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

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

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES
27 November 20, 2012
SACHI A. HAMAI
EXECUTIVE OFFICER

November 20, 2012

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:

**DEPARTMENT OF PUBLIC WORKS:
MARTIN LUTHER KING, JR. MEDICAL CENTER
INPATIENT TOWER RENOVATION AND MULTI-SERVICE
AMBULATORY CARE CENTER PROJECTS
AUTHORIZE EXECUTION OF AGREEMENT WITH
SOUTHERN CALIFORNIA EDISON
SPECS. 7055 AND 7056; CAPITAL PROJECT NOS. 88945 AND 70947
(SECOND DISTRICT) (3 VOTES)**

SUBJECT

This action will approve and delegate authority to the Director of Health Services, or his designee, to execute an agreement with Southern California Edison for participation in the 2010-12 Savings by Design for Partnerships Program, which will result in a one-time financial incentive payment to the County of $133,363 for the Martin Luther King, Jr. Medical Center Inpatient Tower Renovation and Multi-Service Ambulatory Care Center Projects.

IT IS RECOMMENDED THAT THE BOARD:

Approve and delegate authority to the Director of Health Services, or his designee, to execute the Whole Building Approach Owner Agreement with Southern California Edison to allow the County to receive a one-time financial incentive payment of $133,363 for participation in the 2010-12 Savings by Design for Partnerships Program for the Martin Luther King, Jr. Medical Center Inpatient Tower Renovation and Multi-Service Ambulatory Care Center Projects.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background

On August 18, 2009, the Board established the Inpatient Tower (IPT) Renovation and Multi-Service Ambulatory Care Center (MACC) Projects at the Martin Luther King, Jr. (MLK) Medical Center. The MACC building and the new Ancillary building, which is part of the IPT Renovation, will both be certificated at Silver or higher level under the United States Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) for new building construction. The renovated IPT building will also include sustainable design features to optimize energy efficiency, including replacing and/or upgrading the mechanical, electrical, and plumbing systems, use of recycled and low-gas emitting materials, and use of alternative transportation methods.

Savings by Design Program for Partnerships Agreement

The Department of Public Works (Public Works) coordinated with Southern California Edison (SCE) to determine that the MLK IPT and MACC Projects will be more energy-efficient than the performance requirements under Title 24 standards of the California Code of Regulations. Based upon an evaluation of the Projects design documents conducted by SCE, the Projects were determined to be eligible for a one-time incentive payment of $123,713. In addition, the USGBC LEED certification to be achieved also results in a Projects bonus of $9,650. Therefore, as the Projects meets SCE's 2010-12 Savings by Design for Partnerships Program (SDPP) requirements, SCE will provide a total one-time financial incentive payment of $133,363 to the County.

In order for SCE to provide these financial incentives, the County is required to execute the attached SCE 2010–12 SDPP Whole Building Approach Owner's Agreement (Owner Agreement), which is a standard agreement provided by SCE (Attachment B).

The County will install the energy-efficient equipment or system(s) for the MLK IPT and MACC Projects specified in the "Proposed Design Energy Savings Estimate", which, at minimum, exceeds Title 24 standards or a generally-accepted industry standard for energy efficiency. Payment of the incentives shall be made to the County only after all program requirements are met and upon verification of installation by SCE. The SCE funding for this program is limited and will be paid on a first-come, first-served basis, subject to the availability of funds.

The Board's approval of the recommended action will approve and delegate authority to the Director of Health Services, or his designee, to execute the SCE Owner Agreement for the MLK IPT and MACC Projects. The SCE Owner Agreement must be fully executed by December 31, 2012, for the County to receive the full incentive payments.

Green Building/Sustainable Design Program

The new Ancillary and MACC buildings will include Green Building/Sustainable Design features for USGBC LEED certification at a Silver or higher level, including but not limited to, water and energy conservation features, addressing water run-off, enhancing indoor environmental quality by using low-gas emitting building materials, and providing daylight through much of the building. The IPT building will include Green Building/Sustainable Design features to optimize energy efficiency, including replacing and/or upgrading the mechanical, electrical, and plumbing systems, use of recycled and low-gas emitting materials, and use of alternative transportation methods.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1) and Integrated Services Delivery (Goal 3) by investing in public infrastructure that will improve access to healthcare services in the County.

FISCAL IMPACT/FINANCING

The proceeds from the one-time financial incentive payment of $133,363 for the MLK IPT and MACC Projects will be used to offset the Projects expenses. The total budget for the two Projects, including plan and specifications, construction, consultant services, permits/fees, miscellaneous expenditures, civic arts allocation, and County Services remains unchanged at $404,516,000 (Attachment A).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The SCE Owner Agreement contains terms and conditions that have been reviewed by County Counsel and are in accordance with applicable laws, safety standards, and existing governmental regulations or orders.

The indemnification language contained in the agreement differs from the County's standard indemnification language; however, the indemnification language is mutual. As such, the County and SCE agree to indemnify one another on reciprocal terms and conditions. Each party agrees to defend and indemnify the other party against claims arising out of/or in connection with the engineering, design, construction, maintenance, repair, operation, supervision, inspection, testing, protection or ownership of its own facilities, and/or due to the making of replacements, additions, betterments to, or

reconstruction of its own facilities. The indemnity obligation applies notwithstanding the active or passive negligence of the party being indemnified. However, neither party is indemnified for any loss, liability, damage, claim, charge, demand, or expense resulting from its sole negligence or willful misconduct.

ENVIRONMENTAL DOCUMENTATION

On August 18, 2009, the Board found the MLK IPT Renovation Project was categorically exempt from the California Environmental Quality Act (CEQA). The addition of the Ancillary building component was authorized on October 19, 2010, and was approved to be categorically exempt from CEQA on April 19, 2011. On October 11, 2011, the Board approved the Environmental Impact Report (EIR) and adopted the Mitigation Monitoring Program for the MLK MACC Project.

The recommended action is within the scope of the previously approved categorical exemption and previously certified EIR.

CONTRACTING PROCESS

SCE's Owner Agreement is the standard agreement developed by SCE for its Energy Efficiency Incentive Program.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended action will have no impact on current County services or other projects.

CONCLUSION

Please return one adopted copy of this Board letter to the Chief Executive Office, Capital Projects Division; the Department of Health Services, Capital Projects Division; and the Department Public Works, Project Management Division I.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:DJT
SW:TH:cvb

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Health Services
Internal Services
Public Works

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ATTACHMENT A
November 20, 2012

DEPARTMENT OF PUBLIC WORKS: MARTIN LUTHER KING, JR. MEDICAL CENTER INPATIENT TOWER RENOVATION AND MULTI-SERVICE AMBULATORY CARE CENTER PROJECTS AUTHORIZE EXECUTION OF AGREEMENT WITH SOUTHERN CALIFORNIA EDISON SPECS. 7055 AND 7056; CAPITAL PROJECT NOS. 88945 AND 70947

II. PROJECT BUDGET SUMMARY INPATIENT TOWER RENOVATION AND MAKE-READY (C.P. 88945)

Budget Category	Approved Budget
Land Acquisition	$ 0
Construction	
Design-Build Contract	$148,684,000
Job Order Contract	22,855,000
Change Orders Contingency	19,875,000
Proposer Stipends	400,000
Construction Consultants	0
Telecomm Equipment - Affixed to Building	0
Medical Equipment	0
Subtotal	$191,814,000
Programming/Development	$ 0
Plans and Specifications	
Architect/Engineer Fee	$ 15,628,000
Design Contingency	2,900,000
Subtotal	$ 18,528,000
Consultant Services	
Site Planning	$ 0
Hazardous Materials	256,000
Geotech/Soils Report and Soils Testing	351,000
Material Testing	1,015,000
Consultant Peer Review Services	425,000
Inspection Services	2,150,000
Topographic Surveys	0
Construction Management	6,240,000
Document and Project Controls	3,205,000
Labor/Outreach/Local Worker Hiring Program	535,000
Move Management (Move Manager Only)	0
Equipment Procurement	0
Consultant Contingency	878,000
Subtotal	$ 15,055,000
Miscellaneous Expenditures	$ 1,000,000
Jurisdictional Review/Plan Check/Permit	$ 3,364,000

II. PROJECT BUDGET SUMMARY INPATIENT TOWER RENOVATION AND MAKE-READY (CONT.)

Budget Category	Approved Budget
County Services	
Code Compliance Inspection	$ 450,000
Quality Control Inspection	0
Design Review	15,000
Design Services	0
Contract Administration	500,000
Project Management	240,000
Project Management Support Services	5,346,000
ISD Equipment Procurement	0
DPW Job Order Contract Management	421,000
ID ITS Communications	175,000
Project Technical Support	52,000
ISD Countywide Contract Compliance Section	215,000
County Counsel	0
Other - Contract Management - LWHP	0
Other	255,000
Subtotal	$ 7,669,000
TOTAL	**$ 237,430,000**

II. PROJECT BUDGET SUMMARY MLK MACC AND MAKE-READY (C.P. 70947)

Budget Category	Approved Budget
Land Acquisition	$ 0
Construction	
Design-Build Maximum Contract Sum	$102,700,000
Central Plant Cost (Under Hensel-Phelps)	25,166,000
Job Order Contract	3,820,000
Change Orders Contingency	2,976,000
Proposer Stipends	250,000
Builder's Risk Insurance	400,000
Telecomm Equipment - Affixed to Building	0
Civic Arts	1,000,000
Subtotal	**$136,312,000**
Equipment	
County Procured Capital Budget Medical Equipment	**$ 8,005,000**
Plans and Specifications	
Architect/Engineer Fee	$ 4,887,000
Design Contingency	150,000
Subtotal	**$ 5,037,000**
Consultant Services	
Site Planning	$ 0
Hazardous Materials	135,000
Geotech/Soils Report and Soils Testing	135,000
Material Testing	850,000
Peer Review Services	255,000
Inspection Services	210,000
Topographic Surveys	0
Construction Management	4,992,000
Document and Project Controls	1,750,000
Labor/Outreach/Local Worker Hiring Program	425,000
Environmental	743,000
Civic Arts	0
Job Order Contract Management	70,000
Move Management (Move Manager Only)	0
Equipment Planning	0
Consultant Contingency	750,000
Subtotal	**$ 10,315,000**
Miscellaneous Expenditures	**$ 210,000**
Jurisdictional Review/Plan Check/Permit	**$ 180,000**
County Services	
Code Compliance Inspection	$ 1,478,000
Quality Control Inspection	0
Design Review	51,000
Design Services	0
Contract Administration	211,000
Project Management	2,970,000
Project Management Support Services	1,560,000
ISD Equipment Procurement Management	95,000
DPW Job Order Contract Management	42,000
ISD ITS Communications	620,000
Project Technical Support	0
ISD Countywide Contract Compliance Section	0
County Counsel	0
Other - GMED	0
Other - Contract Management - LWHP	0
Subtotal	**$ 7,027,000**
TOTAL	**$167,086,000**

ATTACHMENT B
November 20, 2012

**DEPARTMENT OF PUBLIC WORKS:
MARTIN LUTHER KING, JR. MEDICAL CENTER
INPATIENT TOWER RENOVATION AND MULTI-SERVICE
AMBULATORY CARE CENTER PROJECTS
AUTHORIZE EXECUTION OF AGREEMENT WITH
SOUTHERN CALIFORNIA EDISON
SPECS. 7055 AND 7056; CAPITAL PROJECT NOS. 88945 AND 70947**

**SOUTHERN CALIFORNIA EDISON
2010-12 SAVINGS BY DESIGN FOR PARTNERSHIP PROGRAM
WHOLE BUILDING APPROACH OWNER'S AGREEMENT**

(SEE ATTACHED)

SavingsByDesign for Partnerships

Whole Building Approach
Owner's Agreement
2010-2012 Program Cycle

Owner Information

County of Los Angeles, Dept. of Health Services
Company Name

[X] Signatory Authority / Payee

313 North Figueroa St., Suite 614
Address

Los Angeles | CA | 90012
City | State | Zip

Kathy Hanks
Owner Contact

Director, Contract Admin. & Monitoring
Contact Title

213-240-7819
Phone Number | Extension | Fax Number | Extension

khanks@dhs.lacounty.gov
E-mail

95-6000927 | Exempt | LA County | LACO Partnership
Federal Tax ID or SSN | Tax Status | Exempt Reason | SCE Local Government/Statewide Partnership Name, if applicable

[ ] Same as Owner — Owner's Representative Information

County of Los Angeles, Dept. of Public Works
Representative Company Name

[ ] Signatory Authority / Payee

900 S. Fremont Ave.
Address

Alhambra | CA | 91803
City | State | Zip

Esther Diaz
Representative Contact

Sr. Construction Manager
Contact Title

310-223-6210
Phone Number | Extension | Fax Number | Extension

esdiaz@dpw.lacounty.gov
E-mail

Project Information

MLK Jr. Medical Center
Project Name – Location

5/15/2013
Estimated Completion Date

11.5%
% Performance Better than T24

12021 S. Wilmington Ave.
Project Site Address

Los Angeles | CA | 90059
City | State | Zip

Medical Facility
Building Description/Type

10 | 132,520 | 132,520 | 922190
Bldg Type | Gross FT² | Conditioned FT² | FNAICS [SCE Only]

Project Bonuses

[X] Green Certification (LEED, etc) [ ] Measurement & Verification [ ] Enhanced Commissioning

Special Measures

[ ] Parking Lot Lighting

SCE REQD

Bonus Approval Initials [SCE FDM]

Proposed Design Energy Savings Estimate

Product ID	Total kWh	Total kW	Total Therms	Calculated kWh $	Calculated kW $	Calculated Thrm $	Calculated Total $
WB-78495: Overall Building Performance	272,154.0	57.80	59,420.0	$58,513.11	$5,780.00	$59,420.00	$123,713.11
GRN: Green Building Certification							$9,649.77
Total Savings:	272,154.0	57.80	59,420.0			Total Incentive:	$133,362.88

Signature

Saad George
Name

Program Engineer, New Construction Services | 10/4/12
Title | Date

Energy Division Hold Release Date

FOR SCE USE ONLY | OA 1 of 3 | Cameron McPherson | R. Raskin | WBA | [X] | 500000369
v105.20120530 | NCS REP | ACCT REP | SBD APPROACH | PARTNERSHIP | CRM NUMBER

TERMS AND CONDITIONS:

This Agreement is entered into by Southern California Edison (hereafter referred to as "Utility") and the Owner (as indicated herein). This Agreement is a one-time offer to provide design assistance and a financial incentive to the Owner for participation in the 2010-2012 Savings By Design for Partnerships Program ("Program") pursuant to the terms and conditions outlined herein and in the Savings By Design Program Documents ("Program Documents"). The Program Documents are incorporated into this Agreement by reference and include the 1) Savings By Design brochure, and the 2) 2010-2012 Savings By Design Participant Handbook, which have been provided to the Owner. This Agreement makes reference to that certain agreement (or memorandum of understanding, as applicable) to jointly deliver the 2010-12 Energy Efficiency Partnership Program applicable to the Parties (the "Partnership Agreement"). To the extent incentive rates and/or incentive caps for Savings By Design Program for Partnerships are set forth in such Partnership Agreement, then such incentive rates and/or incentive caps shall apply to this Program; otherwise, the incentive rates and/or caps in the Program Documents shall apply.

Funding approved for this Program is limited and will be paid on a first-come, first-served basis to qualified applicants. Funds will only be reserved upon Utility's execution of this Agreement. This incentive offer is subject to the availability of authorized funds. This Agreement is valid for forty-eight (48) months from the date Utility executes this Agreement. Utility will deliver an executed copy of this Agreement to the Owner after acceptance and execution by Utility. Utility reserves the right to modify or cancel the incentive offer if the actual system(s) installed differs from the proposed installation. Utility reserves the right to modify or discontinue this Program without prior notice at its discretion, or by order of the California Public Utilities Commission ("CPUC"). Payment of the incentives shall be made to the Owner only after all program requirements are met and upon verification of installation by a Savings By Design Program Representative.

ELIGIBILITY:

* To be eligible for incentives under this Program, Owner's project must be nonresidential new construction or renovation/remodel located within SCE's service territory.
* Owner must install the energy-efficient equipment or system(s) specified in the "Proposed Design Energy Savings Estimate" section of this agreement (the "Proposed Design") which at minimum exceeds Title 24 standards or a generally-accepted industry standard for energy efficiency.
* Installation of any energy-efficient equipment required for compliance with Title 24 will not qualify for incentives under this Program.
* Energy savings, and incentives based on those savings, will be based on energy efficiency improvements beyond the minimum, currently in effect, Title 24 requirements, where applicable.
* Specific restrictions apply to each energy efficiency system, as outlined in the Program Documents.
* To be eligible for incentives under this Program, Owner agrees that they will not apply for or receive incentives offered by local or state entities or other utilities for measures covered under this Agreement.

OWNER AGREES TO:

* Install and operate the Proposed Design in accordance with applicable laws, safety standards, and existing governmental regulations or orders.
* Provide Utility with Title 24 compliance documentation plus any other documentation needed to establish the performance of systems selected. Owner agrees to provide Utility with all documentation necessary for verification of installation and performance of energy efficient systems qualifying for incentives.
* Provide manufacturer's specification sheets to Utility prior to the payment of the incentive. Also, upon request, Owner agrees to submit vendor and/or contractor invoice(s) to verify that incentive payments will not exceed 75 percent of the incremental costs associated with the purchase/installation of the energy efficient technologies.
* Accept as final authority, Utility's determination of the incentive amount.
* Allow Utility and CPUC representatives reasonable access to Owner's project site to inspect and verify installation and operation. Owner understands that said inspection and verification is not an electrical safety inspection.
* Owner shall indemnify, defend, and hold harmless Utility, its affiliates, subsidiaries, parent company, officers, directors, agents, and employees from and against all claims, losses, damages, costs, expenses, and liability arising from 1) injury to persons or property, 2) death, 3) violation of any law or regulation (including those that establish strict liability); so long as such injury, violation, or strict liability is caused by or in any way connected with Owner's performance of this Agreement. Owner shall, at Utility request, provide a defense against any claim covered by this indemnity.

* Participate in measurement and evaluation study, if selected. These studies are used to analyze current program performance and improve future program designs. Owner agrees to fully cooperate with the study team if asked to participate.
* In no instance shall Utility be liable for any incidental, special, or consequential damages as a result of this Agreement.
* Furthermore, Owner understands that Utility makes no representations and warranties as to proper installation, product endorsement, technical feasibility, operational capability, and/or reliability of equipment for which incentives are paid. Owner agrees not to make any such representations and warranties to third parties and agrees to indemnify Utility in the event said representation and warranties are made to third parties. Owner further acknowledges that any incentive paid is funded through Procurement Energy Efficiency Balancing Account (PEEBA) from California ratepayers and that said incentives are intended for the benefit of customers of California utilities.
* Owner consents to Utility's assignment of all Utility rights, duties, and obligations under this Agreement ("Duties") to the CPUC or its designee. Such assignment shall relieve Utility of all Duties arising under this Agreement. Other than such assignment by Utility, neither Party shall assign its right or delegate its duties without the prior written consent of the other Party, except in connection with the sale or merger of a substantial portion of its properties. Consent to assignment shall not be unreasonably withheld. If an assignment is requested, the Owner may be required to provide additional information if requested by Utility.
* Owner agrees that Utility will receive the energy benefit for which the Owner incentive is paid, for a period of not less than five years or the rated life of the equipment if that is less than five years. Owner agrees that if 1) Owner does not provide Utility with 100 percent of the related benefits specified in the application, for a period of five years from the receipt of the incentive, or 2) the energy benefit to Utility ceases (for example, if Owner's company stops using the equipment or no longer pays the Procurement Energy Efficiency Balancing Account (PEEBA), Owner will return to Utility the prorated portion of the Owner Incentive dollars based on the actual period of time for which Owner provided the energy benefit.

TAX LIABILITY:

Incentives may be taxable and will be reported by Utility to the IRS unless Owner qualifies under an exempt status. Utility will report the incentive as income to Owner on IRS Form 1099 unless Owner has established that they qualify for an exempt tax status as indicated on this Agreement. Owner is urged to consult a tax advisor concerning the taxability of incentives. Utility is not responsible for any taxes that may be imposed due to incentive payments.

THE UTILITY MAKES NO WARRANTY, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO ANY WARRANTIES REGARDING THE DESIGN, CONSTRUCTION, EQUIPMENT, OR INSTALLATIONS REFERRED TO HEREIN, OR THE BENEFITS TO BE DERIVED FROM THE INSTALLATION, OPERATION, AND USE OF SUCH EQUIPMENT, OR ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE OR APPLICATION. NO AGENT, EMPLOYEE, OR REPRESENTATIVE OF THE UTILITY HAS AUTHORITY TO BIND THE UTILITY TO ANY AFFIRMATION, REPRESENTATION, OR WARRANTY UNLESS EXPRESSLY MADE AND AGREED TO IN WRITING BY THE UTILITY.

By execution of this Agreement, Owner certifies that Owner meets all the program eligibility requirements and that the information supplied on this Agreement is true and correct. Owner certifies that Owner has read and understands the Program Documents and agrees to abide by Program rules and requirements set forth in the Program Documents. To be valid, this Agreement must be signed by all parties prior to December 31, 2012.

The parties below, independently certify that they are authorized on behalf of the Owner or Utility, to execute this Agreement.

In witness whereof, the parties have executed this Agreement as of the date last set forth below.

County of Los Angeles, Dept. of Health Services	**Southern California Edison**
Company	Company
Signature	Signature
Kathy Hanks	**Mark Wallenrod**
Name	Name
Director, Contract Admin. & Monitoring	**Director of Programs & Ops., CEES**
Title / Date	Title / Date

FOR SCE USE ONLY	OA 3 of 3	Cameron McPherson	R. Raskin	WBA	[X]	500000369
	v105.20120530	NCS REP	ACCT REP	SBD APPROACH	PARTNERSHIP	CRM NUMBER