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COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE
REFER TO FILE

April 23, 2024

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:

**CONSTRUCTION-RELATED CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
HARBOR-UCLA MEDICAL CENTER
REPLACEMENT PROGRAM
APPROVE CONSTRUCTION CHANGE ORDERS
CAPITAL PROJECT NO. 67965
FISCAL YEAR 2023-24
(SUPERVISORIAL DISTRICT 2)
(4 VOTES)**

SUBJECT

Public Works is seeking Board approval to execute five construction change orders with Hensel Phelps Construction Company for the Harbor-UCLA Medical Center Replacement Program.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the scope of work to be carried out by the proposed change orders is within the scope of the environmental impacts analyzed in the previously certified Final Environmental Impact Report and subsequent Addenda Nos. 1, 2, and 3 for the Harbor-UCLA Medical Center Campus Master Plan.
2. Approve and authorize the Director of Public Works or his designee to finalize negotiations and execute a change order with Hensel Phelps Construction Company, for a not-to-exceed amount of \$1,430,000, to provide five uninterruptible power supply units and associated infrastructure at the Imaging and Consolidated Procedure Departments in the Inpatient Tower.

3. Approve and authorize the Director of Public Works or his designee to finalize negotiations and execute a change order with Hensel Phelps Construction Company, for a not-to-exceed amount of \$2,200,000, to provide the infrastructure to increase the quantity of Electric Vehicle charging stations from 10 percent to 25 percent of all parking spaces at Parking Structure A.

4. Approve and authorize the Director of Public Works or his designee to finalize negotiations and execute a change order with Hensel Phelps Construction Company, for a not-to-exceed amount of \$840,000, to add four spare circuit breakers to the switchgear at the Central Utility Plant.

5. Approve and authorize the Director of Public Works or his designee to finalize negotiations and execute a change order with Hensel Phelps Construction Company, for a not-to-exceed amount of \$2,910,000, to add four feeders from the 12-kilovolt Building to Electrical Manholes 11 and 12 and the Central Utility Plant.

6. Approve and authorize the Director of Public Works or his designee to finalize negotiations and execute a change order with Hensel Phelps Construction Company, for a not-to-exceed amount of \$4,700,000, to construct an electrical distribution building at the east side of campus.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to seek Board approval to find that the scope of work in the proposed change orders is within the scope of the previously certified Final Environmental Impact Report (FEIR) and subsequent Addenda Nos. 1, 2, and 3; and authorize Public Works to execute five change orders, for a combined total not-to-exceed amount of \$12,080,000, within the Board-approved project budget of \$1,695,000,000, with Hensel Phelps Construction Company.

Background

Senate Bill 1953 mandates that all California General Acute-Care Hospitals meet structural and nonstructural seismic strengthening requirements by January 1, 2030. The Harbor-UCLA Medical Center (H-UCLA MC) Replacement Program will not only bring the hospital in compliance with the mandate, but also consolidate inpatient and outpatient services into new buildings that optimize operational effectiveness; reduce operation and maintenance costs; provide outpatient facilities that accommodate planned patient visits; implement sustainability; and create a campus designed for the well-being of patients and staff. The program includes construction of an Outpatient/Support Building; an Inpatient Tower Building with 346 inpatient beds, including 36 psychiatric beds, new psychiatric emergency department, and permanent rooftop helistop; a 1,500-stall above grade parking structure; a new Central Utility Plant (CUP) to serve new buildings under the jurisdiction of the California Department of Health Care Access and Information (HCAI); a new Support Services Building for the campus Information Technology and Facilities staff; a new Regional Laboratory; and related make-ready work, such as new surface lots, 66-kilovolt (kV) electrical substation, 12kV electrical building, and tenant improvements.

On February 8, 2022, the Board approved a total project budget of \$1,695,000,000 for the H-UCLA MC Replacement Program. The project budget included a stipulated sum design-build contract with Hensel Phelps for a maximum not-to-exceed contract sum of \$1,238,179,000; inclusive of a \$1,112,179,000 stipulated sum contract plus a \$30,000,000 Design Completion Allowance; and a \$96,000,000 Medical Equipment Allowance. The Board also delegated authority to the Director of Public Works or his designee to approve change orders for a maximum \$750,000 subject to the

limits that the aggregate amount of all such delegated authority change orders does not exceed 25 percent of the original contract amount as set forth in Public Contract Code Section 20145.

On March 1, 2022, the Board approved the execution of a change order to Hensel Phelps, for a not-to-exceed amount of \$4,300,000, to procure and install the modular buildings for the proposed Department of Mental Health Adult Outpatient Interim Facility Project under the total \$6,500,000 budget, which includes construction; make-ready work; and associated soft costs within the H-UCLA MC Replacement Program designated for Department of Mental Health Outpatient Programs.

On June 14, 2022, the Board approved the execution of a change order to Hensel Phelps, for a not-to-exceed amount of \$6,000,000, to demolish buildings within the footprint of Parking Structure A, including the make-ready work of relocation of services within the respective buildings and relocation of utilities to maintain utility services to buildings that remain; the execution of a change order to Hensel Phelps, for a not-to-exceed amount of \$1,200,000, to demolish buildings within the footprint of Inpatient Tower, including demolition of utilities serving the buildings; and the execution of a change order to Hensel Phelps, for a not-to-exceed amount of \$4,000,000, to procure and install site offices for Public Works at Parking Lot V, including the make-ready work of abatement and demolition of the existing buildings on site.

On February 6, 2024, the Board approved the execution of a change order to Hensel Phelps, for a not-to-exceed amount of \$3,000,000, to construct irrigation systems along Medical Foundation Drive, South Drive, and Meyler Street; the execution of a change order to Hensel Phelps, for a not-to-exceed amount of \$2,000,000, to provide infrastructure to support additional Laboratory equipment; the execution of a change order to Hensel Phelps, for a not-to-exceed amount of \$1,900,000, to design and construct a security booth and security fencing around the CUP and Loading Dock; and the execution of a change order to Hensel Phelps, for a not-to-exceed amount of \$1,700,000, to demolish buildings within the footprint of Inpatient Tower, including demolition of utilities serving the buildings. The Board also approved and delegated authority to the Chief Executive Officer to execute Buildover Agreements with Los Angeles County Sanitation District and Los Angeles County Flood Control District to construct portions of the Replacement Program over the permanent easements held by both Districts.

Design and construction of the H-UCLA MC Replacement Program is ongoing and on scheduled to be completed by August 2027.

Proposed Change Orders:

The recommended actions will approve the following five construction change orders with Hensel Phelps within the Board-approved project budget of \$1,695,000,000.

Uninterruptable Power Supply Units: The proposed change order is for a \$1,430,000 not-to-exceed amount, and includes the design, procurement, and installation of five Uninterruptable Power Supply (UPS) units and associated electrical and mechanical infrastructure at the Interventional Radiology; Computed Tomography/Interventional Radiology; two Catheterization Laboratories; and Hybrid Operating Room in the Inpatient Tower. In the event of a power loss, there is a short interruption in power supply to equipment when switching to the generator. The addition of the UPS units will allow the medical staff to continue procedures uninterrupted. This proposed change order is an additional scope that will be funded with the construction contingency.

Electric Vehicle Charging Stations: The proposed change order is for a \$2,200,000 not-to-exceed amount and includes the design and construction of electrical infrastructure to increase the number of Electric Vehicle (EV) charging stations from 10 percent to 25 percent of the total number of parking spaces at Parking Structure A. The electrical infrastructure consists of electrical feeders, panel boards, switchgear, transformers, and electrical closets. This proposed change order is an additional scope required due to Los Angeles County Green Building Code requirement to provide EV charging stations at 25 percent of the total capacity and will be funded with the construction contingency.

Central Utility Plant Circuit Breakers: The proposed change order is for a \$840,000 not-to-exceed amount and includes the design and construction to enlarge the switchgear capacity at the new CUP by adding four spare breakers and associated electrical ductbank. This will provide the HCAI approved power to the existing HCAI buildings and add spare capacity for near future growth. This proposed change order is an additional scope that will be funded with the construction contingency.

Cable Feeders: The proposed change order is for a \$2,910,000 not-to-exceed amount and includes the design and construction to add two 15kV cable feeders from the 12kV Building to Manholes 11 and 12 and upsize two 15kV cable feeders from the 12kV Building to the new CUP. The feeders will supply power from the new campus substation to the four added spare circuit breakers at the CUP, which will be used to support the existing buildings east of Central Drive. This proposed change order is an additional scope that will be funded with the construction contingency.

East Campus Electrical Distribution Building: The proposed change order is for a \$4,700,000 not-to-exceed amount and includes the design and construction of an electrical distribution building between Central Drive and the emergency generator building. The scope will be a new building to house transformers, switchgear, and associated underground electrical ductbanks to the CUP and the emergency generator building. The electrical distribution building and the associated infrastructure will distribute normal and emergency power from the new CUP and the generator building to the existing buildings east of Central Drive. This proposed change order is an additional scope that will be funded with the construction contingency.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: Strategy II.1, Drive Economic and Workforce Development in the County, Objective II.1.3, Coordinate Workforce Development; and Strategy II.2, Support the Wellness of our Communities, by investing in the wellness our communities and enhancing the delivery of comprehensive and seamless healthcare services to the residents of the County seeking healthcare assistance.

FISCAL IMPACT/FINANCING

Approval of the recommended actions will allow Public Works to issue change orders to Hensel Phelps for a not-to-exceed amount of \$12,080,000. Public Works has reviewed the change orders and finds their value to be in line with the cost of the work included in the project budget. There is sufficient funding in the \$1,695,000,000 project budget approved by the Board on February 8, 2022, to cover the cost of the proposed change orders. The Enclosure reflects the reallocation of funding for these change orders within the approved project budget.

There is no net County cost impact associated with the recommended actions.

Operating Budget Impact

Following completion of the project, Department of Health Services will request and fund annual ongoing maintenance and operational costs, as needed, with departmental resources in future budget phases.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Section 20137 of the Public Contract Code allows the Board, with a four-fifths 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. Each of the five proposed change orders are less than 10 percent of the original contract sum and are, therefore, within the statutory threshold.

In accordance with the Board's Civic Art Policy, adopted on December 7, 2002, and last amended on August 4, 2020, the project budget includes a \$2,000,000 Civic Art allocation, which is greater than the \$1,000,000 maximum required by the Board's policy. The \$2,000,000 Civic Art allocation will not be impacted by the proposed change orders.

On December 20, 2016, the Board adopted a new Leadership in Energy and Environmental Development (LEED) policy requiring all new County buildings greater than 10,000 square feet in size to achieve LEED Gold certification. In accordance with this policy, the new buildings will be designed and constructed to achieve LEED Gold Certification with the exception of the parking structure because the United States Green Building Council no longer provides LEED certificates for parking structures. Additionally, the program will continue to support the Board's Policy for Green Building/Sustainable Design Program by recycling disposable material, incorporating energy efficient products during construction, and incorporating native, drought-tolerant landscaping.

ENVIRONMENTAL DOCUMENTATION

The recommended actions are within the scope of the impacts analyzed in the FEIR, certified on December 16, 2016, and subsequent Addenda Nos. 1, 2, and 3 approved on November 10, 2020; November 10, 2020; and February 8, 2022, respectively, and there have been no substantial changes to the project or to the circumstances under which it will be undertaken that require further findings under California Environmental Quality Act. These activities, which include the UPS units at Inpatient Tower, electrical infrastructure for EV charging stations at Parking Structure A, spare circuit breakers at the CUP, cable feeders, and electric yard at Information Technology/Facilities Shops Building are within the scope of work approved by the Board on February 8, 2022, and analyzed in the FEIR and certified Addendum No. 3. The Mitigation Monitoring and Reporting Program, Environmental Findings of Fact, and Statement of Overriding Considerations adopted at the time of FEIR certification will continue to apply.

The location and custodian of the documents and other materials constituting the record of the proceedings upon which the Board's decision is based in this matter is with Public Works, Project Management Division I, 900 South Fremont Avenue, Fifth Floor, Alhambra, CA 91803. The previously certified FEIR and Addenda are available at the location above and can also be viewed online at <https://pw.lacounty.gov/harbor-ucla-rp/>.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Determination with the Registrar-Recorder/County Clerk and with the State Office of Planning and Research in accordance with Section 21152 (a) of the California Public Resources Code and will post the Notice of Determination to its website pursuant to Section 21092.2.

CONTRACTING PROCESS

To date, Public Works has executed 15 allowance relocation contract amendments for a total not-to-exceed amount of \$60,780,428. Additionally, Public Works has executed 61 change orders under delegated change order authority for a total not-to-exceed amount of \$5,631,533. Of the \$24,100,000 approved in the three previous Board letters, \$17,617,355 is still pending execution of change orders.

The proposed five change orders for \$1,430,000; \$2,200,000; \$840,000; \$2,910,000; and \$4,700,000 not-to-exceed amounts represent 0.12; 0.18; 0.07; 0.24; and 0.38 percent; respectively, of the original maximum contract sum of \$1,238,179,000. When executed, the change orders will increase the maximum contract sum to \$1,254,690,533.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended change orders are within the Design Builders limits of work and will not result in any additional impacts to the current services on the H-UCLA MC Campus.

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" and last name "Pestrella" clearly distinguishable.

MARK PESTRELLA, PE

Director

MP:HA:jc

Enclosures

- c: Department of Arts and Culture (Civic Art Division)
- Chief Executive Office (Capital Programs Division)
- County Counsel
- Executive Office
- Department of Health Services (Capital Projects Division)
- Department of Mental Health

**CONSTRUCTION-RELATED CONTRACT
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FISCAL YEAR 2023-24
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I. PROJECT SCHEDULE SUMMARY

Project Activity	Scheduled Completion Date
Scoping Documents	June 2021*
Design-Build Award	February 2022*
Jurisdictional Approvals	Various
Substantial Completion-Parking Structure A	June 2024
Substantial Completion-Outpatient/Support Building	June 2026
Substantial Completion-Central Plant	May 2027
Substantial Completion-Inpatient Tower	August 2027
Project Acceptance	December 2027

*Completed Activity

II. PROJECT BUDGET SUMMARY

Project Budget Category	Board Approved Budget	Changes Under Delegated Authority	Impact of this Action	Revised Project Budget
Design-Build Construction	\$1,196,578,439	\$(1,481,490)	\$ 12,080,000	\$1,207,176,949
Make-Ready Construction	\$ 136,522,894	\$ 2,696,345	\$ 0	\$ 139,219,239
Change Order Contingency	\$ 54,334,805	\$(402,932)	\$(12,080,000)	\$ 41,851,873
Civic Arts	\$ 2,000,000			\$ 2,000,000
Stipend	\$ 1,000,000			\$ 1,000,000
Medical Equipment Allowance	\$ 50,515,392	\$(723,290)		\$ 49,792,102
Design Completion Allowance	\$ 15,427,470	\$(88,633)		\$ 15,338,837
Plans and Specifications	\$ 51,000,000			\$ 51,000,000
Consultant Services	\$ 137,000,000			\$ 137,000,000
Miscellaneous Expenditures	\$ 1,650,000			\$ 1,650,000
Jurisdictional Review/ Plan Check/Permits	\$ 21,681,000			\$ 21,681,000
County Services	\$ 27,290,000			\$ 27,290,000
TOTAL	\$1,695,000,000	\$ 0	\$ 0	\$1,695,000,000