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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

IN REPLY PLEASE
REFER TO FILE

July 09, 2024

29 July 9, 2024

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

Edward Yen
EDWARD YEN
EXECUTIVE OFFICER

Dear Supervisors:

**CONSTRUCTION CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
LOS ANGELES GENERAL MEDICAL CENTER
PSYCHIATRIC SUBACUTE FACILITY
APPROVE CAPITAL PROJECT AND BUDGET
AWARD DESIGN-BUILD CONTRACT
SPECS. 7832; CAPITAL PROJECT NO. 6A018
FISCAL YEAR 2024-25
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

SUBJECT

Public Works is seeking Board approval of the Los Angeles General Medical Center Psychiatric Subacute Facility Project with a total budget of \$143,000,000; authorization to execute consultant services agreements for stipends and a Design-Build contract; approval to establish and apply a Local Targeted Worker Hire Policy aspirational goal of an additional 20 percent over the mandated 30 percent for California craft worker hours; delegated expanded change order authority to the Director of Public Works to execute changes to the work, not-to-exceed \$750,000 for a single change; and authorization for the Department of Mental Health to contract with the Department of Internal Services for the acquisition and installation of low-voltage systems for the project.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed Los Angeles General Medical Center Psychiatric Subacute Facility is within the scope of the environmental impacts analyzed in the County's previously certified Final Environmental Impact Report and subsequently approved Addenda Nos. 1 and 2 for the LAC+USC Medical Center Campus Master Plan.

2. Approve the Los Angeles General Medical Center Psychiatric Subacute Facility Project, Capital Project No. 6A018, with a total project budget of \$143,000,000.
3. Find that Abbott Construction LLC is the responsive and responsible proposer that submitted the best value proposal for design and construction of the Los Angeles General Medical Center Psychiatric Subacute Facility Project.
4. Award and authorize the Director of Public Works or his designee to execute a Design-Build contract with Abbott Construction LLC for the design and construction of the Los Angeles General Medical Center Psychiatric Subacute Facility Project for a not-to-exceed contract amount of \$102,390,000 plus a \$3,000,000 design completion allowance for a not-to-exceed maximum contract sum of \$105,390,000.
5. 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 design completion allowance into the contract amount, as appropriate, in accordance with the project specifications.
6. Delegate authority to the Director of Public Works or his designee to execute consultant services agreements for a stipend amount of \$100,000 each to Turner Construction Company and Charles Pankow Builders, Ltd., the second and third highest ranked qualified proposers, enabling the County to use all design and construction ideas and concepts included in the proposals.
7. Direct the Chief Executive Officer, Department of Mental Health, and Public Works to establish and apply a Local Targeted Worker Hire Policy aspirational goal of an additional 20 percent over the mandated 30 percent for California craft worker hours for construction of the project.
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 the project, provided 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 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 Los Angeles General Medical Center Psychiatric Subacute Facility Project and find that this monthly reporting constitutes 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 the Department of Mental Health or her designee to contract with and direct the Internal Services Department, in coordination with Public Works, for the acquisition and installation of telephone data, low-voltage systems, and vendor installation of low-voltage items at a total cost not-to-exceed \$2,600,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to seek a finding by the Board that the Los Angeles (LA)

General Medical Center Psychiatric Subacute Facility (PSF) Project is within the scope of the previously certified Final Environmental Impact Report (FEIR) and subsequently approved Addenda Nos. 1 and 2 for the LAC+USC Medical Center Campus Master Plan; approve the project and budget; award and authorize Public Works to execute consultant services agreements for stipends and a Design-Build (D-B) contract; establish and apply Local Worker Hire aspirational goal of an additional 20 percent over the mandated 30 percent for California craft worker hours; authorize the Director of Public Works to execute changes to the work not-to-exceed \$750,000 for a single change; and authorize the Director of the Department of Mental Health to contract with the Internal Services Department of the acquisition and installation of low-voltage systems for the project.

Background

On December 19, 2023, the Board established the LA General PSF, Capital Project (CP) No. 6A018, and appropriated \$101,220,000 to partially fund the proposed project. It will be constructed within an existing 4.5-acre lot located at the northwest area of the LA General campus. The PSF will share the site with the Mental Health Urgent Care Center (MHUCC) and Residential Withdrawal Management Facility (RWMF) development, which is currently in construction. Both facilities will be a part of the Restorative Care Village (RCV) on the LA General campus.

The Board initially approved the LA General PSF at approximately 122,000 square feet, consisting of 128 beds. For a number of reasons, including funding gaps and lack of sufficient Mental Health Rehabilitation Center providers in the industry, the scope of the project was revised to comprise 6 Mental Health Rehabilitation Center programs operated separately with 16 beds each, for a total of 96 beds in a single, approximately 92,000-square-foot, multistory building. This will ensure a more favorable solicitation process and the ability to obtain and contract the required service providers to support the new facility. The completion of the PSF and the advent of the associated services will contribute to the full continuum of care at the RCV. The LA General PSF will provide a secure environment for those vulnerable individuals with serious mental illnesses that require the highest level of care. These beds will address a critical need in the County's continuum of care and will allow the Department of Mental Health (DMH) to facilitate placements of conserved individuals from acute psychiatric hospitals, State hospitals, and jails, as well as individuals served by the Office of Diversion and Reentry.

The project will provide limited on-site surface parking available to both the PSF building and the MHUCC and RWMF buildings. Subsequent additional parking facilities will be included in the negotiations with the developer for the future campus development and a combination of existing parking at Central Juvenile Hall site or leased off-campus parking.

Project Delivery Method and Design Completion Allowance

The proposed project will be delivered through the D-B project delivery method. The recommended D-B contract is for a maximum contract sum of \$105,390,000 and includes a \$3,000,000 design completion allowance that is intended to facilitate the resolution of issues identified during the design phase. The design completion allowance is reserved for 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.

If approved, the construction of the proposed project is anticipated to begin in January 2025 and will be substantially completed in December 2026.

Consultant Services Agreement

Upon the Board's approval, the second and third highest ranked, qualifying D-B proposers for the project will be paid a stipend of \$100,000 each pursuant to the consultant services agreement, which affords the County the right to use the information and ideas submitted by the proposers.

Local and Targeted Worker Hiring Policy

The proposed project will be constructed on the LA General campus, which is uniquely situated in a community that is economically underserved. The surrounding communities rely on the County facilities for both services and employment. LA General serves as an economic anchor that has the potential to provide further employment and career opportunities for those who need them the most. As such, on November 12, 2019, to advance employment opportunities for family sustaining wages and career paths, the Board passed a motion to establish Local Targeted Hire aspirational goals of an additional 20 percent over the mandated 30 percent for California craft hours on specific campus projects, including the RCV. As part of the larger vision for the RCV, the aspirational goals will be extended to the LA General PSF Project.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: North Star 1, Make Investments that Transform Lives, Focus Area Goal A, Healthy Individuals and Families, Strategy ii, Improve Health Outcomes, by promoting comprehensive and inclusive care through investments in public healthcare infrastructure that enhance the quality and delivery of healthcare services to Los Angeles County residents; North Star 2, Foster Vibrant and Resilient Communities, Focus Area Goal A, Strategy iii, Behavioral, Mental Health, and Substance Use Disorder, by providing services and facilities to specifically support the well-being of individuals, families, and vulnerable populations experiencing crisis; and North Star 3, Realize Tomorrow's Government Today, Focus Area Goal F, Flexible and Efficient Infrastructure, Strategy ii, Modernize Infrastructure, by evaluating our current capital projects and identifying the need to replace or modernize legacy/obsolete infrastructure. By investing in public healthcare infrastructure improvements, it will enhance the quality and delivery of healthcare services to the residents of Los Angeles County.

FISCAL IMPACT/FINANCING

The project budget for the LA General PSF Project is \$143,000,000. The project budget includes construction, change order contingency, plans and specifications, permit fees, consultant services, inspection services, Civic Arts fee, and County services. The project budget and schedule summaries are included in Enclosure A.

Funding sources for the project budget of \$143,000,000 will consist of \$91,220,000 of Assembly Bill 900 and \$10,000,000 of 2011 Realignment – Mental Health, which were previously transferred into the project through an appropriation adjustment in Fiscal Year 2023-24. The remaining funding sources for the project will be comprised of \$20,000,000 of Behavioral Health Continuum Infrastructure Program, Round 3; \$14,480,000 of American Rescue Plan Act – enabled funding; and \$7,300,000 in Care First Community Investment funds. The \$7,300,000 will not be appropriated in CP No. 6A018. CP expenditures of \$7,300,000 from CP No. 6A018 will be transferred via a Journal Voucher to the budget unit where Care First Community Investment is budgeted. As such, the Chief Executive Office will budget the remaining appropriation of \$34,480,000 for CP No. 6A018 in the FY 2024-25 Supplemental Changes budget phase, which will be available upon Board of Supervisors adoption in or around October 1, 2024.

Operating Budget Impact

Following completion of the projects, DMH will fund the associated maintenance and operating costs with existing departmental resources.

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

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with the Board's Civic Art Policy, amended on August 4, 2020, the proposed project budget includes 1 percent of the eligible design and construction costs allocated to the Civic Art Fund, which is estimated at \$1,000,000.

In accordance with the Board Policy 5.270, Countywide Local and Targeted Worker Hiring, the project will require that at least 30 percent of the total California construction labor hours be performed by Local Residents and at least 10 percent be performed by Targeted Workers facing employment barriers. The project will further apply an aspirational goal to increase the Local Worker Hire by an additional 20 percent. The project would also include a jobs coordinator who would facilitate the implementation of the policy's targeted hiring requirement.

Effective June 7, 2023, the Countywide Community Workforce Agreement (CWA) applies to projects with an estimated construction contract value of \$5,000,000 or greater. Therefore, CWA will apply to this project. The contractor and all subcontractors must comply with all terms and conditions of the CWA which, among other things, increases work opportunities for those seeking to start a new career in the construction industry and promotes the hiring of underrepresented individuals for the project.

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, authorized 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. The Board approved the use of these revisions to the Harbor-UCLA Medical Center Replacement Program on February 8, 2022, and to the North Hollywood Health Center on August 8, 2023. Upon approval of the recommended actions, the LA General PSF will become the third of the seven permitted projects to apply these revisions. The statutory revisions also require the Board to implement appropriate measures to prevent fraud and ensure accountability for this delegated authority.

Accordingly, the recommendations include 1) a direction to the Director of Public Works to report monthly on change orders carried out under this delegated authority for the LA General PSF, and 2) a finding by the Board that this reporting requirement is a sufficient and appropriate measure to prevent fraud and ensure accountability for this 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.

In accordance with the County's Energy and Environmental Policy amended by the Board on December 20, 2016, the proposed project will be designed and constructed to achieve the United

States Green Building Council Leadership in Energy and Environmental Design (LEED) Gold level certification by incorporating sustainable design features 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.

ENVIRONMENTAL DOCUMENTATION

The construction of the LA General PSF Project is within the impacts analyzed in the previously certified FEIR and subsequent Addenda Nos. 1 and 2 for the LAC+USC Medical Center Campus Master Plan. There have been no changes to the project or to the circumstances under which it will be undertaken that require further findings under the California Environmental Quality Act (CEQA).

An FEIR was certified by the County as lead agency under CEQA and a Master Plan for LAC+USC Medical Center was approved by the Board on November 18, 2014. Findings of Fact and a Statement of Overriding Consideration, as well as a Mitigation Monitoring and Reporting Program, were adopted. The Master Plan studied a proposed plan that is divided into zones in order to provide for flexibility but controlled development and adaptive reuse of key areas.

On December 19, 2017, the Board-certified Addendum No. 1 to the FEIR for changes to the 2014 Master Plan, including addition of a Crisis Residential Treatment Program, Recuperative Care Center facility, and other campus changes.

On December 19, 2023, the Board-certified Addendum No. 2 (Enclosure C) to the FEIR, which included the addition of a 32-bed Residential Withdrawal Management Facility, a Mental Health Urgent Care Facility, and 128-bed PSF. The 128-bed facility noted in the previously approved addendum has been revised to a 96-bed facility and its scope and impact are within the parameters of the previously analyzed 128-bed facility scope.

The location of the documents and other materials constituting the record upon which the Board's decision is based in this matter is found at Public Works, Project Management Division I, 900 South Fremont Avenue, 5th Floor, Alhambra, CA 91803.

CONTRACTING PROCESS

The D-B procurement was conducted 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 November 15, 2023, Public Works issued the Request for Proposals (RFP) for D-B services for the LA General PSF Project. This contract opportunity was listed on the County's Doing Business with Us and Do Business with Public Works Websites and Public Works Contract Opportunities websites and in the Los Angeles Daily Journal, Los Angeles Sentinel, La Opinión, San Gabriel Valley Tribune, Long Beach Press Telegram, Daily Breeze, The Signal, World Journal (Chinese Daily News), Pasadena Star News, and Santa Monica Daily Press. Also, Public Works informed 1,508 Local Small Business Enterprises; 969 Community Business Enterprises; and 933 Community Based Organizations about this business opportunity. A total of five firms submitted proposals in response to the RFP.

On December 20, 2023, five prequalification questionnaires were received for evaluation. The prequalification questionnaires were reviewed by an evaluation committee consisting of

representatives from the Chief Executive Office, DMH, and Public Works. Based on the review and evaluation of the prequalification questionnaires, three firms were determined to be prequalified, shortlisted, and invited to submit technical and cost proposals.

On May 14, 2024, the three shortlisted D-B firms submitted technical and cost proposals for evaluation. The proposals were evaluated by a panel of representatives from Chief Executive Office, DMH, and Public Works based on technical design and construction expertise, proposed delivery plan, proposed work plan, schedule, life cycle cost, Countywide CWA Compliance, Local and Targeted Worker Hiring Program, and D-B team personnel and organization. All three technical proposals met the intent, program, and base scope of work as defined in the final scoping documents. Abbott Construction LLC was found to have submitted the best value D-B proposal in accordance with the evaluation criteria stated in the RFP. These evaluations were completed without regard to race, creed, color, or gender. Abbott Construction's Community Business Enterprises participation data and 3-year contracting history with the County are on file with Public Works.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions is not expected to have an adverse impact on the LA General campus. All patient care services on the campus 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,



MARK PESTRELLA, PE

Director

MP:HA:cg

Enclosures

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

**CONSTRUCTION CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
LOS ANGELES GENERAL MEDICAL CENTER
PSYCHIATRIC SUBACUTE FACILITY
APPROVE CAPITAL PROJECT AND BUDGET
AWARD DESIGN-BUILD CONTRACT
SPECS. 7832; CAPITAL PROJECT NO. 6A018
FISCAL YEAR 2024-25
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date
Construction Documents	December 2024
Jurisdictional Approvals	March 2025
Construction Start	January 2025
Substantial Completion	December 2026
Final Acceptance	January 2027

II. PROJECT BUDGET SUMMARY

Project Activity	Budget
Hard Costs	
Construction (Design-Build)	\$101,483,000
Contingency	\$ 16,517,000
Design Completion Allowance	\$ 3,000,000
Stipend	\$ 200,000
Construction Subtotal	\$121,200,000
Civic Art	\$ 1,000,000
Hard Costs Subtotal	\$122,200,000
Soft Costs	
Plans and Specifications (Scoping)	\$ 700,000
Consultant Services	\$ 617,000
Miscellaneous Expenditures	\$ 120,000
Jurisdictional Review/Plan Check/Permit	\$ 4,214,000
County Services	\$ 15,149,000
Soft Costs Subtotal	\$ 20,800,000
TOTAL	\$143,000,000