extensive coordination and planning has been performed with the hospital staff to identify and implement measures to mitigate potential construction conflicts and minimize impacts on hospital operations and patient care stemming from both of these projects.

The Honorable Board of Supervisors  
September 8, 2009  
Page 12

**CONCLUSION**

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

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:GF:DL  
DJT:DKM:zu

Attachments

- c: County Counsel
- Office of Affirmative Action Compliance
- Department of Health Services
- Department of Public Social Services (GAIN/GROW Program)
- Department of Public Works

**ATTACHMENT A**

**DEPARTMENT OF PUBLIC WORKS: HARBOR-UCLA MEDICAL CENTER  
SURGERY/EMERGENCY REPLACEMENT PROJECT  
AWARD DESIGN/BUILD CONSTRUCTION CONTRACT AND  
APPROVE RELATED ACTIONS  
SPECS. 5110 AND 6779; C.P. 69220**

**I. PROJECT SCHEDULE**

| <b>Project Activity</b>               | <b>Board-Approved<br/>Schedule Completion<br/>Date</b> | <b>Proposed Schedule<br/>Completion Date</b> |
|---------------------------------------|--|--|
| Environmental Documents               | 04/11/06*  | 04/11/06*                                    |
| <u>Make-Ready</u>                     |  |  |
| Jurisdictional Approvals              | 06/12/06*  | 06/12/06*                                    |
| Construction Award                    | 10/18/06*  | 10/18/06*                                    |
| Construction Start                    | 10/19/06*  | 10/19/06*                                    |
| Substantial Completion                | 09/22/08   | 12/31/09                                     |
| <u>Surgery/Emergency<br/>Building</u> |  |  |
| Contract Award                        | 02/10/09   | 09/08/09                                     |
| Jurisdictional Approvals              | by design builder**                                    | 12/26/11                                     |
| Construction Start                    | by design builder**                                    | 11/24/09                                     |
| Substantial Completion                | 05/19/12   | 07/24/13                                     |
| <u>Backfill</u>                       |  |  |
| Jurisdictional Approvals              | TBD  | TBD  |
| Construction Award                    | TBD  | TBD  |
| Construction Start                    | TBD  | TBD  |
| Substantial Completion                | TBD  | TBD  |

\*Indicates actual date

\*\*The design builder's proposal has identified its schedule for jurisdictional approvals and construction start date as required by the Request for Proposal.

**II. PROJECT BUDGET SUMMARY**

| Project Activity                       | Approved Project Budget | Impact of Action      | Proposed Budget      |
|--|-------------------------|-----------------------|----------------------|
| Land Acquisition                       | \$ 0                    | \$ 0                  | \$ 0                 |
| Construction                           |                         |                       |                      |
| Low Bid Construction Contract          | 2,321,654               | 0                     | 2,321,654            |
| Design-Build Contract                  |                         |                       |                      |
| S/E Building & Site                    | 182,000,000             | (20,860,000)          | 161,140,000          |
| Option for Parking Structure           |                         | 9,717,000             | 9,717,000            |
| Job Order Contract                     | 22,452,000              | (5,600,000)           | 16,852,000           |
| Purchase Order Contract                | 3,500,000               | 0                     | 3,500,000            |
| Southern California Edison Contract    | 7,975,000               | (7,690,000)           | 285,000              |
| Change Orders Contingency Total        | 19,602,456              | (1,282,110)           | 18,320,346           |
| Departmental Crafts                    | 0                       | 0                     | 0                    |
| Youth Employment                       | 0                       | 0                     | 0                    |
| Construction Consultants               | 0                       | 0                     | 0                    |
| Misc. Expense                          |                         |                       |                      |
| Design-Build Stipends                  | 0                       | 250,000               | 250,000              |
| SidePlate License                      | 0                       | 107,000               | 107,000              |
| Builder's Risk Insurance               | 0                       | 2,000,000             | 2,000,000            |
| Other                                  | 450,000                 | (357,000)             | 93,000               |
| Telecomm Equip – Affixed to Building   | 2,100,000               | 0                     | 2,100,000            |
| Medical Equipment                      | 34,572,000              | (1,810,000)           | 32,762,000           |
| Project Contingency                    | 0                       | 5,634,000             | 5,634,000            |
| Civic Arts                             | 0                       | 0                     | 0                    |
| Subtotal                               | <u>\$274,973,110</u>    | <u>(\$19,891,110)</u> | <u>\$255,082,000</u> |
| Programming/Development                | \$ 0                    | \$ 0                  | \$ 0                 |
| Plans and Specs                        | \$ 16,040,000           | (\$ 6,486,350)        | \$ 9,553,650         |
| Consultant Services                    |                         |                       |                      |
| Site Planning                          | \$ 0                    | \$ 0                  | \$ 0                 |
| Hazardous Materials                    | 490,000                 | 0                     | 490,000              |
| Geotech/Soils Report and Soils Testing | 1,127,000               | (121,000)             | 1,006,000            |
| Material Testing                       | 4,202,000               | (242,000)             | 3,960,000            |
| Cost Estimating (Gkkworks)             | 2,870,000               | (2,309,155)           | 560,845              |
| Topographic Surveys                    | 150,000                 | 40,000                | 190,000              |
| Construction Management (Gkkworks)     | 16,947,000              | 3,192,834             | 20,139,834           |
| Peer Review (Gkkworks)                 | 0                       | 1,801,074             | 1,801,074            |
| Design Management (Gkkworks)           | 0                       | 1,012,981             | 1,012,981            |
| Environmental                          | 600,000                 | 0                     | 600,000              |
| Move Management                        | 267,000                 | 0                     | 267,000              |
| Equipment Planning                     | 975,000                 | 0                     | 975,000              |
| Legal                                  | 2,109,000               | (138,000)             | 1,971,000            |
| Construction/Change Order              | 0                       | 0                     | 0                    |
| Other: Document Management             | 2,641,000               | (4,000)               | 2,637,000            |
| Other: Commissioning (Gkkworks)        | 2,094,000               | (1,270,734)           | 823,266              |
| Subtotal                               | <u>\$ 34,472,000</u>    | <u>\$ 1,962,000</u>   | <u>\$ 36,434,000</u> |

**II. PROJECT BUDGET SUMMARY**

| <b>Project Activity</b>                 | <b>Approved Project Budget</b> | <b>Impact of Action</b> | <b>Proposed Budget</b> |
|---|--------------------------------|-------------------------|------------------------|
| Miscellaneous Expenditures              | \$ 282,000                     | (\$ 20,000)             | \$ 262,000             |
| Jurisdictional Review/Plan Check/Permit | \$ 4,157,000                   | (\$ 187,000)            | \$ 3,970,000           |
| <b>County Services</b>                  |                                |                         |                        |
| Code Compliance Inspection              | \$ 3,305,175                   | \$ 0                    | \$ 3,305,175           |
| Quality Control Inspection              | 2,857,525                      | 0                       | 2,857,525              |
| Design Review                           | 150,000                        | 0                       | 150,000                |
| Design Services                         | 100,000                        | 0                       | 100,000                |
| Contract Administration                 | 636,015                        | ( 82,000)               | 554,015                |
| Project Management                      | 3,891,608                      | 3,278,350               | 7,169,958              |
| Project Management Support Services     | 509,000                        | 0                       | 509,000                |
| ISD Job Order Contract Management       | 462,409                        | (60,409)                | 402,000                |
| DPW Job Order Contract Management       | 673,000                        | 0                       | 673,000                |
| ISD ITS Communications                  | 500,000                        | 0                       | 500,000                |
| Project Security                        | 0                              | 0                       | 0                      |
| Project Technical Support               | 581,268                        | 0                       | 581,268                |
| Office of Affirmative Action            | 384,890                        | (38,481)                | 346,409                |
| County Counsel                          | 0                              | 0                       | 0                      |
| Regional Planning                       | 0                              | 15,000                  | 15,000                 |
| Other: DPW Materials & Testing          | 0                              | 10,000                  | 10,000                 |
| Other: DPW Land Development             | 50,000                         | 0                       | 50,000                 |
| Other: DPW Traffic & Lighting           | 45,000                         | 0                       | 45,000                 |
| Other: DPW Design Division              | 10,000                         | 0                       | 10,000                 |
| Other: DPW Construction Division        | 10,000                         | 0                       | 10,000                 |
| Other: DPW Flood Maintenance Division   | 10,000                         | 0                       | 10,000                 |
| Subtotal                                | \$ 14,175,890                  | \$ 3,122,460            | \$ 17,298,350          |
| <b>TOTAL</b>                            | <b>\$344,100,000</b>           | <b>(\$21,500,000)</b>   | <b>\$322,600,000</b>   |

September 8, 2009

**ATTACHMENT B**

**DEPARTMENT OF PUBLIC WORKS: HARBOR-UCLA MEDICAL CENTER  
SURGERY/EMERGENCY REPLACEMENT PROJECT  
AWARD DESIGN/BUILD CONSTRUCTION CONTRACT AND  
APPROVE RELATED ACTIONS  
SPECS. 5110 AND 6779; C.P. 69220**

**Proposal Summary**

| <b>Proposer</b>                                       | <b>Best Value Score<br/>(Max. Score = 1,000)</b> | <b>Base Price<br/>Proposal</b> |
|---|--|--------------------------------|
| Clark Design/Build of California –<br>RBB Architects  | 823.4  | \$191,687,000                  |
| Hensel Phelps Construction Co. -<br>KMD Architects    | 962.0  | \$158,343,000                  |
| McCarthy Building Companies,<br>Inc. – HMC Architects | 854.2  | \$158,239,830                  |

September 8, 2009

**ATTACHMENT C**

**DEPARTMENT OF PUBLIC WORKS: HARBOR-UCLA MEDICAL CENTER  
SURGERY/EMERGENCY REPLACEMENT PROJECT  
AWARD DESIGN/BUILD CONSTRUCTION CONTRACT AND  
APPROVE RELATED ACTIONS  
SPECS. 5110 AND 6779; C.P. 69220**

| <b>Check<br/>(√)</b>   | <b>JUSTIFICATION FOR SOLE SOURCE CONTRACTS</b><br><br><i>Identify applicable justification and provide documentation for each checked item.</i>  |
|--|--|
| √  | <ul style="list-style-type: none"> <li>➤ Only one bona fide source for the service exists; performance and price competition are not available.</li> </ul>   |
|  | <ul style="list-style-type: none"> <li>➤ Quick action is required (emergency situation).</li> </ul>  |
|  | <ul style="list-style-type: none"> <li>➤ Proposals have been solicited but no satisfactory proposals were received.</li> </ul>   |
|  | <ul style="list-style-type: none"> <li>➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new services provider.</li> </ul> |
|  | <ul style="list-style-type: none"> <li>➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.</li> </ul>                 |
|  | <ul style="list-style-type: none"> <li>➤ It is more cost-effective to obtain services by exercising an option under an existing contract.</li> </ul>   |
|  | <ul style="list-style-type: none"> <li>➤ It is in the best interest of the County, e.g., administrative cost savings, excessive learning curve for a new service provider, etc.</li> </ul>             |
|  | <ul style="list-style-type: none"> <li>➤ Other reason. Please explain:</li> </ul>  |
| <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div data-bbox="326 1373 764 1409"> <hr style="width: 100%;"/>             Deputy Chief Executive Officer, CEO           </div> <div data-bbox="1094 1373 1154 1404"> <hr style="width: 100%;"/>             Date           </div> </div> |  |

Each County department head is also required to report to the Chief Executive Officer by June 30 of each year those sole source contracts under \$250,000 executed by/for their department for the fiscal year ending on June 30. The Chief Executive Officer will compile list and submit it to the Board of Supervisors.

DEPARTMENT OF PUBLIC WORKS

Chief Executive Office

Internal Services Department DEI

September 8, 2009

**ATTACHMENT D**

**DEPARTMENT OF PUBLIC WORKS: HARBOR-UCLA MEDICAL CENTER  
SURGERY/EMERGENCY REPLACEMENT PROJECT  
AWARD DESIGN/BUILD CONSTRUCTION CONTRACT AND  
APPROVE RELATED ACTIONS  
SPECS. 5110 AND 6779; C.P. 69220**

**DESIGN-BUILDER LOCAL HIRING PROGRAM**

Hensel Phelps has begun organizing its local hiring program which is aimed at creating a true community effort. As stated in its proposal, Hensel Phelps (HPCC) expects to begin the community partnering meetings within 30 days of the Notice to Proceed (NTP). Several pieces of the local hiring outreach program are already underway, such as creating the project specific website, [www.harbormedcenter-construction.org](http://www.harbormedcenter-construction.org), outreach to its partners in organized labor, and gaining assistance from its partner trade associations. Over the coming weeks HPCC Phelps will be meeting with key community groups and individuals as it begins to facilitate its local hiring program

**Summary:**

**Implementing a Local Worker Hiring Program:**

- Train and facilitate opportunities directly with HPCC in the fields of carpentry, masonry, and laborers.
- Work with the projects subcontractor to search for and develop qualified local workers within a 10 miles radius as well as all of Los Angeles County.
- Coordinate with various community and government agencies to expand HPCC's list of potential workers.
- Assist local programs in the preparation and placement of Local Workers whenever possible.

**Outreach**

- Facilitate outreach events through various community forums with the assistance of HPCC's construction partners.
- Coordinate education and training seminars for potential Local Workers which are required to comply with public works rules and regulations.
- Establish specific program opportunities for Local Workers in various capacities within the project's scope.
- Develop an awareness campaign designed to highlight opportunities and educate the overall community on the project.

### **Communication**

Prior to each contract award, each potential bidder will be interviewed to discuss any problems they may have along with their understanding of the Local Hiring Program. Each firm will be required to pay special attention to assisting in the effort of creating opportunities of local workers within a 10 mile radius of the jobsite.

### **Creating Opportunities**

- Facilitate partnerships through teaming with local organizations designed to work within the surrounding project location.
- Establish local programs through the use of HPCC's partners in organized labor.
- Establish set-aside opportunities for individuals that meet the given criteria provided under both local and state regulations.

### **Efforts to Assure Maximum Opportunity:**

The following outreach efforts will be taken to assure that the Local Worker Hiring Program is given the attention necessary to achieve success. In order to better service the entire community, HPCC will create a project specific website, [www.harbormedcenter-construction.org](http://www.harbormedcenter-construction.org), which will serve to educate, promote, partner and assist the local community in better understanding the opportunities available.

### **External expectations in developing access for Local Hiring Program:**

- Utilize Existing partnerships with local union partners
  - a. Los Angeles & Orange County Building and Construction Trades Council
  - b. Southern California District Council of Laborers
  - c. Cement Masons Union of Southern California
- Work with local trade associations to develop contractor awareness of local hiring program
- Team with the County of Los Angeles and its various partners such as the Local Worker Hiring Program which is part of the Employment Opportunity Access Program.
- Create partnerships with existing community groups
  - a. Set up initial meeting with local community leaders and industry partners within 30 days of being awarded a notice to proceed by the owner.
  - b. Create a "paths to partnerships" program with our subcontracting partners and the various approved training programs with the California Apprenticeship Council.
  - c. Organize and advertise various outreach events for all opportunities within the projects scope.

- Emphasize and expect all subcontractors to embrace the commitment to Local Hiring
- Attendance at local and regional job and trade fairs designed to help create paths to partnerships.
- Program will reach into specific community groups within the following 10 miles radius of the project: Torrance, Long Beach, Lomita, Carson, Compton, Gardena, Lawndale, Hermosa Beach, Lynwood, Inglewood, Hawthorne, Manhattan Beach, South Gate, Paramount and San Pedro.

**Internal Expectations in developing and implementing policies to achieve Local Hiring Program**

- Conduct workshops, seminars, and events with all project personnel.
- Monitor activities and results to ensure the most effective Local Hiring Program.
- Utilize monthly team meetings to highlight upcoming needs.