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COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

January 21, 2025

12 January 21, 2025

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-RELATED CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
HARBOR-UCLA MEDICAL CENTER
REPLACEMENT PROGRAM
APPROVE REVISED PROJECT BUDGET AND
APPROVE SUPPLEMENTAL AGREEMENTS
CAPITAL PROJECT NO. 67965
FISCAL YEAR 2024-25
(SUPERVISORIAL DISTRICT 2)
(3 VOTES)**

SUBJECT

Public Works is seeking Board approval to revise the project budget and approve and authorize the execution of supplemental agreements with various consultants for the Harbor-UCLA Medical Center Replacement Program.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the recommended actions are not a project under the California Environmental Quality Act for the reasons stated in this Board letter and in the record of the proposed activities.
2. Approve the revised project budget of \$1,806,000,000, an increase of \$51,000,000 from the previous Board-approved amount of \$1,755,000,000 for the Harbor-UCLA Medical Center Replacement Program, Capital Project No. 67965.
3. Approve and authorize the Director of Public Works or his designee to execute Supplemental Agreement 5 to Contract PW-15083 with RBB Architects, Inc., to provide additional

architectural/engineering services for the project for a \$3,130,000 not-to-exceed fee, increasing the contract value from \$51,000,000 to \$54,130,000.

4. Approve and authorize the Director of Public Works or his designee to execute Supplemental Agreement 4 to Contract PW-15142 with Harbor-UCLA AECOM, a Joint Venture, to provide additional project/construction management services for the project for a \$4,000,000 not-to-exceed fee, increasing the contract value from \$60,000,000 to \$64,000,000.

5. Approve and authorize the Director of Public Works or his designee to execute Supplemental Agreement 4 to Contract PW-15144 with Harbor-UCLA Controls Partners, a Joint Venture, to provide additional project controls services for the projects for a \$2,900,000 not-to-exceed fee, increasing the contract value from \$33,000,000 to \$35,900,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to seek Board approval for the revised project budget, to award supplemental consultant services agreements, and to find that the recommended activities are not a project under the California Environmental Quality Act (CEQA).

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 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 wellbeing of patients and staff.

The program includes construction of an Outpatient/Support Building, which includes 233 exam rooms that are distributed across three floors of clinic 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. 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, demolition of existing structures, 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 Construction Company 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 stipulated sum 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 December 2024, the Board approved the execution of a total of 19 change orders for a total not-to-exceed amount of \$50,993,500 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 for the H-UCLA MC Replacement Program is 40 percent complete. The Support Services Building and the Parking Structure are complete. Construction of the Outpatient/Support Building, Inpatient Tower, Regional Lab, and Central Utility Plant began in July 2023, June 2024, August 2024, and November 2024, respectively. All design-build buildings are scheduled to be completed by August 2027.

The remaining make-ready scope of work includes retrofit of the existing Emergency Generator Building; tenant improvements at Parlow Library, N-14, and N-16; restoration or demolition of the existing helistop; Utility Ductbank Phase 3; and demolition of 1-East, 1-South, 3-South, interim helistop, and the remaining unoccupied buildings at the N-block.

Revised Harbor-UCLA Medical Center Replacement Program Budget

In June 2024, Public Works reported to the Board that we were finalizing a risk analysis, including an assessment of future risk to the program, and requested approval for a preliminary budget increase of \$60,000,000 to mitigate future unforeseen conditions, design and jurisdictional changes, and Criteria Document interpretation issues on the design-build scope. With the completion of the risk analysis, Public Works is recommending a final budget of \$1,806,000,000; an increase \$51,000,000 from the June 2024 Board-approved budget; to address additional make-ready project cost and scope increases, soft costs, and future unforeseen conditions.

As final make-ready projects are being designed and estimates are being refined, the impacts for electrical distribution equipment have further increased the cost to complete the remaining make-ready scope of work, specifically the retrofit of the existing Emergency Generator Building. Additionally, further coordination with the Design Builder and preliminary reviews with the Authority Having Jurisdiction has resulted in additional scope for make-ready work.

Due to the increase in scope, including previously approved design and jurisdictional changes and interpretation issues, and make-ready scope increases discussed herein, the program soft costs have also been impacted. Because of these increases in scope, additional funding is required for the California Department of Health Care Access and Information permitting and Inspector of Record services, scoping and make-ready design, project and construction management, and project controls.

Furthermore, in order to continue construction without delays, additional contingency is required for both the make-ready and design-build projects to expeditiously address unforeseen conditions that may arise in the course of the ongoing and future construction.

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.

The quality and delivery of healthcare services to the residents of Los Angeles County will be enhanced by investing in public healthcare infrastructure improvements.

FISCAL IMPACT/FINANCING

On June 25, 2024, the Board approved the revised total project budget to \$1,755,000,000 for the H-UCLA MC Replacement Program. Approval of the recommended actions will increase the previous Board-approved revised project budget to \$1,806,000,000, an increase of \$51,000,000. The revised project budget includes predevelopment activities, programming, make-ready work, scoping documents, plans and specifications, permit fees, construction, change order contingency, medical equipment and design completion allowances, Civic Art, consultant services, inspection services, and County services. The revised project budget and schedule are included in the Enclosure.

Based on the expected use of the additional budget of \$51,000,000, estimated cost allocation between Department of Health Services (DHS) and Department of Mental Health (DMH) is \$45,584,000 and \$5,416,000, respectively. The cost allocation percentage used for the H-UCLA MC Replacement Program is 89.38 percent for DHS and 10.62 percent for DMH, as stated in the February 8, 2022, approved Board letter. The cost allocation for the revised total program budget of \$1,806,000,000 will be increased from \$1,570,733,000 to \$1,616,317,000 for DHS; and from \$184,267,000 to \$189,683,000 for DMH.

On February 8, 2022, the Board approved for the H-UCLA MC Replacement Program to be financed through short-term, long-term, or a combination of both types of financing mechanisms. The financing costs of the Notes, including interest, insurance, and administrative expenses are funded by the benefitting department's operating budget.

The funding for the annual debt repayment for DHS will come from existing and new departmental operating subsidies and Federal dollars from the provision of care to Medi-Cal beneficiaries in the nonpsychiatric areas of the inpatient building. The DMH share of cost will be funded with the department's 2011 Realignment funds. The Chief Executive Office will continue to work with both DHS and DMH to monitor the fiscal outlook of both departments and communicate to the Board any material changes that could impact their ability to meet the future debt service obligations for the project.

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

Operating Budget Impact

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

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with the Board's Civic Art Policy 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 budget increase.

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 County prepared and certified an Environmental Impact Report, as lead agency under CEQA for the H-UCLA MC Campus Master Plan on December 16, 2016. Addenda to the Environmental Impact Report were certified for changes to the project proposed in 2020 and 2022. However, the recommended actions, to approve a revised, increased budget and award consultant supplemental services agreements, are not a project under CEQA, since they are excluded from the definition of a project under Section 21065 of the California Public Resources Code and are fiscal activities of government, which do not involve any commitment to any specific project and organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment. The budget increase and supplemental agreements recommended herein are not intended to approve any project activity under CEQA that has not been previously approved. Prior to approval of any new activity that would be a project under CEQA, Public Works will recommend appropriate CEQA findings, as necessary, upon return to the Board.

CONTRACTING PROCESS

To date, Public Works has executed 24 allowance reallocation contract amendments for a total not-to-exceed amount of \$64,539,318. Additionally, Public Works has executed 114 change orders under delegated change order authority for a total not-to-exceed amount of \$27,984,033. Of the \$50,993,500 change orders approved in the six previous Board letters, \$28,551,945 is pending execution.

RBB Architects, Inc. Supplemental Agreement

On May 16, 2017, the Board authorized Public Works to enter into an architectural/engineering (A/E) agreement with RBB Architects, Inc., to provide campuswide A/E services for the H-UCLA MC Replacement Program for a \$4,000,000 not-to-exceed amount. On September 10, 2018, Public

Works executed Supplemental Agreement 1 for a \$75,000 not-to-exceed amount to investigate the feasibility of relocating a flood control storm drain to connect the basement of the proposed inpatient tower to the existing surgery emergency building. On November 20, 2018, the Board approved Supplemental Agreement 2 for a \$39,000,000 not-to-exceed amount to provide additional campuswide A/E services, such as scoping documents and design services, which included preparation of plans and specifications, jurisdictional agency review and approval, technical review, and construction administration support services. On February 8, 2022, the Board approved Supplemental Agreement 4 with RBB for a \$7,925,000 not-to-exceed amount to provide a continuation of campuswide A/E services for scoping documents package and preparation of full design packages. There is no Supplemental Agreement 3. On November 14, 2024, Public Works executed Change Order 1 under delegated authority for addition of subconsultants.

We are recommending approval of Supplemental Agreement 5 with RBB for a \$3,130,000 not-to-exceed amount to provide a continuation of campuswide A/E services for construction administration phase of the scoping services and additional make-ready work design services. Approval of Supplemental Agreement 5 will increase the total amount of Contract PW-15083 by \$3,130,000 from \$51,000,000 to a not-to-exceed Contract amount of \$54,130,000. Public Works has reviewed the proposed amount, and considered it reasonable for the scope of work.

AECOM Joint Venture Supplemental Agreement

On December 19, 2017, the Board authorized Public Works to enter into a consultant services agreement with AECOM Joint Venture (JV) to provide project/construction management support services for the preplanning of the H-UCLA MC Replacement Program for a \$1,000,000 not-to-exceed amount. On November 20, 2018, the Board approved Supplemental Agreement 1 with AECOM JV for a \$10,500,000 not-to-exceed amount to provide, but not limited to, project/construction management services, site coordination, field investigations, planning efforts, and commissioning consultant services as required for all phases of the project needs. On September 23, 2021, Public Works executed Supplemental Agreement 2 under delegated authority for addition of work classifications. On February 8, 2022, the Board approved Supplemental Agreement 3 with AECOM JV for a \$48,500,000 not-to-exceed amount to provide a continuation of these services.

We are recommending approval of Supplemental Agreement 4 with AECOM JV for a \$4,000,000 not-to-exceed amount to provide a continuation of these services. Approval of Supplemental Agreement 4 will increase the total amount of Contract PW-15142 by \$4,000,000 from \$60,000,000 to a not-to-exceed contract amount of \$64,000,000. Public Works has reviewed the proposed amount, and considered it reasonable for the scope of work.

Harbor-UCLA Controls Partners Joint Venture Supplemental Agreement

On December 19, 2017, the Board authorized Public Works to enter into a consultant services agreement with Harbor-UCLA Controls Partners JV to provide project controls services for the preplanning of the H-UCLA MC Replacement Program for a \$500,000 not-to-exceed amount. On November 20, 2018, the Board approved Supplemental Agreement 1 with a Controls Partners JV for a \$7,000,000 not-to-exceed amount to continue to provide, but not limited to, project controls services, scheduling, estimating, office support, field investigations, and planning efforts as required for all phases of the project needs. On February 8, 2022, the Board approved Supplemental Agreement 2 with Controls Partners JV for a \$25,500,000 not-to-exceed amount to provide a continuation of these services. On August 1, 2022, Public Works executed Supplemental Agreement 3 under delegated authority for addition of work classifications.

We are recommending approval of Supplemental Agreement 4 with Controls Partners JV for a \$2,900,000 not-to-exceed amount to provide a continuation of these services. Approval of Supplemental Agreement 4 will increase the total amount of Contract PW 15144 by \$2,900,000 from \$33,000,000 to a not-to-exceed Contract amount of \$35,900,000. Public Works has reviewed the proposed amount and considered it reasonable for the scope of work.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The H-UCLA MC will continue to remain fully operational to provide emergency and inpatient and outpatient services throughout the duration of the construction of the H-UCLA MC Replacement Program.

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, Board of Supervisors
- Health Services (Capital Projects Division)
- Mental Health

**CONSTRUCTION-RELATED CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
HARBOR-UCLA MEDICAL CENTER
REPLACEMENT PROGRAM
APPROVE REVISED PROJECT BUDGET AND
APPROVE SUPPLEMENTAL AGREEMENTS
CAPITAL PROJECT NO. 67965
FISCAL YEAR 2024-25
(SUPERVISORIAL DISTRICT 2)
(3 VOTES)**

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	Previous Board Approved Budget	Changes Under Delegated Authority	Impact of this Action	Revised Total Project Budget
Design-Build Construction	\$1,230,276,871	\$ 2,977,425		\$1,233,254,296
Make-Ready Construction	\$ 137,907,872			\$ 137,907,872
Change Order Contingency	\$ 82,178,674	\$(1,188,592)	\$40,500,000	\$ 121,490,082
Civic Arts	\$ 2,000,000			\$ 2,000,000
Stipend	\$ 1,000,000			\$ 1,000,000
Medical Equipment Allowance	\$ 50,392,457	\$ (912,482)		\$ 49,479,975
Design Completion Allowance	\$ 12,857,058	\$ (876,351)		\$ 11,980,707
Plans and Specifications	\$ 51,000,000		\$ 3,100,000	\$ 54,100,000
Consultant Services	\$ 136,766,068		\$ 1,500,000	\$ 138,266,068
Miscellaneous Expenditures	\$ 1,650,000			\$ 1,650,000
Jurisdictional Review/ Plan Check/Permits	\$ 21,681,000		\$ 2,400,000	\$ 24,081,000
County Services	\$ 27,290,000		\$ 3,500,000	\$ 30,790,000
TOTAL	\$1,755,000,000	\$ 0	\$51,000,000	\$1,806,000,000