



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

IN REPLY PLEASE  
REFER TO FILE

December 17, 2024

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

42 December 17, 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 two 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 \$5,671,000, to complete additional design and construction of the Emergency Responder Radio Coverage Distributed Antenna System in accordance with the revised Fire Department Regulations at 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 \$3,902,500, to complete additional design and construction of the Emergency Responder Radio Coverage Distributed Antenna System in accordance with the revised Fire Department Regulations at the Outpatient/Support Building.

### **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 two change orders, for a combined total not-to-exceed amount of \$9,573,500, 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 of space. 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, which has increased steadily 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.

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 required design and jurisdictional changes, unforeseen conditions, and issues related to the Design Builder's Criteria Documents interpretation.

Between March 2022 and October 2024, the Board approved the execution of a total of 17 change orders for a total not-to-exceed amount of \$41,420,000 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.

Construction is 38 percent complete. The Support Services Building and the Parking Structure are complete. Construction of the Outpatient/Support Building, Inpatient Tower, and Regional Laboratory began in July 2023, June 2024, and August 2024, respectively. Construction of the Central Utility Plant will begin in November 2024. All buildings are scheduled to be completed by August 2027.

#### Proposed Change Orders

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

Emergency Responder Radio Coverage Distributed Antenna System at Inpatient Tower: The proposed change order is for a \$5,671,000 not-to-exceed amount, to complete additional design and construction of Emergency Responder Radio Coverage Distributed Antenna System (ERRC DAS) in accordance with the revised Fire Department Regulations at the Inpatient Tower. The proposed change order is an increase in scope due to the Fire Department's revised ERRC DAS Regulation and Inspection Guidelines dated February 2, 2023, which came into effect after the award of the Design-Build Contract. The revised regulation requires additional channels and signal amplifiers, prescriptive antenna spacing of 50 feet in lieu of performance based antenna spacing, and installation of antenna cabling in conduits in lieu of exposed cabling. This proposed change order would be funded with the construction contingency.

Emergency Responder Radio Coverage Distributed Antenna System at Outpatient/Support Building: The proposed change order is for a \$3,902,500 not-to-exceed amount, to complete additional design and construction of ERRC DAS in accordance with the revised Fire Department Regulations at the Outpatient/Support Building. The proposed change order is an increase in scope due to the same reasons described under the Inpatient Tower above. This proposed change order is an added scope and 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 would allow Public Works to issue change orders to Hensel Phelps for a total not-to-exceed amount of \$9,573,500. 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 proposed 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 would 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 two 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 by the Board 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 design completion and construction of the ERRC DAS at Inpatient Tower

and Outpatient/Support 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 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 custodian of the records is the Section Head. 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 to the County's website pursuant to Section 21092.2.

### **CONTRACTING PROCESS**

To date, Public Works has executed 20 allowance reallocation contract amendments for a total not-to-exceed amount of \$62,750,485. Additionally, Public Works has executed 105 change orders under delegated change order authority for a total not-to-exceed amount of \$24,167,096. Of the \$41,420,000 in change orders approved in the five previous Board letters, \$21,606,990 is still pending execution.

The proposed two change orders for \$5,671,000 and \$3,902,500; not-to-exceed amounts represent 0.46; and 0.32 percent; respectively, of the original maximum contract sum of \$1,238,179,000. When executed, the change orders will increase the contract sum to \$1,208,670,081 and the maximum contract sum to \$1,271,919,596.

### **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  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
HARBOR-UCLA MEDICAL CENTER  
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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	\$1,219,650,981	\$ 1,067,752	\$ 9,573,500	\$1,230,292,033
Make-Ready Construction	\$ 137,907,872	\$ 0	\$ 0	\$ 137,907,872
Change Order Contingency	\$ 93,422,442	\$(1,685,630)	\$(9,573,500)	\$ 82,163,512
Civic Arts	\$ 2,000,000			\$ 2,000,000
Stipend	\$ 1,000,000			\$ 1,000,000
Medical Equipment Allowance	\$ 49,774,579	\$ 617,878		\$ 50,392,457
Design Completion Allowance	\$ 12,857,058			\$ 12,857,058
Plans and Specifications	\$ 51,000,000			\$ 51,000,000
Consultant Services	\$ 136,766,068			\$ 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
<b>TOTAL</b>	<b>\$1,755,000,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$1,755,000,000</b>