

REVISED MOTION BY SUPERVISORS KATHRYN BARGER
AND LINDSEY P. HORVATH

AUGUST 8, 2023

**AWARD A DESIGN-BUILD CONTRACT FOR THE NORTH HOLLYWOOD
HEALTH CENTER**

On February 15, 2022, the Los Angeles County Board of Supervisors (Board) established the North Hollywood Health Center (NHHC) Project (previously known as the North Hollywood Integrated Care Center), Capital Project Nos. 69988 and 69989, approved make ready work for the Project and directed the Chief Executive Office (CEO) to explore funding opportunities to complete the Project and return to the Board to seek approval to award a Design-Build (D-B) contract.

To meet these directives, the CEO, Public Works, and the Departments of Health Services (DHS), Public Health (DPH), and Mental Health (DMH) have worked to finalize the scope of the Project and identify funding sources to carry out the work. The CEO identified the American Rescue Plan Act Coronavirus Local Fiscal Recovery Funds to cover Project costs, and Public Works completed a D-B solicitation for the Project.

The proposed NHHC will be located at 5300 West Tujunga Boulevard in the City of Los Angeles neighborhood of North Hollywood. The site is currently occupied by a single-story building serving as a DPH clinic. The Project will demolish the existing building and replace it with a new, approximately 50,000-square-foot three-story building with an adjacent parking structure from which DHS, DPH, and DMH will provide medical, mental health, and wellness services to the community. The Project will include examination rooms, phlebotomy stations, patient registration, and staff break rooms that will be shared among different departments to maximize building efficiency. The NHHC will also include a large community conference room with a demonstration kitchen, outdoor community gardens, wellness center, pharmacy, medical legal department, group rooms, exam/interview rooms, and a laboratory.

The vision of the new health care center focuses on an integrated care model where patients can access services across the healthcare spectrum at a single location, including medical, mental health, and overall well-being services. This service concept centers around the patients from primary to urgent care. It will also be a place where communities can come together for peer support or learning new skills relative to maintaining healthy lifestyles.

-MORE-

MOTION

SOLIS

MITCHELL

HORVATH

BARGER

HAHN

CONTRACTING PROCESS

Public Works utilized a Board-approved, On-Call Architect/Engineer Agreement to complete the initial feasibility study for the Project and the scoping documents for the D-B solicitation.

The NHHHC Project will be delivered using the D-B delivery method. Public Works conducted the D-B procurement in accordance with the D-B policy adopted by the Board on June 4, 2016, and pursuant to the requirements of the Public Contract Code Section 22164.

On March 16, 2022, Public Works issued a Request for Proposals for D-B services for the NHHHC Project. This contract opportunity was listed in the County's "Doing Business with the County" and "Do Business with Public Works Contract Opportunities" websites and in the *Los Angeles Daily Journal*, *Los Angeles Sentinel*, *La Opinión*, *Press Telegram*, *Santa Monica Daily Press*, *Daily Breeze*, *The Signal*, *San Gabriel Valley Tribune*, *World Journal*, and *Pasadena Star News* newspapers. Also, Public Works informed 1,644 local small business enterprises; 189 disabled veteran-owned business enterprises; and 188 social enterprises about this business opportunity. A total of five firms submitted Prequalification Questionnaires in response to the Request for Proposals.

The Prequalification Questionnaires were reviewed by an Evaluation Committee consisting of representatives from the CEO, Public Works, DHS, DPH, and DMH. Based on the review and evaluation, three firms were prequalified, shortlisted, and invited to submit Technical and Cost Proposals.

On February 16, 2023, the three firms submitted Technical and Cost Proposals for evaluation. The proposals were evaluated by a panel of representatives from the CEO, Public Works, DHS, DPH, and DMH based on technical design, construction expertise, proposed delivery plans, price, life cycle costs, skilled labor force availability, acceptable safety record, and D-B team personnel and organization. Swinerton Builders was found to have submitted the highest ranked and best value proposal to perform the D-B services in accordance with the evaluation criteria stated in the Request for Proposals. These evaluations were completed without regard to race, creed, color, or gender. Swinerton Builders' Community Business Enterprises participation data and three-year contracting history with the County are on file with Public Works.

Public Works proposes to carry out make-ready work consisting of the demolition of the existing building and structures, terminating utility lines to establish clean points of connection for the selected D-B, and using a Board-approved Job Order Contract.

-MORE-

DESIGN-BUILD CONTRACT AND DESIGN COMPLETION ALLOWANCE

The maximum not-to-exceed D-B contract sum is \$74,900,214 and includes a design completion allowance of \$1,900,000. The design completion allowance is intended to facilitate changes required by jurisdictional agencies and other unanticipated design issues. The inclusion of the design completion allowance will facilitate the design decision process and minimize potential delays that could occur with design issues.

FISCAL IMPACT/FINANCING

The Project budget is currently estimated at \$92,975,000, including design, construction, change orders, consultant services, miscellaneous expenditures, and County services.

On July 27, 2021, and September 13, 2022, the Board of Supervisors approved spending plans for the County's allocation of the American Rescue Plan Act Coronavirus Local Fiscal Recovery Funds, which included \$365,000,000 in funding for Capital Programs. Of the \$365,000,000 the American Rescue Plan Act enabled allocation for Capital Programs, \$89,300,000 will support the NHHHC. Additionally, \$3,675,000 will be transferred from Capital Project No. 87426 Various Public Health Center Project to Capital Project No. 69989 NHHHC to fully fund the NHHHC Project.

Additional costs for furniture, fixtures, and equipment are currently estimated at \$2,200,000 (\$704,000 for DHS; \$1,078,000 for DPH; and \$418,000 for DMH). DHS and DMH will fund their furniture, fixtures, and equipment costs with existing budgetary resources from their respective departments' operating budgets, while DPH will be utilizing net County cost. Furthermore, net County Cost will also be utilized for DPH's temporary lease space to continue providing clinical services in the North Hollywood area until construction of the new building is completed. The cost of the temporary lease space is \$2,622,000. The Project budget and schedule summary, as well as the appropriation adjustment are included in Enclosure A and B, respectively.

OPERATIONAL COSTS

Following completion of the Project, DHS, DPH, and DMH will fund the associated maintenance and operational costs with existing budgetary resources from their respective operating budgets. It is anticipated that each department will fund their share of the Project based on their specific allocation of space planned within the facility. Based on the current program, space allocation and percentage of costs among departments of DHS, DPH, and DMH are 32 percent, 49 percent, and 19 percent, respectively.

-MORE-

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The D-B contract with Swinnerton Builders contains terms and conditions supporting the Board's ordinances and policies including, but not limited to, County Code Chapter 2.160, Lobbyist Ordinance; County Chapter Code 2.200, Child Support Compliance Program; County Chapter Code 2.202, Contractor Responsibility and Debarment; County Chapter Code 2.203, Contractor Employee Jury Service Program; County Chapter Code 2.204, Local Business Enterprise Preference Program; County Chapter Code 2.206, Defaulted Property Tax Reduction Program; Board Policy No. 5.050, County's Greater Avenues for Independence and General Relief Opportunities for Work Programs; Board Policy No. 5.135, Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law); and the Countywide Community Workforce Agreement by and among Los Angeles County, the Los Angeles/Orange Counties Building, Construction Trades Council, The Signatory Craft Councils, and Local Unions approved by the Board on February 28, 2023.

In accordance with the Board's Civic Art Policy adopted on December 7, 2004, and last amended on August 4, 2020, the Project budget includes \$749,800 to be allocated to the Civic Arts Special Fund, which represents 1 percent of the applicable design and construction costs.

In accordance with Board Policy 5.270, Countywide Local and Targeted Worker Hiring, the Project will require that at least 30 percent of the California construction labor hours be performed by qualified Local Residents and at least 10 percent be performed by Targeted Workers facing employment barriers. The Project will also include a Jobs Coordinator who will facilitate the implementation of the targeted hiring requirement of the policy.

On July 16, 2021, the State of California enacted certain revisions to Public Contract Code Section 20142. These revisions, which were sponsored by the County and apply only to the County, authorize the Board of Supervisors for projects whose original contract amount exceeds \$50,000,000, among other things, to increase the individual change order authority delegated to the Director of Public Works or his designee to \$750,000. These revisions to the Public Contract Code may be used on a maximum of seven projects, and these statutory revisions expire on January 1, 2027. On February 8, 2022, the Board approved the use of these revisions to the first of the seven projects, for the Harbor-UCLA Medical Center Replacement Program and, if the Board approves the Directives stated herein, the NHHHC will be the second. The statutory revisions also require that the Board shall implement appropriate measures to prevent fraud and ensure accountability for that delegated authority. Accordingly, this Motion includes: 1) a direction to the Director of Public Works to report monthly on change orders carried out under his delegated authority for the NHHHC, and 2) a finding by the Board that this reporting requirement is a sufficient appropriate measure to prevent fraud and ensure accountability for that delegated authority. Finally, these special statutory provisions require that, for any contract applying this higher delegated authority, the County shall provide a review report to the Assembly Committee on Local Government and the Senate Committee on Governance and Finance no later than July 1, 2026.

-MORE-

I WE, THEREFORE, MOVE that the Board of Supervisors direct the following:

- 1) Find the NHHHC Project to be within the scope of the Board's previous finding of exemption for the North Hollywood Integrated Care Center Project under Section 15332 of the State California Environmental Quality Act Guidelines. Find that there have been no changes since the Board's determination of exemption for the NHHHC Project that require further findings under State California Environmental Quality Act. Upon the Board's approval of the recommended actions, direct Public Works to file a Notice of Exemption with the Registrar-Recorder/County Clerk in accordance with Section 21152 of the Public Resources Code and post the Notice to its website in accordance with Section 21092.2.
- 2) Approve the NHHHC Project, Capital Project No. 69989, with a revised Project budget of \$92,975,000.
- 3) Approve the appropriation adjustment that reflects an increase of \$92,975,000 in appropriation to the NHHHC Project, Capital Project No. 69989, to fully fund the Project, which will be fully offset by the recognition of \$89,300,000 of the American Rescue Plan Act Coronavirus Local Fiscal Recovery Funds for the Project via the American Rescue Plan Act's revenue loss provisions, and the transfer of \$3,675,000 from Capital Project No. 87426 Various Public Health Center Project.
- 4) Find that Swinerton Builders is the responsive and responsible proposer that submitted the best value and most advantageous proposal to the County for design and construction of the Project using the D-B project delivery method, based on best value criteria stated in the Request for Proposals, including qualifications, technical design, construction expertise, proposed delivery plan, price, workforce commitment, design excellence, acceptable safety record, and lifecycle cost.
- 5) Delegate authority to the Director of Public Works or his designee to award and execute a D-B contract for the design and construction of the NHHHC Project for a contract sum not-to-exceed \$73,000,214 and a design completion allowance not to exceed \$1,900,000 for a maximum contract sum not-to-exceed \$74,900,214; to establish the effective date of the contract upon receipt by Public Works of acceptable performance and payment bonds and evidence of required contractor insurance; and to take all other actions necessary and appropriate to deliver the Project.
- 6) Delegate authority to the Director of Public Works or his designee to award and execute consultant services agreements with Abbot Construction, LLC, and Charles Pankow Builders, LTD., to pay stipends in the amount of \$80,000 each to the second and third ranked qualifying proposers that were not selected as the best value D-B.

-MORE-

- 7) Authorize the Director of Public Works or his designee, with concurrence of the Chief Executive Office, to exercise control over the design completion allowance, including the authority to reallocate the allowance into the contract amount, as appropriate, in accordance with the project specifications.
- 8) Delegate authority to the Director of Public Works or his designee to approve extra costs for any change or addition to the work on this Project, provided that the extra cost of any such individual change or addition to the work does not exceed \$750,000, and further provided that there is sufficient remaining budget for the Project to cover such costs or changes, and further subject to the limit that the aggregate amount of all such delegated authority change orders shall not exceed 25 percent of the original contract amount as set forth in Public Contract Code Section 20145.
- 9) Direct the Director of Public works or his designee to provide monthly reports to the Board on the change orders granted under the above delegated authority for the NHHHC Project and find that this monthly reporting constitutes a sufficient and appropriate measure to prevent fraud and ensure accountability for the delegated authority to the Director of Public Works or his designee to approve extra costs for any change or addition to the work.
- 10) Authorize the Director of Public Works or his designee to deliver the make-ready work for the NHHHC Project using Board-approved Job Order Contracts.

#

KB:aso

August 8, 2023

**CONSTRUCTION CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
NORTH HOLLYWOOD HEALTH CENTER
APPROVE PROJECT BUDGET
APPROVE APPROPRIATION ADJUSTMENT
AWARD DESIGN-BUILD CONTRACT
AUTHORIZE USE OF JOB ORDER CONTRACTING
CAPITAL PROJECT NO. 69989
(SUPERVISORIAL DISTRICT 5)
(FISCAL YEAR 2023-24)
(4 VOTES)**

NORTH HOLLYWOOD INTEGRATED CARE CLINIC PROJECT**I. PROJECT SCHEDULE SUMMARY**

Project Activity	Scheduled Completion Date
Scoping Documents	October 2022*
Construction Start	September 2023
Substantial Completion	September 2026
Occupancy	October 2026
Final Acceptance and Close Out	December 2026

*Completed Activity

II. PROJECT BUDGET SUMMARY

Project Activity	Budget
Construction	\$ 73,000,214
Design Completion Allowance	\$ 1,900,000
Construction Contingency	\$ 6,500,786
Stipends	\$ 160,000
Demolition	\$ 250,000
Construction Subtotal	\$ 81,811,000
Civic Art	\$ 749,800
Plans and Specification	\$ 2,062,200
Consultant Services	\$ 1,263,000
Miscellaneous Expenditure	\$ 177,000
Jurisdictional Review, Plan Check, and Permit	\$ 1,496,000
County Services	\$ 5,416,000
TOTAL PROJECT COST	\$ 92,975,000

August 08, 2023

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

AUDITOR-CONTROLLER:
THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFORE
FY 2023-24
4 - VOTES

SOURCES		USES	
PSS-INDIGENT AID A01-SS-90-90WQ-26300-26460 ARP - GENERAL GOVERNMENT SERVICES INCREASE REVENUE	89,300,000	HEALTH SERVICES NORTH HOLLYWOOD HEALTH CENTER A01-CP-6014-65036-69989 CAPITAL ASSETS - B & I INCREASE APPROPRIATION	92,975,000
PUBLIC HEALTH VARIOUS PUBLIC HEALTH CENTERS REFURBISHMENT A01-CP-6014-65058-87426 CAPITAL ASSETS - B & I DECREASE APPROPRIATION	3,675,000		
SOURCES TOTAL	\$ 92,975,000	USES TOTAL	\$ 92,975,000

JUSTIFICATION

Reflects an increase of \$92,975,000 in appropriation for the North Hollywood Health Center (NHHC) project, Capital Project No. 69989, to fully fund the project. This appropriation increase will be fully offset by the recognition of \$89,300,000 of American Rescue Plan Act (ARP) Coronavirus Local Fiscal Recovery Funds (CLFRF) for the project via ARP's revenue loss provisions and the transfer of \$3,675,000 from Capital Project No. 87426 Various Public Health Center Project.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#17 August 8, 2023

Amir Alam

Digitally signed by Amir Alam
Date: 2023.08.02 13:43:18
-07'00'

AUTHORIZED SIGNATURE

AMIR ALAM, MANAGER, CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)



CELIA ZAVALA
EXECUTIVE OFFICER

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR---

☐ ACTION

☒ RECOMMENDATION
BY Lan Sam
Digitally signed by Lan Sam
Date: 2023.08.02 14:44:51 -07'00'

AUDITOR-CONTROLLER

B.A. NO. 012

DATE 8/2/23

☒ APPROVED AS REQUESTED

☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

James
Yun

Digitally signed by
James Yun
Date: 2023.08.02
15:02:44 -07'00'

DATE 8/2/23