



MARK PESTRELLA, Director

**COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS**

"To Enrich Lives Through Effective and Caring Service"

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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

December 08, 2020

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

41 December 8, 2020

CELIA ZAVALA
EXECUTIVE OFFICER

Dear Supervisors:

**CONSTRUCTION CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
LAC+USC MEDICAL CENTER
RESTORATIVE CARE VILLAGE PROJECTS
RECUPERATIVE CARE CENTER AND
RESIDENTIAL TREATMENT PROGRAMS
APPROVAL OF CONSTRUCTION CHANGE ORDERS
SPECS. 7549; CAPITAL PROJECT NOS. 69863 AND 67976
SPECS. 7552; CAPITAL PROJECT NO. 69870
(SUPERVISORIAL DISTRICT 1)
(4 VOTES)**

SUBJECT

Public Works is seeking Board approval to execute construction change orders with CannonDesign Builders, Inc., for the LAC+USC Medical Center Restorative Care Village that includes the Recuperative Care Center and Residential Treatment Program Projects.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the recommended actions are within the scope of the project impacts analyzed in the previously certified Final Environmental Impact Report and addendum for the LAC+USC Medical Center Master Plan Project.

2. Approve and authorize the Director of Public Works or his designee, to execute a construction change order with CannonDesign Builders, Inc., to provide for a backstop retaining wall – soldier beams system for the LAC+USC Medical Center Recuperative Care Center and Residential Treatment Programs projects for a not-to-exceed amount of \$521,387.
3. Approve and authorize the Director of Public Works or his designee, to execute a construction change order with CannonDesign Builders, Inc., to provide for the demolitions of high-voltage and telecommunication duct banks, and the installation of new telecommunication conduits for the Recuperative Care Center and Residential Treatment Programs Projects for a not-to-exceed amount of \$617,731.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will find they are within the scope of the previously certified Final Environmental Impact Report and Addendum for the LAC+USC Medical Center Master Plan and approve and authorize the Director of Public Works to execute change orders with CannonDesign Builders, Inc., for the LAC+USC Medical Center Restorative Care Village Recuperative Care Center (RCC) and Residential Treatment Programs (RTP) Projects.

Background

On November 12, 2019, the Board approved the LAC+USC Recuperative Care Village RCC and RTP Projects, approved their corresponding project budgets, and awarded a contract to CannonDesign Builders Inc. to construct the project. The RCC and RTP are being built on a shared location of approximately 2 acres on the northeast side of the campus.

Make-ready work for the projects, which included the MRI building, utility concrete shack and parking lot demolitions, rough grading, and utility preparation work was completed on May 12, 2020.

The design-build contract work is now underway including groundwork activities and design completion. In the course of the work thus far, unforeseen conditions have been encountered that require change orders in amounts beyond delegated authority limits, to pursue the project work.

Change Orders Summary

State Street is adjacent to the project site and contains a significant grade incline. During the preparation of the scoping documents, an analysis of the retaining wall supporting the hillside adjacent to State Street was completed and it was determined that it would need to be replaced or reinforced due to the age and integrity of the wall. After further review, Public Works recommended a cost-effective solution to build a new wall in front of the existing wall to provide the necessary support should the existing retaining wall fail. The design for the new wall has been finalized and will be constructed by the Design-Build team. This work will be performed concurrently with the pile foundation for RTP – Building D, due to the complexity of the work and potential cost savings to conduct the work together. The total cost of the work to provide the hillside retaining wall has been negotiated for a not-to-exceed cost of \$521,387. The cost will be prorated between the RCC (\$234,624) and RTP (\$286,763) Projects. Public Works has determined it is a fair and reasonable cost for this additional work.

As part of new code requirements by the County Fire Department, separate points of connection for

each building are needed to accommodate the new RCV buildings and any future connections. Therefore, demolition and disposal of approximately 400 linear feet of abandoned underground high voltage duct banks and existing telecommunication conduits are required to provide separate Fire Department connections to each building and facilitate installation of additional water lines and reconfiguration of utility infrastructure. Additionally, new telecommunication conduits will be required to replace the removed telecommunication conduits that will service this project and provide a point of connection for future expansion. The total cost of the work to provide for the demolition of high voltage and telecommunication duct banks and the installation of new telecommunication conduits has been negotiated for a not-to-exceed cost of \$617,731. The cost will be prorated between RCC (\$277,979) and RTP (\$339,752). Public Works has determined it is a fair and reasonable cost for this additional work apportioned to the contractor.

The design and construction of the proposed changes in work will add an additional 67 calendar days to the construction schedule originally approved for this project. CannonDesign Builders submitted a time impact analysis quantifying the time extension evaluation, which incorporated mitigation measures to reduce the projected impact from 87 days to 67 days. Public Works has concluded it is a fair and reasonable time extension to the original contract schedule.

Also, the original project schedule will be rectified to reflect an anticipated contract time of 443 calendar days instead of the 400 calendar days depicted on the executed contract documents with CannonDesign. During the request for proposal process, Notice to Proposers C was issued on June 27, 2019, with the corrected project schedule duration but was inadvertently excluded in the final contract documents.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: Strategy II.2, Support the Wellness of our Communities; Strategy III.3, and Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability, and Objective III.3.2, Manage and Maximize County Assets. The recommended actions help to achieve these goals by using existing buildings or land that will provide centralized services for comprehensive and seamless healthcare services to the residents of the County seeking healthcare assistance.

FISCAL IMPACT/FINANCING

The total cost of the two change orders is for a combined total not-to-exceed amount of \$1,139,118. Upon the Board's approval of the proposed two change orders of \$521,387 and \$617,731, not-to-exceed amounts, the total change orders for the RCC and RTP Projects, will increase to \$610,319 and \$745,945, which is 69.8 percent and 41.2 percent, respectively, of the total change order contingency and 2.04 percent of the original contract amount of \$55,750,000. Funds for these changes will be reallocated from the design contingency allowance and change order contingency included in the project budget.

The LAC+USC RCC is funded by Health Services' operating budget in the amount of \$24,145,000 and the RTP is funded by the Department of Mental Health State 2011 Realignment revenue in the amount of \$34,316,000 and SB 82 Grant from California Health Facilities Financing Authority in the amount of \$10,000,000, for a total of \$44,316,000. Sufficient funds are available within the previously Board-approved total project budgets to fund the recommended actions (Enclosure).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The construction contract previously executed with CannonDesign contains terms and conditions supporting the Board's ordinances, policies, and programs.

Section 20137 of the Public Contract Code allows the Board, with a four-fifth vote, to authorize an individual change order to a construction contract that is 10 percent or less of the original contract amount without having to obtain bids for the work. The four separate change orders hereunder are well within the statutory threshold and combined to form 2.04 percent of the original design build contract amount of \$55,750,000.

ENVIRONMENTAL DOCUMENTATION

On November 18, 2014, the Board, acting as the lead agency, under the California Environmental Quality Act (CEQA) certified the Environmental Impact Report (EIR) for the LAC+USC Medical Center Campus Master Plan Project for LAC+USC Medical Center and adopted Findings of Fact and Statement of Overriding Consideration as well as a Mitigation Monitoring and Reporting Program for the project. An Addendum to the certified EIR was subsequently certified by the Board on December 2017 to include the addition of the RCC and RTP projects within the Master Plan. The RCC and RTP, as components of the Restorative Care Village projects, are part of the Master Plan and included at a project level of analysis in the EIR for Tier I.

The recommended actions are within scope of the previously certified EIR and the Addendum. There have been no changes to the project or to the circumstances under which will be undertaken that require further documentation or findings under CEQA, including preparation of a subsequent or supplemental EIR under Sections 15162 or 15163 of the State CEQA Guidelines.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Determination with the County Clerk in accordance with Section 21152 of the Public Resources Code.

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 is Los Angeles County Public Works, Project Management I, 900 South Fremont Avenue, Alhambra, CA 91803. The custodian of such documents and materials is Project Management Division I, Los Angeles County Public Works.

CONTRACTING PROCESS

The contract provides that the contractor be compensated for work resulting from a change to the original plans and specifications or changed conditions encountered during the course of construction.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will have little or no impact on current services at the existing LAC+USC Medical Center Campus. Patient care services will remain fully operational during

construction.

CONCLUSION

Please return one adopted copy of this Board letter to Public Works, Project Management Division I.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark Pestrella". The signature is fluid and cursive, with the first name "Mark" written in a larger, more prominent script than the last name "Pestrella".

MARK PESTRELLA

Director

MP:AKM:mae

Enclosures

c: c: Auditor-Controller
Arts and Culture
Chief Executive Office (Capital Programs
Division)
County Counsel
Executive Office
Department of Health Services
Department of Mental Health (Capital Project
Division)
Internal Services Department
(GAIN/GROW Program)

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I. PROJECT SCHEDULE SUMMARY - RCC

Project Activity	Original Scheduled Completion Date	Revised Scheduled Completion Date
Contract Award	11/12/2019*	11/12/2019*
Construction Start	4/30/2020*	6/29/2020*
Substantial Completion	2/12/2021	6/2/2021
Project Acceptance	5/12/2021	7/18/2021

*Completed Activity

II. PROJECT BUDGET SUMMARY - RCC

Project Activity	Board-Approved Budget	Impact of this Action	Proposed Project Budget
Hard Costs			
Construction (Design-Build)	\$18,617,000	\$610,319	\$19,227,319
Contingency	\$ 2,816,000	(\$610,319)	\$ 2,205,681
Construction Subtotal	\$21,433,000	\$ 0	\$21,433,000
Civic Art	\$ 190,000	\$ 0	\$ 190,00
Equipment	\$ 60,000	\$ 0	\$ 60,000
Hard Costs Subtotal	\$21,683,000	\$ 0	\$21,683,000
Soft Costs			
Plans and Specifications	\$ 299,000	\$ 0	\$ 299,000
Consultant Services	\$ 305,000	\$ 0	\$ 305,00
Miscellaneous Expenditure	\$ 117,000	\$ 0	\$ 117,000
Jurisdictional Review, Plan Check and Permit	\$ 470,000	\$ 0	\$ 470,000
County Services	\$1,271,000*	\$ 0	\$ 1,271,000*
Soft Costs Subtotal	\$ 2,462,000	\$ 0	\$ 2,462,000
Total	\$24,145,000	\$ 0	\$ 24,145,000

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II. PROJECT SCHEDULE SUMMARY - RTP

Project Activity	Original Scheduled Completion Date	Revised Scheduled Completion Date
Contract Award	11/12/2019*	11/12/2019*
Construction Start	4/30/2020*	6/29/2020*
Substantial Completion	2/12/2021	6/2/2021
Project Acceptance	5/12/2021	7/18/2021

*Completed Activity

II. PROJECT BUDGET SUMMARY - RTP

Project Activity	Board-Approved Budget	Impact of this Action	Proposed Project Budget
Hard Costs			
Construction (Design-Build)	\$37,133,000	\$745,945	\$ 37,878,945
Contingency	\$ 3,908,000	(\$745,945)	\$ 3,162,055
Construction Subtotal	\$41,041,000	\$ 0	\$ 41,041,000
Civic Art	\$ 375,000	\$ 0	\$ 375,000
Equipment	\$ 60,000	\$ 0	\$ 60,000
Hard Cost Subtotal	\$41,476,000	\$ 0	\$ 41,476,000
Soft Costs			
Plans and Specifications	\$ 364,000	\$ 0	\$ 364,000
Consultant Services	\$ 305,000	\$ 0	\$ 305,00
Miscellaneous Expenditure	\$ 150,000	\$ 0	\$ 150,000
Jurisdictional Review, Plan Check and Permit	\$ 565,000	\$ 0	\$ 565,00
County Services	\$ 1,456,000	\$ 0	\$ 1,456,000
Soft Costs Subtotal	\$ 2,840,00	\$ 0	\$ 2,840,00
Total	\$44,316,000	\$ 0	\$44,316,000