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

"To Enrich Lives Through Effective and Caring Service"

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REFER TO FILE

October 22, 2024

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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

36 October 22, 2024

EDWARD YEN
EXECUTIVE OFFICER

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 2024-25
(SUPERVISORIAL DISTRICT 2)
(4 VOTES)**

SUBJECT

Public Works is seeking Board approval to execute four 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 \$1,990,000, to provide double-ended electrical substation configuration for distribution of 480-volt power in a redundant fashion at the Outpatient/Support Building.

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 \$1,110,000, to provide a redundant source of electrical power to Intermediate Distribution Frame Rooms at the Outpatient/Support Building.
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 \$1,250,000, to remove and dispose of contaminated soil encountered during excavation for the Inpatient Tower.
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 \$890,000, to provide the Campus Network Integrator services and infrastructure for the programwide Building Automation System.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to seek Board approval to find that the scope of work in the proposed change orders is within the scope of the impacts analyzed in the County's previously certified Final Environmental Impact Report (FEIR) and subsequent Addenda Nos. 1, 2, and 3; and authorize Public Works to execute four change orders, for a combined total not-to-exceed amount of \$5,240,000, within the Board-approved project budget of \$1,755,000,000, 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 previously approved Harbor-UCLA Medical Center (H-UCLA MC) Replacement Program will not only bring the hospital into 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 wellbeing of patients and staff.

The program includes construction of an Outpatient/Support Building, which includes 234 exam rooms that are distributed across three floors. The clinics are arrayed throughout the floors to promote an integrated care model that meets patients complex care needs. The program also includes construction of an Inpatient Tower Building with 347 inpatient beds, including 36 psychiatric beds, new psychiatric emergency department, and permanent rooftop helistop. The current hospital is licensed at 453 beds and runs an average daily census of 312 patients. The hospital's census has steadily increased over the past four years. The industry standard is to estimate census at 85 percent of licensed bed capacity; using this calculation, the proposed licensed capacity of 347 beds is necessary to meet patient demand.

Additionally the program includes construction of a 1,500-stall above-grade parking structure; a new Central Utility Plant to serve new buildings under the jurisdiction of the California Department of Health Care Access and Information; a new Support Services Building for the campus Information

Technology and Facilities staff; a new Regional Laboratory; and related make-ready work, such as several new surface parking lots, a 66-kilovolt electrical substation, a 12-kilovolt 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 of \$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.

Between March 2022 and April 2024, the Board approved the execution of a total of 13 change orders for a total not-to-exceed amount of \$36,180,000 to Hensel Phelps. These change orders were within the Board-approved budget for various scopes of work but exceeded Public Works delegated authority of \$750,000.

On June 25, 2024, the Board approved the revised project budget of \$1,755,000,000, an increase of \$60,000,000 from the previous Board-approved amount of \$1,695,000,000, to address design and jurisdictional changes required, unforeseen conditions, and issues related to the Design Builder's Criteria Documents interpretation.

Overall, construction is 36 percent complete. The Support Services Building and the Parking Structure A are substantially completed. Construction of the Outpatient/Support Building, Inpatient Tower, and Regional Lab began in July 2023, June 2024, and August 2024, respectively. Construction of the Central Utility Plant is scheduled to begin in November 2024. Construction of all buildings is scheduled to be completed by August 2027.

Proposed Change Orders

The recommended actions would approve the following four construction change orders with Hensel Phelps that exceed Public Works delegated authority of \$750,000 but are within the Board-approved project budget of \$1,755,000,000.

Double-Ended Electrical Substations for 480-Volt Power Redundancy: The proposed change order is for a \$1,990,000 not-to-exceed amount, to install a second transformer, main breaker, and kirk-key operation at both substations to supply the entire Outpatient/Support Building with redundant electrical power. This would facilitate distribution of the 480-volt power from either substation to the entire building in case of unexpected equipment failure in the system. The double-ended substation would also facilitate the maintenance and replacement of transformers by allowing one of the transformers to take on the entire building load during the maintenance work. This proposed change order would be funded with the construction contingency.

Intermediate Distribution Frame Room Power Redundancy: The proposed change order is for a \$1,110,000 not-to-exceed amount, to add a second, redundant normal power feed, including transformers, electrical panels at every floor, dedicated conduits, and wiring between the electrical substations and Intermediate Distribution Frame Rooms at the Outpatient/Support Building. This would provide an alternate source of power in case of unexpected equipment failure in the system. This proposed change order would be funded with the construction contingency.

Removal of Contaminated Soil: The proposed change order is for a \$1,250,000 not-to-exceed amount, to remove and dispose of approximately 38,000 cubic yards of unforeseen contaminated soil encountered in the footprint of the new Inpatient Tower. This soil, which contains a mixture of asphalt and concrete, must be taken to a specialty facility for disposal in lieu standard disposal or reuse at the site, which would incur additional costs for specialty handling and premium disposal. This proposed change order would be funded with the construction contingency.

Campus Network Integrator Services and Dedicated Building Automation System Site Infrastructure: The proposed change order is for a \$890,000 not-to-exceed amount, to bring on a Building Automation System (BAS) Network Integrator for all new buildings under the approved H-UCLA MC Replacement Program. The BAS is a platform that integrates automation and controls for all building systems. The Network Integrator would produce a graphic user interface on the BAS software for the control of various building systems monitored by the BAS, coordinate with the commissioning agent to perform adjustments in the software during the commissioning phase, and provide training to Department of Health Services Facilities Management personnel on the operation of the BAS. The proposed scope also includes installation of new backbone fiber in underground conduits from the Central Utility Plant to all new buildings under the replacement program for BAS system connectivity. This proposed change order would be funded with the construction contingency.

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; and North Star 2, 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

Approval of the recommended actions will allow Public Works to issue change orders to Hensel Phelps for a total not-to-exceed amount of \$5,240,000. 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 \$1,755,000,000 project budget approved by the Board on June 25, 2024, 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 four 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 are being 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 by the Board of Supervisors 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 review or findings under California Environmental Quality Act. These activities, which include the double-ended electrical substation configuration for 480-volt redundancy at Outpatient/Support Building, normal power redundancy to Intermediate Distribution Frame Rooms at Outpatient/Support Building, removal and disposal of the contaminated soil at the Inpatient Tower, and Campus Network Integrator Services and Dedicated BAS Site Infrastructure 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 19 allowance reallocation contract amendments for a total not-to-exceed amount of \$63,368,363. Additionally, Public Works has executed 89 change orders under delegated change order authority for a total not-to-exceed amount of \$22,037,141. Of the \$36,180,000 in change orders approved in the four previous Board letters, \$16,826,477 is still pending execution.

The proposed four change orders for \$1,990,000; \$1,110,000; \$1,250,000; and \$890,000, not-to-exceed amounts represent 0.16; 0.9; 0.10; and 0.07 percent; respectively, of the original maximum contract sum of \$1,238,179,000. When executed, the change orders will increase the contract sum to \$1,219,650,981 and the maximum contract sum to \$1,265,456,141.

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,



MARK PESTRELLA, PE

Director

MP:HA:jc

Enclosures

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

**CONSTRUCTION-RELATED CONTRACT
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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	\$1,211,384,845	\$ 3,026,136	\$ 5,240,000	\$1,219,650,981
Make-Ready Construction	\$ 137,907,872	\$ 0	\$ 0	\$ 137,907,872
Change Order Contingency	\$ 101,437,123	\$(2,774,681)	\$ (5,240,000)	\$ 93,422,442
Civic Arts	\$ 2,000,000			\$ 2,000,000
Stipend	\$ 1,000,000			\$ 1,000,000
Medical Equipment Allowance	\$ 49,792,102	\$ (17,523)		\$ 49,774,579
Design Completion Allowance	\$ 12,857,058			\$ 12,857,058
Plans and Specifications	\$ 51,000,000			\$ 51,000,000
Consultant Services	\$ 137,000,000	\$ (233,932)		\$ 136,766,068
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	\$1,755,000,000	\$ 0	\$ 0	\$1,755,000,000