



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
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WILLIAM T FUJIOKA
Chief Executive Officer

September 21, 2010

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:
HARBOR-UCLA MEDICAL CENTER
SURGERY/EMERGENCY REPLACEMENT PROJECT
AUTHORIZE ACQUISITION OF MEDICAL EQUIPMENT
SPECS. 6550; CAPITAL PROJECT 69220
(SECOND DISTRICT) (3 VOTES)**

SUBJECT

Delegation of authority to the Internal Services Department to purchase the medical equipment and related installation services in support of the Harbor-UCLA Medical Center Surgery/Emergency Replacement Project.

IT IS RECOMMENDED THAT YOUR BOARD:

Delegate to the Internal Services Department the authority to procure fixed medical equipment and related installation services, within the Board-approved equipment budget of \$34,862,000 in support of the Harbor-UCLA Medical Center Surgery/Emergency Replacement Project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended action will authorize the procurement of fixed medical equipment in support of the Surgery/Emergency (S/E) Replacement Project. Fixed medical equipment that includes approximately 164 equipment items is integral to the building and its design. These items will be installed during construction of the building to allow the contractor to complete its work without interruption and obtain certificates of occupancy from appropriate regulatory agencies.

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only*

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

27 SEPTEMBER 21, 2010

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

Approval of the recommended actions will allow Internal Services Department (ISD), in its capacity as the County's Purchasing Agent, to issue purchase orders for the acquisition and installation of the fixed medical equipment for this project. The acquisition of the equipment falls under the statutory authority of the County's purchasing agent. However, because of the specialized nature of the fixed medical equipment installation, the service component associated with the labor installation costs may exceed the authority of the purchasing agent. We are requesting that your Board delegate authority to the County's purchasing agent to issue purchase orders in which the labor cost for installation of purchased equipment exceeds \$100,000. The acquisition of services under statutory authority of the County's purchasing agent is limited to \$100,000. Therefore, your Board's approval is required for the purchasing agent to proceed with this aspect of the acquisition.

The fixed medical equipment is funded entirely within the budget approved by your Board on September 8, 2009. The Board policy requires departments to obtain Board approval prior to the ISD soliciting proposals or bids for the purchase of equipment if the unit cost of a piece of equipment exceeds \$250,000. We estimate that seven pieces of medical equipment for the S/E Replacement Project will exceed the \$250,000 unit cost limit as identified on Attachment B. In order to begin this process, we are requesting that your Board authorize ISD to solicit proposals and issue purchase orders for these items once the proposals are received and validated to be within the overall amount budgeted for fixed medical equipment.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1) by promoting best practices for patient care and Children, Family, and Adult Well-Being (Goal 2) by investing in public health infrastructure.

FISCAL IMPACT/FINANCING

On September 9, 2008, your Board approved a total project budget of \$322,600,000. Within this approved budget, \$34,862,000 was included for the purchase and installation of fixed medical equipment. The Project Schedule and Budget Summary are included in Attachment A.

The budget and listing for the nonfixed medical equipment, furnishings, and furniture is being developed for the project and will be managed and funded by the Department of Health Services (Health Services).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under a management plan for procurement of medical equipment, developed by ISD, Chief Executive Office (CEO), Health Services, and the Department of Public Works (Public Works), each department will perform specific roles to ensure an integrated and coordinated procurement, as follows:

Public Works will:

- Prepare the performance specifications for the equipment in collaboration with Health Services to ensure the specified equipment complies with the Board-approved medical program and is coordinated with the building construction;
- Review in cooperation with Health Services, the proposals received to ensure conformance with the performance specifications; and
- Coordinate the selected vendor to obtain shop drawings and ensure delivery of the equipment in coordination with the construction of each project.

CEO will:

- Review each request for proposals/invitation for bids prior to ISD releasing the request for proposals/invitation for bids to provide appropriate financing terms and conditions in the solicitation;
- Approve all purchase orders upon selection of the vendor to ensure that the purchase order is within the allocated budget for the project; and
- Monitor and manage the overall medical equipment budget.

ISD will:

- Prepare each request for proposals/invitation for bids;
- Ensure that each procurement is conducted in accordance with County policies and procedures;
- Manage the overall review of proposals and selections of vendors; and
- Issue final purchase orders. Supplemental purchase orders determined to be required to resolve coordination issues between the selected vendors and the construction contractors, as requested by Public Works, will be reviewed and approved by the CEO and ISD.

Health Services will:

- Work with Public Works and ISD in the preparation of the performance specifications;
- Work with ISD in the review and selection of the vendors;
- Assist Public Works in the coordination of the receipt of equipment; and
- Coordinate with Public Works and contractors to tag all equipment in accordance with Auditor-Controller guidelines.

Throughout the procurement process, ISD, CEO, and Public Works will provide your Board with periodic reports on completed purchases for the project.

As requested by your Board on August 12, 1997, and as a threshold requirement for consideration for award of agreements, the solicitations will require vendors to attest their willingness to consider Greater Avenues for Independence/General Relief Opportunity for Work participants for future employment. In addition, vendors must be in full compliance with Los Angeles County Code Chapter 2.200 (Child Support Compliance Program), Chapter 2.203 (Contractor Employee Jury Service Program), and Safely Surrendered Baby Law.

ENVIRONMENTAL DOCUMENTATION

On March 30, 2006, your Board approved the Mitigated Negative Declaration (MND) for the S/E Replacement Project. The proposed purchase of equipment is within the scope of the project considered in the approved MND.

CONTRACTING PROCESS

ISD, working in cooperation with CEO, Public Works, and Health Services, will solicit and purchase the required equipment in accordance with standard County purchasing policies and procedures.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The existing hospital and all patient care services will remain operational throughout the entire construction period. The project specifications require contractors and vendors to comply with specific construction/supply constraints and to coordinate their work to maintain the required level of patient care services.

CONCLUSION

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

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:GF:SK
DJT:SW:zu

Attachments (2)

- c: Executive Office, Board of Supervisors
- County Counsel
- Health Services
- Internal Services Department
- Office of Affirmative Action Compliance
- Public Works

ATTACHMENT A

**DEPARTMENT OF PUBLIC WORKS:
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I. PROJECT SCHEDULE

Project Activity	Board-Approved Schedule Completion Date
Environmental Documents Amendment to MND	04/11/06* 03/30/10
<u>Make-Ready</u> Jurisdictional Approvals Construction Award Construction Start Substantial Completion	06/12/06* 10/18/06* 10/19/06* 05/31/10
<u>Surgery/Emergency Building</u> Contract Award Jurisdictional Approvals Construction Start Substantial Completion Parking Structure Jurisdictional Approvals Parking Structure Construction Start Parking Structure Substantial Completion	09/08/09* 12/26/11 11/24/09* 07/24/13 04/26/10 04/26/10 12/24/10
<u>Backfill</u> Jurisdictional Approvals Construction Award Construction Start Substantial Completion	TBD TBD TBD TBD

* Indicates actual date.

II. PROJECT BUDGET SUMMARY

Project Activity	Approved Project Budget
Land Acquisition	\$ 0
Construction	
Low Bid Construction Contract	2,321,654
Design-Build Contract	
S/E Building & Site	161,140,000
Option for Parking Structure	9,717,000
Job Order Contract	16,852,000
Purchase Order Contract	3,500,000
Southern California Edison Contract	285,000
Change Orders Total	18,320,346
Departmental Crafts	0
Youth Employment	0
Construction Consultants	0
Misc. Expense	
Design-Build Stipends	250,000
SidePlate License	107,000
Builder's Risk Insurance	2,000,000
Other	93,000
Telecomm Equip – Affixed to Building	2,100,000
Medical Equipment	32,762,000
Project Contingency	5,634,000
Civic Arts	0
Subtotal	<u>\$255,082,000</u>
Programming/Development	\$ 0
Plans and Specs	\$ 9,553,650
Consultant Services	
Site Planning	\$ 0
Hazardous Materials	490,000
Geotech/Soils Report and Soils Testing	1,006,000
Material Testing	3,960,000
Cost Estimating (gkkworks)	560,845
Topographic Surveys	190,000
Construction Management (gkkworks)	20,139,834
Peer Review (gkkworks)	1,801,074
Design Management (gkkworks)	1,012,981
Environmental	600,000
Move Management	267,000
Equipment Planning	975,000
Legal	1,971,000
Construction/Change Order	0
Other: Document Management	2,637,000
Other: Commissioning	823,266
Subtotal	<u>\$ 36,434,000</u>

II. PROJECT BUDGET SUMMARY (CONT.)

Project Activity	Approved Project Budget
Miscellaneous Expenditures	\$ 262,000
Jurisdictional Review/Plan Check/Permit	\$ 3,970,000
County Services	
Code Compliance Inspection	\$ 3,305,175
Quality Control Inspection	2,857,525
Design Review	150,000
Design Services	100,000
Contract Administration	554,015
Project Management	7,169,958
Project Management Support Services	509,000
ISD Job Order Contract Management	402,000
DPW Job Order Contract Management	673,000
ISD ITS Communications	500,000
Project Security	0
Project Technical Support	581,268
Office of Affirmative Action	346,409
County Counsel	0
Regional Planning	15,000
Other: DPW Materials & Testing	10,000
Other: DPW Land Development	50,000
Other: DPW Traffic & Lighting	45,000
Other: DPW Design Division	10,000
Other: DPW Construction Division	10,000
Other: DPW Flood Maintenance Division	10,000
Subtotal	\$ 17,298,350
TOTAL	\$ 322,600,000

September 21, 2010

ATTACHMENT B

**DEPARTMENT OF PUBLIC WORKS:
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MEDICAL EQUIPMENT ITEMS WITH UNIT COST OF MORE THAN \$250,000				
Group 1				
Item No.	Description	Unit Cost	Quantity	Total Cost
782	Endovascular Radiology Unit	\$1,209,107	1	\$1,209,107
2206	Fixed CT Scanner	\$ 739,592	2	\$1,479,184
3803	Digital Radiology Unit	\$ 646,278	2	\$1,292,556
			Total Group 1 = \$3,980,847	
Group 2				
Item No.	Description	Unit Cost	Quantity	Total Cost
666	Low Temperature Sterilizer	\$ 263,951	1	\$ 263,951
2058	Mobile C-Arm Radiology Unit	\$ 325,496	9	\$2,929,464
8556	Frameless, Sterotaxis Neurosurgical Navigation System	\$ 437,939	1	\$ 437,939
8562	Portable CT Scanner	\$ 470,000	1	\$ 470,000
			Total Group 2 = \$4,101,354	
			Total Group 1 and 2 = \$8,082,201	
Note: Medical equipment budget = \$32,762,000. The items listed above represent approximately 24.7 percent of the medical equipment budget.				