



WILLIAM T FUJIOKA
Chief Executive Officer

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>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
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Fifth District

November 19, 2013

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

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS:
SAN FERNANDO HIGH SCHOOL TEEN HEALTH CENTER PROJECT
ADOPT THE MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING AND
REPORTING PROGRAM
APPROVE PROJECT BUDGET
APPROVE A JOINT POWERS AGREEMENT
AWARD A DESIGN-BUILD CONTRACT AND
APPROVE RELATED ACTIONS
SPECS. 7148; CAPITAL PROJECT NO. 77152
(THIRD DISTRICT)
(3 VOTES)**

SUBJECT

Approval of the recommended actions will adopt the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program, approve the total Project budget, approve a Joint Powers Agreement, award a design-build contract, and approve related actions for the proposed San Fernando High School Teen Health Center Project.

IT IS RECOMMENDED THAT THE BOARD:

1. Consider the Mitigated Negative Declaration for the proposed San Fernando High School Teen Health Center Project together with any comments received during the public review period; find that the Mitigated Negative Declaration reflects the independent judgment and analysis of the Board; adopt the Mitigation Monitoring and Reporting Program, finding that the Mitigation Monitoring and Reporting Program is adequately designed to ensure compliance with the mitigation measures during Project implementation; find on the basis of the whole record before the Board that there is no

substantial evidence that the Project will have a significant effect on the environment; and adopt the Mitigated Negative Declaration.

2. Approve and instruct the Chairman to sign a Joint Powers Agreement between the County of Los Angeles and Los Angeles Unified School District for the development, operation, and use of the San Fernando High School Teen Health Center.
3. Approve the Project budget in the amount of \$6,200,000 for the proposed San Fernando High School Teen Health Center Project, Capital Project No. 77152.
4. Find that the proposed San Fernando High School Teen Health Center Project is necessary to meet the social needs of the population of the County in areas of health and education pursuant to Government Code Section 26227.
5. Find that J.R. Abbott Construction, Inc., is the apparent Lowest Responsive and Responsible Bidder that submitted the most advantageous and best value proposal for design and construction of the proposed San Fernando High School Teen Health Center Project; and authorize the Director of Public Works, or her designee, to execute a design-build contract with J.R. Abbott Construction, Inc., for a contract sum of \$4,078,651 contingent upon receipt of acceptable Faithful Performance and Payment for Labor and Materials Bonds, and evidence of required contractor insurance filed by Abbott Construction, Inc.
6. Approve the implementation of a Local Worker Hiring Program (as described below) for the proposed San Fernando High School Teen Health Center Project, and find that the program furthers a legitimate governmental interest.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will adopt the Mitigated Negative Declaration (MND) and related documents, approve the total Project budget, approve the Joint Powers Agreement with Los Angeles Unified School District (LAUSD), award a design-build contract, approve the implementation of a Local Worker Hiring Program (LWHP), and approve related actions for the proposed San Fernando High School Teen Health Center Project (Project).

Background

On November 15, 2011, the Board approved the establishment of the Project using design-build construction as the Project delivery method, and authorized the Chief Executive Office (CEO) to complete the California Environmental Quality Act (CEQA) compliance, negotiate a Joint Powers Agreement with LAUSD, and plan the programming and development of the proposed Project. The proposed Project scope consists of the construction of a new 5,400 square-foot single-story school-based teen health center on a LAUSD-owned site at 11051 North O'Melveny Avenue on the corner of North O'Melveny Avenue and Chamberlain Street in the northeast San Fernando Valley area. The proposed Project will include four medical and two dental examination rooms, four counseling offices, two business offices, an equipment sterilization room, dispensary, laboratory, a nurse's station, and a conference room. This school-based teen health center will provide much needed services, including sports and comprehensive child physicals, chronic disease care (i.e., asthma management), immunizations, mental health counseling, family planning, pregnancy prevention, health counseling, case management, and referrals to specialty care services for students and their dependents from San Fernando High School, Mission Continuation School, and McAlister School.

The Northeast Valley Health Corporation will operate the teen health center under a LAUSD contract.

Joint Powers Agreement

In connection with the proposed Project, it is recommended that the Board approve a 42-year Joint Powers Agreement (JPA) between the County and LAUSD (Attachment C).

The JPA is summarized as follows:

- LAUSD shall grant a license to the County, for \$1 per year, for use of a portion of the LAUSD property located at San Fernando High School as the site of the teen health center.
- LAUSD and the County desire to use the premises for the purpose of constructing and operating an approximately 5,400 square-foot teen health center, and other improvements for provisions of healthcare to the students and their dependents.
- The County, at its sole cost and expense, shall construct and maintain the teen health center in accordance with the construction plans prepared by the County.
- LAUSD students and their dependents at the school may seek health services or treatment at the teen health center in their private, individual capacity, and students at the school shall not be required to go to or appear at the teen health center in connection with their educational programming.

Design-Build Contract Award

On October 17, 2012, a prequalification questionnaire was issued to prequalify and short-list three prospective design-build entities for the proposed Project. On November 7, 2012, completed prequalification questionnaires were received from eight design-build entities. An Evaluation Committee (Committee) comprised of staff from the Department of Public Works (Public Works) and CEO reviewed the prequalification questionnaires, and the following three design-build entities were determined to be the highest ranked: 1) J.R. Abbott Construction, Inc., Sinanian Development, Inc., and Novus Construction. These three design-build entities were requested to submit technical and cost proposals for the Project.

On June 27, 2013, technical and cost proposals were received from the three shortlisted entities. On July 15, 2013, Novus Construction was disqualified for not meeting good faith efforts to meet Community Business Enterprise participation goals specified in Section 6.33 of the RFP. The Committee scored proposals from the two qualified short-listed entities based on the criteria categories outlined in the Request for Proposal (RFP). Sinanian Development, Inc., was determined to be the most advantageous and best value proposer in accordance with provisions of the RFP. On September 16, 2013, Sinanian Development, Inc., submitted a letter requesting withdrawal of their proposal based upon a clerical error, and on September 19, 2013, the County accepted withdrawal of the proposal. Thereafter, we commenced negotiations with the second highest scoring proposer, J.R. Abbott Construction, Inc., in accordance with provisions of the RFP. A summary reflecting the Committee's scoring of the proposals is included in Attachment B.

Public Works negotiated final terms with J.R. Abbott Construction, Inc. and recommends that the Board award and authorize the Director of Public Works, or her designee, to execute the design-build contract for a not-to-exceed contract sum of \$4,078,651 to J.R. Abbott Construction, Inc.

Local Worker Hiring Program

It is recommended that a voluntary LWHP with aspirational goals for construction of the proposed Project be implemented. The proposed program includes the following key elements:

- The design-builder and its subcontractors are required to make a good-faith effort to employ qualified local workers to perform at least 30 percent of the total California craft worker hours.
- "Local residency" is defined with a two tier system: first preference will be given to qualified workers residing within the County in zip codes within a 5-mile radius of the teen health center, and second preference given to qualified workers residing within the County in any zip code having an unemployment rate in excess of 150 percent of unemployment rate for the County as a whole or a zip code containing a Bank Enterprise Area economically distressed community census tract. Thus, the contractor must first make a good faith effort to satisfy the requirement from the local area of "first preference," and failing that, the contractor must make a good faith effort to draw from areas of "second preference."
- The definition of construction labor hours excludes any work performed by workers residing in states other than California.
- The LWHP for the proposed Project does not include a "Disadvantaged Local Worker" component.

Green Building/Sustainable Design Program

Because the proposed Project is below 10,000 square feet, the proposed Project is exempt from the County's Energy and Environmental Policy. However, the proposed Project will be designed and constructed to the current Cal Green building code to optimize energy and water use efficiency, enhance the sustainability of the site, improve indoor environmental quality, and maximize the use and reuse of sustainable and local resources.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Integrated Services Delivery (Goal 3) by maximizing opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services.

FISCAL IMPACT/FINANCING

On November 15, 2011, the Board established the San Fernando High School Teen Health Center Project. At that time, we advised that we would return to the Board for approval of the final Project cost along with the recommendation to award a contract to the selected design-build contractor.

The total Project cost, including land acquisition, programming, scoping documents, construction, consultant services, plan check, miscellaneous expenditures, civic art allocation, and County services, is currently estimated at \$6,200,000. The proposed Project is funded by \$6,100,000 of Third District's Capital Project net County cost and \$100,000 of Provisional Financing Uses. Sufficient appropriation is available in the Fiscal Year 2013-14 Capital Project/Refurbishments Budget to fully fund the proposed Project. The Project Schedule and Budget Summary are included in Attachment A.

Operating Budget Impact

The Departments of Health Services and Mental Health anticipate no start-up costs and no operating costs. The facility will be operated by Northeast Valley Health Corporation, a community-based Federally qualified health center entity, under the Operating Agreement with LAUSD.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This County Project is sited on LAUSD property within the City of Los Angeles (City). The County has verified with the Los Angeles Department of City Planning that the Project is consistent with the City's planning designations. Although the County is not subject to the requirements of City plans for this specific proposed Project, it is subject to the planning designation and policies of the County. A notice consistent with Government Code Section 65402(b), concerning the proposed construction by the County was sent to the Los Angeles Department of City Planning on September 19, 2012, in order for the City to have an opportunity to comment regarding the consistency of the Project with its general plan. However, the City did not comment.

The JPA will be for a maximum initial term of 42 years from execution of the JPA (or 40 years from completion of construction, whichever is earlier), plus additional 5-year extension terms at the option of LAUSD and the County. In addition, the JPA contains early cancellation provisions that may be exercised by either party or by mutual agreement under specified circumstances and conditions.

The County is authorized to enter into JPA with other public entities pursuant to Government Code, Section 6500, et seq. The JPA and expenditure of funds for the construction of this teen health center is also authorized by Government Code, Section 26227, upon the finding of the Board that this cooperative agreement is necessary to meet the social needs of the population of the County in the area of health and education. A separate JPA for the operation of the teen health center between the County and the operator will not be required. The JPA has been approved as to form by County Counsel (Attachment C).

On June 17, 2008, the Board approved the use of design-build contracting as an alternative to the traditional design-bid-build Project delivery method of construction. The design-build construction contract will be in the form previously reviewed and approved as to form by County Counsel. The recommended contract was solicited on an open-competitive basis.

Pursuant to the Board's Civic Art Policy adopted on December 7, 2004, and revised on December 15, 2009, the Project Budget includes 1 percent of the design and construction costs to be allocated to the Civic Art Special Fund.

ENVIRONMENTAL DOCUMENTATION

An Initial Study was prepared for this proposed Project in compliance with CEQA. The Initial Study identified potentially significant effects of the proposed Project in the following areas: aesthetics, air quality, biological resources, cultural resources, hazards and hazardous materials, noise, and transportation/traffic. However, prior to the release of the proposed MND and Initial Study for public review, revisions to the Project were made or agreed to that would avoid or mitigate the effects to a point where no significant effects would occur. The following is a concise summary:

- **Biological Resources:** To mitigate potential impacts on native birds, prior to construction, biological surveys to document the presence or absence of protected bird nests will be conducted,

and construction will be postponed as necessary to avoid impacts.

- **Cultural Resources:** In the event a previously unrecorded archaeological deposit is encountered during construction, all activity shall cease in the vicinity of the find and redirected elsewhere until a qualified archaeologist/paleontologist can assess the significance of the find and implement appropriate and specified measures on the treatment of the deposits.
- If human remains are discovered, there shall be no further disturbance of the site or nearby areas suspected to overlie human remains until the Department of Coroner has been notified and has examined the remains and other specific measures implemented if the remains are determined to be Native American.
- **Geology and Soils:** Recommendations and design parameters for earthwork, foundations, pavement, and other pertinent geotechnical design considerations formulated during the geotechnical evaluation and provided in the Geoseismic/Geotechnical Study Report shall be implemented during Project design and construction.
- **Noise:** Prior to and during construction, the contractor shall implement noise attenuation measures to reduce exterior noise levels during construction to 70 dBA or less as measured at 50 feet from the active piece of equipment and shall comply with LAUSD requirements at the school site. Construction activities shall be prohibited between the hours of 7:00 p.m. and 7:00 a.m. Monday through Friday, and on weekends or holidays consistent with the Noise Control Ordinance of the Los Angeles County Code.
- The contractor shall provide advance notice of start of construction and shall coordinate with the school principal prior to construction activity in order to schedule high noise producing events to minimize impacts.

The Initial Study and Project revisions determined that there is no substantial evidence, in light of the whole record before the County, that the proposed Project as revised may have a significant effect on the environment. Based on the Initial Study and Project revisions, an MND was prepared for this proposed Project (Attachment D).

Pursuant to the requirements of Section 21092 of CEQA, a public notice was posted on- and off-site in the area where the proposed Project is located, and direct mailings of the Notice of Intent were sent to the owners and occupants of contiguous property within a 500-foot radius.

Also, in accordance with CEQA and the CEQA guidelines, a 30-day public review period for this Initial Study/MND commenced on January 25, 2013, and concluded on February 25, 2013. A meeting with the Mission Hills Neighborhood Council was held on January 7, 2013.

During the public review period, three comment letters were received from public agencies. These letters and responses to each of them are brought to the Board as part of the MND. Comment letters were received from California Office of Planning and Research – State Clearinghouse and Planning Unit, Caltrans, and the Native American Heritage Commission. Responses to the comments are included in Attachment D of the MND and were sent to these agencies pursuant to CEQA.

The location of the documents and other materials constituting the record of the proceedings upon which the Board's decision is based in this matter are filed with the County of Los Angeles Department of Public Works, Project Management Division I, 900 South Fremont Avenue, 5th Floor,

Alhambra, California 91803. The custodian of such documents and materials is the Assistant Deputy Director for Project Management Division I.

The proposed Project is not exempt from payment of a fee to the California Department of Fish and Wildlife pursuant to Section 711.4 of the Fish and Wildlife Code to defray the costs of fish and wildlife protection and management incurred by the California Department of Fish and Wildlife. Upon the Board's adoption of the MND, Public Works will file a Notice of Determination in accordance with Section 21152(a) of the California Public Resources Code and pay the required filing fee of \$2,156.25 and \$75 processing fee to the Registrar-Recorder/County Clerk.

CONTRACTING PROCESS

The RFP and evaluation process were conducted in accordance with the adopted policy for design-build delivery. Each proposal was evaluated, and Sinanian Development, Inc. was determined to be the apparent most advantageous and best value proposer. On September 16, 2013, Sinanian Development, Inc., submitted a letter requesting withdrawal of their proposal based upon a clerical error and on September 19, 2013, the County accepted withdrawal of the proposal. Thereafter, we commenced negotiations with the second highest scoring proposer, J.R. Abbott Construction, Inc., in accordance with provisions of the RFP.

On October 17, 2012, Public Works issued the RFP. The RFP was advertised on the County's "Doing Business with Us" and Public Works "Contract Opportunities" websites. 38 firms downloaded the RFP from either the Internal Services Department or Public Works' website. Eight firms responded to the RFP and all responding firms passed the minimum Part A Prequalification Questionnaire pass/fail requirements. The RFP stated that the three top-ranked prequalified firms would be shortlisted. The Committee composed of staff from Public Works Project Management Division I and II and the CEO evaluated the proposals. The shortlisted prequalified firms consisting of J.R. Abbott Construction, Inc., Novus Construction, and Sinanian Development, Inc. were all invited to submit technical and cost proposals.

On June 27, 2013, three design-build entities submitted a final proposal consisting of a technical submittal and a price proposal. The Committee scored and ranked each proposal based on the requirements and scoring criteria outlined in the RFP. The Committee ranked the proposals based on scoring in seven criteria categories, five of which are specified in the enabling legislation: technical design and construction expertise, life cycle cost analysis, skilled labor force availability, safety record, price, design-build team personnel and organization, and delivery plan. On July 15, 2013, one of the proposers, Novus Construction was disqualified for not meeting good faith efforts to meet Community Business Enterprise participation goals specified in Section 6.33 of the RFP. The two responsive proposals were ranked in order from the highest averaged score to the lowest averaged score.

Sinianian Development, Inc. received the highest averaged score of 832.67 and was determined to be the apparent most advantageous and best value proposer by the Committee in accordance with provisions of the RFP. On September 16, 2013, Sinanian Development, Inc., submitted a letter requesting withdrawal of their proposal based upon a clerical error. The errors identified in the letter were evaluated by Public Works, in consultation with County Counsel, and the withdrawal was accepted. On September 19, 2013, Sinanian Development, Inc., was released from its obligation and we commenced negotiations with the second ranked proposer, J.R. Abbott Construction, Inc., in accordance with provisions of the RFP. The County is not materially damaged by Sinanian Development, Inc.'s withdrawal insofar as J.R. Abbott Construction, Inc.'s proposal is \$1,349 less

than Sinanian Development, Inc.'s cost proposal.

The original highest ranked qualifying proposer, Sinanian Development, Inc., withdrew their proposal, therefore, they have forfeited their entitlement to receive a stipend. The third proposer was disqualified and, in accordance with the RFP criteria, they are not entitled to the stipend.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will have no impact on current County services or Projects.

CONCLUSION

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a long horizontal line extending to the right.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SHK:DJT
SW:CV:rp

Enclosures

- c: Executive Office, Board of Supervisors
- County Counsel
- Arts Commission
- Health Services
- Internal Services
- Mental Health
- Public Works

ATTACHMENT A

**DEPARTMENT OF PUBLIC WORKS:
 SAN FERNANDO HIGH SCHOOL TEEN HEALTH CENTER PROJECT
 ADOPT THE MITIGATED NEGATIVE DECLARATION AND MITIGATION
 MONITORING AND REPORTING PROGRAM;
 APPROVE PROJECT BUDGET;
 APPROVE A JOINT POWERS AGREEMENT;
 AWARD A DESIGN-BUILD CONTRACT; AND
 APPROVE RELATED ACTIONS
 SPECS. 7148; CAPITAL PROJECT NO. 77152**

I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date
Prequalify Design-Build Firms	03/20/13*
Receive Prequalified Design-Build Firms Proposals	06/27/13*
Determination of Successful Design-Build Firm	08/26/13
Board Approval	11/12/13
Notice To Proceed to Design-Builder	11/19/13
Construction Documents/Jurisdictional Approvals	By Design-Builder
Construction Start	By Design-Builder
Construction Substantial Completion	01/01/15
Project Acceptance	05/01/15

* Actual completion date.

II. PROJECT BUDGET SUMMARY

Project Activity	Proposed Project Budget
Land Acquisition	\$ 0
Construction	
Design-Build Contract	\$4,078,651
Design Completion Allowance	0
Job Order Contract	0
Change Orders	448,565
Departmental Crafts	0
Youth Employment	0
Construction Consultants	0
Miscellaneous. Expense	0
Telecomm Equip--Affixed to Building	0
Civic Art Fee	41,305
Other: Utility Connections	45,000
Subtotal	<u>\$4,613,521</u>
Programming/Development	\$ 51,850
Plans and Specifications	\$ 0
Consultant Services	
Site Planning	\$ 63,895
Hazardous Materials	50,000
Geotech/Soils Report, Soils Testing, and Inspection Material Testing	35,000
Material Testing	45,000
Cost Estimating	0
Topographic Surveys	0
Construction Management	0
Construction Administration	0
Environmental (MND/EIR)	52,000
Move Management	0
Equipment Planning	0
Legal: Claims Avoidance	10,000
Other: Mitigation Measures Monitoring	35,000
Subtotal	<u>\$ 290,895</u>
Miscellaneous Expenditures	\$ 10,000
Jurisdictional Review/Plan Check/Permit (Building and Safety)	
County Plan Review	\$ 66,500
DSA Plan Review	28,000
Subtotal	<u>\$ 94,500</u>
County Services	
Code Compliance Inspection Only - DSA	\$ 117,000
Quality Control Inspection (including Code Compliance)	117,000
Design Review	17,260
Design Services	209,222
Contract Administration	131,327
Project Management	485,651
Project Management Support Services	2,600
ISD Job Order Contract Management	0
DPW Job Order Contract Management	0
ISD ITS Communications	0
Project Security	0
Project Technical Support	39,174
ISD Countywide Contract Compliance Section	20,000
County Counsel	0
Subtotal	<u>\$1,139,234</u>
TOTAL	<u>\$6,200,000</u>

November 19, 2013

ATTACHMENT B

**DEPARTMENT OF PUBLIC WORKS:
SAN FERNANDO HIGH SCHOOL TEEN HEALTH CENTER PROJECT
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Proposer	Best Value Average Score (Max. Score = 1,000)	Base Price Proposal
J.R. Abbott Construction, Inc.	825	\$4,115,651
Sinanian Development, Inc.	832.67	\$4,117,000/withdrawn

SPECS. 7148; CAPITAL PROJECT NO. 77152

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ATTACHMENT C

**DEPARTMENT OF PUBLIC WORKS:
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**JOINT POWERS AGREEMENT
(SEE ATTACHED)**

November 19, 2013

ATTACHMENT D

**DEPARTMENT OF PUBLIC WORKS:
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**MITIGATED NEGATIVE DECLARATION
(TO BE PROVIDED IN CD)**