



MARK PESTRELLA, Director

COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE
REFER TO FILE

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

February 18, 2025

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

25 February 18, 2025

EDWARD YEN
EXECUTIVE OFFICER

Dear Supervisors:

**CONSTRUCTION CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
CIVIC CENTER POWER PLANT
BOILERS AND CHILLERS REPLACEMENT PROJECT
APPROVE REVISED PROJECT BUDGET
APPROVE CAPITAL PROJECT AND BUDGET
APPROVE CONSTRUCTION MANAGER AT RISK AMENDMENT
SPECS. 7842; CAPITAL PROJECT NOS. 87735 AND 89149
FISCAL YEAR 2024-25
(SUPERVISORIAL DISTRICT 1)
(3-VOTES)**

SUBJECT

Public Works is seeking Board approval of the revised project budget and approval to execute an amendment to the Construction Manager at Risk Preconstruction and Construction Services Agreement to proceed with the construction services for the Civic Center Power Plant Boilers and Chillers Replacement Project.

IT IS RECOMMENDED THAT THE BOARD:

1. Find the recommended actions are within the scope of the previous exemption under the California Environmental Quality Act for the approved Civic Center Power Plant Boilers and Chillers Replacement Project for the reasons stated in this Board letter and in the record of the approved project.
2. Approve the revised Capital Project budget of \$106,100,000, in net County cost funding, an increase of \$10,000,000 from the previous Board-approved budget of \$96,100,000, for the Civic

Center Power Plant Boilers and Chillers Replacement Project, Capital Project No. 87735; establish and approve the Civic Center Power Plant Boilers and Chillers Replacement Project, Capital Project No. 89149, with a total budget of \$135,900,000, to be financed through the Los Angeles County Capital Asset Leasing Corporation Lease Revenue Note Program; and approve a total combined project budget of \$242,000,000.

3. Authorize the issuance of short-term lease revenue commercial paper notes through the Los Angeles County Capital Asset Leasing Corporation Lease Revenue Note Program and/or long-term bonds to finance the remaining estimated project costs and any project costs initially funded through the lease revenue commercial paper notes proceeds in the amount up to \$135,900,000.

4. Approve and authorize the Director of Public Works or his designee to execute an amendment to the Construction Manager at Risk Preconstruction and Construction Services Agreement with Gilbane Building Company for a Guaranteed Maximum Price of \$153,600,000 to proceed with the construction services for the Civic Center Power Plant Boilers and Chillers Replacement Project, contingent upon submission of acceptable performance and payment bonds and evidence of required insurance filed by the contractor.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to find they are within the scope of the previous finding of exemption under the California Environmental Quality Act (CEQA); authorize the issuance of lease revenue commercial paper notes (Notes); approve the revised project budget; and approve an amendment to the Construction Manager at Risk (CMAR) Preconstruction and Construction Services Agreement to proceed with the construction services for the Civic Center Power Plant Boilers and Chillers Replacement Project.

Project Background and Description

The Civic Center Power Plant, hereinafter referred to as the Central Plant, built in the 1950s, is operated and maintained by Internal Services Department (ISD) and supplies chilled water and steam for the heating, ventilation, and air conditioning systems of 11 buildings in the downtown Los Angeles Civic Center area, including the Hall of Administration, Hall of Records, Hall of Justice, Stanley Mosk Courthouse, Clara Shortridge Foltz Courthouse, County Law Library, Dorothy Chandler Pavilion, Mark Taper Forum, Ahmanson Theater, Walt Disney Concert Hall, and the Cathedral of Our Lady of the Angels. The original boilers were noncompliant with current South Coast Air Quality Management District (SCAQMD) clean air emissions standards, and the steam driven refrigeration chillers were past their useful service life. The Central Plant also houses the cogeneration power plant and associated infrastructure that is no longer in use and needs to be demolished and removed to make space for the needed improvements.

On November 16, 2021, the Board approved the project with an initial budget of \$24,900,000 for demolition and make-ready work, and authorized Public Works to carry out the design for this work through a Board-approved on-call architectural/engineering agreement and the demolition and make-ready work using Board-approved Job Order Contracts. This initial phase involved limited design, demolition, and construction activities to address SCAQMD compliance requirements and make-ready work to support the proposed improvements to the Central Plant. The replacement chillers and boilers for SCAQMD compliance were completed in September 2023 to meet the SCAQMD deadline, and the remaining demolition and make-ready work is ongoing and will be completed by March 2025.

On January 10, 2023, the Board approved the revised project budget of \$46,100,000 for the ongoing demolition and make-ready work; awarded a project specific architectural/engineering agreement to Perkins Eastman Architects for a not-to-exceed contract amount of \$6,100,000 to complete the project design; and authorized ISD as the County's Purchasing Agent, to carry out the procurement of the long-lead mechanical and electrical equipment for the project for a not-to-exceed amount of \$6,000,000.

On September 12, 2023, the Board awarded the CMAR Preconstruction and Construction Services Agreement to Gilbane Building Company for a maximum contract sum of \$1,996,393 to proceed with the preconstruction services for the project.

On March 24, 2024, the Board approved the revised project budget of \$96,100,000 for the ongoing demolition and make-ready work and authorized ISD, as the County's Purchasing Agent, to carry out the procurement of the long-lead mechanical and electrical equipment for the project for an increased not-to-exceed amount of \$36,000,000.

The previously approved project consists of critical repairs, renovation, and restoration of the historic Central Plant facility; including the building, equipment, and infrastructure to meet current environmental regulations, building code standards; and to improve the efficiency and reliability of the facility. The current improvements that will be performed by the CMAR contractor consist of structural and seismic upgrades to the Central Plant building; historic restoration of the exterior building façade; renovation of the building interior occupied spaces; replacement of the remaining chillers, boilers, cooling towers, and electrical gear; and installation of new emergency electrical generation equipment. The Central Plant improvements will help provide improved thermal comfort cooling and heating for buildings in the downtown Civic Center area that provide services to all County residents and visitors to the area.

Construction Manager at Risk Amendment

The project is being carried out using the CMAR delivery method in accordance with State Public Contract Code Section 20146. In this delivery method, the CMAR contractor acts as a consultant to the County for the project development and design during the preconstruction phase and assumes the risk for construction performance as a general contractor holding all trade subcontracts during the construction phase. This delivery method is particularly suitable for large and complex projects requiring intense contractor participation throughout development of the design and preparation of the construction documents in the preconstruction phase.

As part of the preconstruction phase completed in January 2025, Perkins Eastman developed the design, prepared the construction documents, and obtained all the necessary jurisdictional approvals, and Gilbane provided cost estimating, scheduling, planning, value engineering, and design-assist services to the County. The preconstruction phase concluded with Gilbane providing a Guaranteed Maximum Price (GMP) proposal for carrying out the full scope of construction for the project based on the completed construction documents and the requirements outlined in the County's CMAR contract documents.

Public Works, in coordination with the Chief Executive Office and ISD, collaborated with Gilbane to negotiate and validate the GMP proposal and determined it to be reasonable and technically and financially viable. Therefore, we are recommending that the Board approve and authorize an amendment to the CMAR Preconstruction and Construction Services Agreement with Gilbane for a GMP of \$153,600,000 to proceed with the construction services for the project.

The construction is anticipated to start in March 2025 and will be phased to maintain the facility in operation with anticipated completion in September 2028.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: North Star 3, Realize Tomorrow's Government Today, Focus Area Goal F, Flexible and Efficient Infrastructure, Strategy ii, Modernize Infrastructure, by renovating and modernizing public infrastructure assets that will improve the operational effectiveness of existing County assets.

FISCAL IMPACT/FINANCING

The revised total project cost of \$242,000,000 is \$145,900,000 more than the previously Board-approved project budget of \$96,100,000 and includes design, plan check, demolition and make-ready work, consultant services, County services, procurement of long-lead mechanical and electrical equipment, and CMAR preconstruction and construction services. The revised project schedule and budget summaries are included in the Enclosure.

The proposed project budget includes \$106,100,000 of net County cost, currently appropriated in Capital Project No. 87735, that was used to help fund the design, demolition and make-ready work, CMAR preconstruction services, long-lead mechanical and electrical equipment procurement, and associated soft costs.

The estimated cost of \$135,900,000 will be financed with Notes and long-term lease revenue bonds and will be budgeted in future budget cycles based on the projected cash flow for each fiscal year. The costs of financing through the Note Program include interest, insurance, and administrative costs, which will be requested through the Rent Expense Budget during the budget cycles. Any project costs initially funded through the Note Program will be refinanced with the issuance of long-term bonds to allocate the cost of the project over its estimated useful life. The annual repayment of the bond issued will be funded with net County cost. The Chief Executive Office will work closely with Treasurer and Tax Collector to determine the optimal financing plan for the project and will return to your Board to request authorization to issue long-term lease revenue bonds. The timing for the issuance of long-term bonds would depend on multiple factors, including the County's project expenditure needs, available capacity in the Note Program, and conditions in the municipal bond market.

Operating Budget Impact

ISD does not anticipate any one-time start-up costs, and any additional ongoing operational and maintenance funding required as a direct result of the proposed project will be requested in subsequent budget submissions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with the Board's Civic Art Policy amended on August 4, 2020, the revised project budget includes one percent of eligible design and construction costs in the amount of \$77,000 for the Civic Art Allocation.

In accordance with Board Policy 5.270, Countywide Local and Targeted Worker Hiring, the project would require that at least 30 percent of the California construction labor hours be performed by

qualified Local Residents and at least 10 percent be performed by Targeted Workers facing employment barriers. The project would also include a jobs coordinator who will facilitate the implementation of the targeted hiring requirement of the policy.

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 on the project.

The project will support the Board's policy for Green Building/Sustainable Design Program by incorporating energy efficient equipment that is expected to greatly conserve water and energy use and comply with current SCAQMD air emissions standards.

ENVIRONMENTAL DOCUMENTATION

On November 16, 2021, the Board approved the project and found that it was exempt from CEQA, because the project is within certain classes of projects that have been determined not to have a significant effect on the environment in that it meets criteria set forth in Sections 15301 (a) and (d); 15302 (c); 15304 (f); and Section 15331 of the State CEQA Guidelines and Classes 1 (h); (3); and (4); 2 (e); 3 (k); and 4 (a) and (c) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. The approved project provides for repair, refurbishment, replacement or reconstruction, and minor alterations of existing facilities involving negligible or no expansion of an existing use and where replacement features will have the same purpose and capacity. There have been no changes to the project or the circumstances under which it will be undertaken since the time of approval that would necessitate further findings under CEQA.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Exemption with the Registrar-Recorder/County Clerk and with the Governor's Office of Land Use and Climate Innovation pursuant to Public Resources Code Section 21152 and will post the notice to the County's website in accordance with Section 21092.2.

CONTRACTING PROCESS

On January 10, 2023, the Board awarded the consultant services agreement to Perkins Eastman Architects, D.P.C., for a not-to-exceed fee of \$6,100,000 to provide architectural/engineering design and support services for the project.

On September 12, 2023, the Board awarded the CMAR Preconstruction and Construction Services Agreement to Gilbane for the maximum contract sum of \$1,996,393 to proceed with the preconstruction services and delegated authority to Public Works to supplement the agreement by up to 25 percent of the contract amount for the preconstruction phase services.

In January 2025, Public Works executed two amendments to the CMAR Preconstruction and Construction Services Agreement with Gilbane totaling \$277,591 for additional preconstruction services, which increased the maximum contract sum by 14 percent to \$2,273,984.

Upon Board approval of the recommended actions, Public Works will execute an amendment to the

CMAR Preconstruction and Construction Services Agreement to authorize the construction services that will increase the maximum contract amount to include the GMP.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will have no impact on current County services or projects. The project is being carried out in multiple phases to keep the Central Plant in operation throughout 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: Arts and Culture (Civic Art Division)
Auditor-Controller
Chief Executive Office (Capital Programs
Division)
County Counsel
Executive Office, Board of Supervisors
Internal Services

**CONSTRUCTION CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
CIVIC CENTER POWER PLANT
BOILERS AND CHILLERS REPLACEMENT PROJECT
APPROVE REVISED PROJECT BUDGET
APPROVE CAPITAL PROJECT AND BUDGET
APPROVE CONSTRUCTION MANAGER AT RISK AMENDMENT
SPECS. 7842; CAPITAL PROJECT NOS. 87735 AND 89149
FISCAL YEAR 2024-25
(SUPERVISORIAL DISTRICT 1)
(3-VOTES)**

I. PROJECT SCHEDULE SUMMARY

Project Activity	Scheduled Completion Date	Revised Scheduled Completion Date
Feasibility Study	06/25/2021*	06/25/2021*
Construction Documents	12/31/2024	07/31/2024*
Jurisdictional Approvals	04/30/2025	01/31/2025*
Construction Start	06/02/2025	03/24/2025
Substantial Completion	12/31/2027	09/29/2028
Final Acceptance	03/31/2028	12/29/2028

*Completed Activity

II. PROJECT BUDGET SUMMARY

Project Activity	Board-Approved Budget	Impact of this Action	Proposed Project Budget
Make-Ready Construction	\$34,100,000	(\$ 5,100,000)	\$ 29,000,000
Construction Manager at Risk (Preconstruction Phase)	\$ 2,000,000	\$ 277,000	\$ 2,277,000
Construction Manager at Risk (Construction Phase)	TBD	\$153,600,000	\$153,600,000
Equipment Procurement	\$36,000,000	\$(28,000,000)	\$ 8,000,000
Change Order Contingency	\$ 5,500,000	\$ 9,323,000	\$ 14,823,000
Civic Art	TBD	\$ 77,000	\$ 77,000
Plans and Specifications	\$13,000,000	\$ (1,000,000)	\$ 12,000,000
Consultant Services	\$ 1,350,000	\$ 5,373,000	\$ 6,723,000
Miscellaneous Expenditures	\$ 50,000	\$ 450,000	\$ 500,000
Jurisdictional Review	\$ 400,000	\$ 1,600,000	\$ 2,000,000
County Services	\$ 3,700,000	\$ 9,300,000	\$ 13,000,000
TOTAL	\$96,100,000	\$145,900,000	\$242,000,000