



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

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

Dear Supervisors:

**CONSTRUCTION CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
RANCHO LOS AMIGOS SOUTH CAMPUS
COUNTY OFFICE BUILDING PROJECT
APPROVE CAPITAL PROJECT BUDGET AND
APPROPRIATION ADJUSTMENT
AMEND DESIGN-BUILD CONTRACT
AWARD CONSULTANT SERVICES AGREEMENT
CAPITAL PROJECT NO. 67959
FISCAL YEAR 2024-25
(SUPERVISORIAL DISTRICT 4)
(4-VOTES)**

SUBJECT

Public Works is seeking Board approval to execute an amendment to a design-build contract with Sundt Construction, Inc., for Phase 2 of the Rancho Los Amigos South Campus County Office Building Project, which authorizes the design completion and construction phases; approve the capital project budget and appropriation adjustment; and to award a consultant services agreement to Kleinfelder, Inc., to provide building related inspection, monitoring, and testing services.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the recommended actions, including authorization to execute a contract amendment with Sundt Construction, Inc., for Phase 2 of the previously approved Rancho Los Amigos South Campus Project, were previously analyzed in the Final Environmental Impact Report for the Rancho Los Amigos South Campus Project, which the Board, acting as lead agency, certified on June 23, 2020, in compliance with the California Environmental Quality Act; and that there have been no changes to

the previously approved Rancho Los Amigos South Campus Project or the circumstances under which it will be undertaken that will result in any new significant effects not discussed in the Final Environmental Impact Report or any significant environmental effects that would be more severe than shown in the Final Environmental Impact Report. Further find that the previously adopted Mitigation Monitoring and Reporting Program, approved Findings of Fact, and Statement of Overriding Consideration, approved by the Board at the time of project approval, continue to apply to the currently proposed actions.

2. Approve the Rancho Los Amigos South Campus County Office Building Project, Capital Project No. 67959, with the total project budget of \$479,689,000.
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 \$446,674,000.
4. Approve an appropriation adjustment to increase appropriation and revenue by \$27,000,000 in the Lease Revenue Obligation Notes – General Facilities Capital Improvement Fund for the Rancho Los Amigos South Campus County Office Building Project, Capital Project No. 67959, to fully fund the estimated Fiscal Year 2024-25 project expenditures.
5. Authorize the Director of Public Works or his designee to execute an amendment to the design build contract to Sundt Construction, Inc., for Phase 2 of the project (design completion and construction) with a contract sum of \$373,300,000 and a maximum contract sum of \$407,400,000 for the Rancho Los Amigos South Campus County Office Building Project, which will include a design completion allowance of \$16,500,000; a utility connection fee allowance of \$1,600,000; and a furniture, fixtures, equipment, securities, and audio/visual allowance of \$16,000,000, subject to receipt by the County of acceptable Faithful Performance and Payment for Labor and Materials Bonds and evidence of required contract insurance filed by the design-build entity; to establish the effective date of the contract upon receipt of acceptable performance, payment bonds, and evidence of required insurance; and to take all actions necessary and appropriate to fully deliver the project.
6. Award and authorize the Director of Public Works or his designee to execute a consultant services agreement for building-related inspection, monitoring, and testing services with Kleinfelder, Inc., for a \$5,500,000 not-to-exceed amount and to establish the effective date following Board approval for the work being carried out in Phase 2.
7. Authorize the Director of Public Works or his designee, in coordination with the Chief Executive Office, to exercise control of the design completion allowance, including the authority to reallocate the allowance into the contract sum, as appropriate, to resolve cost issues with Sundt Construction, Inc., that are identified during the design phase of the project, such as changes resulting from unforeseen conditions, including construction-related impacts.
8. Authorize the Director of Public Works or his designee to exercise control of the furniture, fixtures, equipment; securities and audio/visual; and the utility connection fee allowances, including the authority to reallocate the allowance into the contract sum.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to seek Board approval to find the previously approved Rancho Los Amigos South Campus (RLASC) County Office Building Project was previously analyzed in the Final Environmental Impact Report (FEIR) that was certified by the County at the time of approval of the RLASC Project and that there have been no changes to the project or to the circumstances under which it will be undertaken that would result in any new significant effects not discussed in the FEIR or any significant environmental effects that would be more severe than shown in the FEIR; confirm the continued applicability of the adopted Mitigation Monitoring and Reporting Program (MMRP), previously approved Findings of Fact, and Statement of Overriding Consideration; approve the capital project (CP) budget; authorize the issuance of lease revenue commercial paper notes (Notes); approve an appropriation adjustment; award and authorize Public Works to execute an amendment to the design build contract with Sundt Construction, Inc., for completion of Phase 2 of the project, which will include the design completion and construction of the project; execute consultant services agreement (CSA) with Kleinfelder, Inc.; exercise control of design completion; furniture, fixtures, equipment (FF&E); securities and audio/visual; and the utility connection fee allowances.

Project Description and Background

On August 9, 2016, the Board established the RLASC Project and authorized Public Works to proceed with predevelopment activities including the preparation of environmental documents for the project.

On June 23, 2020, the Board certified the FEIR for the RLASC Project; adopted the MMRP prepared for the project; and approved the Findings of Fact, Statement of Overriding Considerations, and Alternative 4, Scenario 2 of the FEIR as the approved RLASC Project.

The approved RLASC Project in 2020, located at 7601 East Imperial Highway in the City of Downey, included a larger development of up to approximately 650,000 square feet of floor area of new buildings to serve as headquarters for the County's Internal Services and Probation Departments, County administrative offices, two parking structures, necessary infrastructure improvements, and adaptive reuse and/or retention of certain existing buildings and structures that are eligible for listing in the National Register of Historic Places. Specifically, the historic Casa Consuelo (Los Angeles County Number [LACo No.] 1238) and Power Plant (LACo No. 1300) will be adaptively reused for project related uses; the historic Water Tower (LACo No. 1301) will be restored to serve as an important focal point for the site; the historic Shop and Laundry (LACo No. 1302) will be mothballed for future County use; the historic Administration Building (LACo No. 1100), currently occupied by the Sheriff's Department, will be retained with no alterations to the building or changes in its use; and the historic Moreton Bay Fig Tree will be retained.

Also included was the demolition component of the RLASC Project, which included demolition of 103 buildings and structures. While the approved demolition would result in the loss of the RLASC Historic District's eligibility as a historic resource, the Board previously determined it was necessary to achieve the County's objectives, which included eliminating public safety concerns associated with the existing abandoned campus setting, including vandalism, arson, theft, structural instability, and habitation by individuals and urban wildlife; developing state-of-the-art County facilities that demonstrate the County's commitment to sustainability through achievement of a Leadership in Energy and Environmental Design Gold rating; and enabling the RLASC to complement and readily adapt to potential future projects on the campus.

On November 16, 2021, the Board approved the demolition of the 103 buildings and structures, and the work was completed in September 2023. The completed demolition work included make-ready work required to prepare the site for the new County office building.

Project Delivery

On June 22, 2021, the Board approved Phase 1 of the RLASC County Office Building Project that authorized Public Works to execute a design-build contract with Sundt Construction, Inc., for program validation and schematic design. This Board action provided that at the completion of Phase 1, Public Works would return to the Board to seek authorization to proceed with the Phase 2 design-build services.

Awarding Phase 2 of the RLASC County Office Building Project's design-build contract to Sundt Construction, Inc., will deliver a development on a 23-acre site on the northeast portion of the RLASC, which will include an approximately 342,000-square-foot, 5-story main building with shared amenities, such as an auditorium, conference rooms, lunchrooms, and restrooms; is designed with an open office concept to allow maximum flexibility to adapt to changes based on user needs; and includes multiple points of vertical circulation within the building. Also included will be a new 31,200-square-foot warehouse building and a 3-story parking structure for approximately 978 vehicles. The site will have large open spaces in a park-like setting with specimen trees, draught tolerant landscaping, and fitness trails to encourage healthy living.

Between December 2023 and June 2024, the Chief Executive Office (CEO) reevaluated the cost efficiency of the project and identified new proposed tenants that could reduce County costs by terminating their current office space leases and relocating to the new RLASC County Office Building. The funding saved from the lease cancellations would be redirected to help pay for the debt service of the new building. The new proposed tenants also required less office space and so this reduced the size of the project, which was renegotiated with Sundt Construction, Inc. The use of the buildings remains unchanged.

The new proposed County tenants include the Departments of Aging & Disabilities; Children and Family Services; District Attorney; Internal Services; Mental Health; Public Health; Public and Social Services; Sheriff; the Executive Office Information Systems Advisory Board; and the Board of Supervisors (Supervisory District 4 Field Office). Also included are hoteling spaces for any County staff to use for remote work.

Additionally, as included in the previously approved project, two historic buildings will be restored and repurposed: 10,000 square feet of the Power Plant, built in 1925, will be adaptively reused as a cafeteria; and Casa Consuelo will be adaptively reused for future office tenant improvements. The historic Water Tower and Moreton Bay Fig Tree will be preserved and serve as important landmarks within the RLASC.

Design Completion Allowance

A \$16,500,000 design completion allowance is included in the project budget to facilitate decisions minimizing delays and facilitating resolution of issues identified during the design phase, including any design refinements or issues concerning the County's scoping documents or changes required by jurisdictional agencies and other issues, such as unforeseen conditions discovered during design.

Other Contractual Allowances

The \$16,000,000 FF&E, securities, and audio/visual allowance is intended to allow the design-builder to collaborate with the County in selecting the FF&E, securities, and audio/visual to be procured and installed for operations at the facility.

The \$1,600,000 utility fees allowance is included in the project budget to cover utility connection fees that will be incurred by the County, which cannot be determined until the design is complete.

The use of the allowances will be controlled by Public Works, with concurrence from the CEO, to reallocate funds from this allowance into the contract sum as needed.

Green Building/Sustainable Design Program

The RLASC County Office Building Project will support the Board's Green Building/Sustainable Design Program by obtaining a United States Green Building Council Leadership in Energy and Environmental Design Gold Certification or higher. The project will incorporate design and construction sustainable features to optimize energy and water use; enhance the sustainability of the site; improve indoor environmental quality; and maximize the use and reuse of sustainable and local resources while considering long-term maintenance.

Consultant Services Agreement

Awarding the building-related inspection, monitoring, and testing services to Kleinfelder, Inc., will enable Public Works to ensure compliance with the construction documents and building code requirements of all jurisdictional agencies and provide testing and special inspection services, including such things as concrete, structural steel, anchorage pull tests, fireproofing, geotechnical testing/observation, and hazardous materials monitoring, for the successful delivery of the project.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: North Star 1, Make Investments that Transform Lives, Focus Area Goal B, Employment and Sustainable Wages, Strategy iii, Job Creation; and North Star 3, Realize Tomorrow's Government Today, Focus Area Goal G, Internal Controls and Processes, Strategy ii, Manage and Maximize County Assets by providing contracting opportunities that will support small businesses and social enterprises and could potentially employ local and targeted workers. The project would also replace some County facilities that have exceeded their useful lives and can no longer be supported or maintained. The new replacement facility will enhance operational efficiency by consolidating County services in the RLASC.

Additionally, this is one of the identified pilot projects to be constructed utilizing the Community Workforce Agreement (CWA) approved by the Board and the Los Angeles/Orange Counties Building and Construction Trades Council on November 12, 2019.

FISCAL IMPACT/FINANCING

The total project budget is \$479,689,000 (Enclosure A), which includes the plans and specifications, programming, predevelopment activities, scoping documents, permit fees, construction, change order allowances, consultant services, Civic Art allocation, miscellaneous expenditures, and County services.

The RLASC County Office Building Project will house multiple County departments relocating from leased office space, which will redirect savings from lease terminations to offset the total debt service payments.

Costs for predevelopment activities, including conceptual design and program validation, were paid and funded by the Fourth Supervisorial District net County cost in the amount of \$9,250,000 and from the issuance of Notes through the Los Angeles County Capital Asset Leasing Corporation Lease Revenue Note Program (Note Program) in the amount of \$7,765,000. Each participating department will fund their pro rata share of the total FF&E, which is currently estimated at \$12,000,000. The proposed contract amendment includes a FF&E allowance of \$16,000,000 to cover potential additional unforeseen costs.

The remaining amount of the estimated project cost of \$446,674,000 will be financed with Notes and long-term lease revenue bonds. The costs of financing through the Note Program includes 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 financed 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 from the operating budgets of the participating departments. The CEO will work closely with the Treasurer and Tax Collector to determine the optimal financing plan for the project and will return to the Board to request authorization to issue long-term lease revenue bonds at some point in the future. The timing for the issuance of long-term bonds will depend on multiple factors, including the County's project expenditure needs, available capacity in the Note Program, and conditions in the municipal bond market. The costs of financing through the Note Program include interest, insurance, and administrative costs.

With an estimated total cost of \$454,439,000 to be financed, the projected annual debt service obligation, annual operations and maintenance, and capital reserves costs are approximately \$38,732,000. Lease cancellations from the tenant departments, as well as any eligible federal or state subvention are anticipated to offset the total annual amount by approximately \$26,722,000, which would reduce the overall net County cost obligation to \$12,010,000.

On December 18, 2018, the Board established three CPs (CP Nos. 67970, 67971, and 67972) to allow tracking of project expenditures under a separate fund through tax exempt Notes. Approval of the recommended action to establish CP No. 67959, will consolidate the previous three CPs and allow the tracking of the project expenditures under one CP to properly account for the short-term borrowing through the Note Program.

Approval of an appropriation adjustment (Enclosure B) will increase appropriation and revenue by \$27,000,000 in the Lease Revenue Obligation Notes – General Facilities Capital Improvement Fund, in the RLASC County Office Building Project, CP No. 67959, to fully fund the estimated Fiscal Year 2024-25 project expenditures.

Operating Budget Impact

Following completion of the project, the respective departments will fund the associated ongoing annual maintenance and operational costs and capital reserves within existing departmental resources.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Design-Build Contract

The design-build contract with Sundt Construction, Inc., contains terms and conditions supporting the Board's ordinances and policies including, but not limited to: County Code Chapter 2.160, Lobbyist Ordinance; County Code Chapter 2.200, Child Support Compliance Program; County Code Chapter 2.202, Contractor Responsibility and Debarment; County Code Chapter 2.203, Contractor Employee Jury Service Program; County Code Chapter 2.204, Local Business Enterprise Preference Program; County Code Chapter 2.206, Defaulted Property Tax Reduction Program; Board Policy No. 5.050, County's Greater Avenues for Independence and General Relief Opportunities for Work Programs; Board Policy No. 5.135, Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law); and CWA by and among the Los Angeles County, the Los Angeles/Orange Counties Building, Construction Trades Council, the Signatory Craft Councils, and Local Unions.

In accordance with Board Policy 5.270, Countywide Local and Targeted Worker Hiring, during Phase 2, the project will 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 will also include a jobs coordinator who will facilitate implementation of the targeted hiring requirement of the policy.

Consultant Services Agreement

A standard CSA with Kleinfelder, Inc., in the form previously approved by County Counsel, would be used. The CSA contains terms and conditions in compliance with CEO's and the Board's requirements. The proposed agreement also includes a provision requiring the consultant firms track subcontractors' utilization of Local Small Business Enterprise, Disabled Veterans Business Enterprise, and Social Enterprise Businesses.

The term of the proposed CSA would commence on the date of the full execution of the contract and for the duration of the project until final acceptance by the County.

Civic Art

In accordance with the Board's Civic Art Policy, adopted on December 7, 2004, and last amended on August 4, 2020, the proposed project budget includes one percent of eligible design and construction costs, in the amount of \$1,000,000, to be allocated to the Civic Art Fund.

ENVIRONMENTAL DOCUMENTATION

The County, as lead agency under California Environmental Quality Act (CEQA), prepared an Environmental Impact Report (EIR) for the previously approved RLASC Project in compliance with CEQA, which analyzed the potential environmental effects of the project. The EIR was certified on June 23, 2020, at which time the Board adopted the MMRP, approved required Findings of Fact, Statement of Overriding Considerations, and the RLASC Project. The recommended actions related to the previously renamed RLASC County Office Building Project are within the scope of the previously certified EIR for the approved RLASC Project. There have been no changes to the previously approved project or the circumstances under which it will be undertaken that will result in any new significant effects not included in the FEIR or any significant environmental effects that would be more severe than shown in the certified FEIR. No further environmental findings are

necessary under CEQA. The previously adopted MMRP, approved Findings of Fact, and Statement of Overriding Considerations continue to apply to the currently proposed actions.

The previously certified EIR and related environmental documents are available and can be viewed at <https://ftp.pw.lacounty.gov:8443/pub/pmd/RanchoLosAmigosSouthCampusEIR/>. The location of the documents and other materials constituting the record of the proceedings upon which the Board decision is based in this matter can be viewed in person at Public Works Project Management Division II, 900 South Fremont Avenue, 5th Floor, Alhambra, CA 91803.

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 Clearinghouse in the Governor's Office of Land Use and Climate Innovation in accordance with California Public Resources Code 21152 and will post the Notice of Determination to the County's website pursuant to Section 21092.2. Payment of the fee to the California Department of Fish and Wildlife was made for the previously certified EIR pursuant to Section 711.4 of the Fish and Game Code.

CONTRACTING PROCESS

Building-Related Inspection, Monitoring, and Testing Services

On January 16, 2020, Public Works issued a Request for Proposals for building-related inspection and testing services. A total of eight proposals were received, and an evaluation committee comprised of Public Works staff evaluated the proposals. The evaluation was based on technical expertise, a proposed work plan, experience, personnel qualifications, and understanding of the work requirements. Based on the evaluation, Kleinfelder, Inc., was determined to be the best-qualified firm for the project. Kleinfelder, Inc., will implement and comply with the CWA for all special inspection work on the project, which was one of the identified pilot projects of the CWA, as approved by the Board on November 12, 2019. Kleinfelder, Inc.'s Community Business Enterprise participation data and 3-year contracting history are on file with Public Works.

Standard contracts, in the form previously approved by County Counsel, were used. The standard Board-directed clauses that provide for contract termination, renegotiation, and hiring qualified displaced County employees are included in the contract.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on current County services or projects during the performance of the recommended actions.

CONCLUSION

Please return one adopted copy of this Board letter to Public Works, Project Management Division II.

Respectfully submitted,



MARK PESTRELLA, PE
Director

MP:SK:mm

Enclosures

- c: Aging & Disabilities
Arts and Culture (Civic Art Division)
Auditor-Controller
Chief Executive Office (Capital Programs
Division)
Children and Family Services
County Counsel
District Attorney
Executive Office, Board of Supervisors
Internal Services
Mental Health
Public Health
Public Social Services (GAIN/GROW Program)
Sheriff

**CONSTRUCTION CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
RANCHO LOS AMIGOS SOUTH CAMPUS
COUNTY OFFICE BUILDING PROJECT
APPROVE CAPITAL PROJECT BUDGET AND
APPROPRIATION ADJUSTMENT
AMEND DESIGN-BUILD CONTRACT
AWARD CONSULTANT SERVICES AGREEMENT
CAPITAL PROJECT NO. 67959
FISCAL YEAR 2024-25
(SUPERVISORIAL DISTRICT 4)
(4-VOTES)**

I. PROJECT SCHEDULE

Project Activity	Completion Date
Design-Build Award – Phase 1	*Q2 2021
Design-Build Award – Phase 2	Q1 2025
Construction	
Substantial Completion	Q4 2027
Project Acceptance	Q1 2028

*Indicates a completed activity.

II. PROJECT BUDGET

Budget Category	Budget
Construction	
Construction	\$373,300,000
Allowances	\$ 34,100,000
Change Orders	\$ 25,000,000
Civic Arts	\$ 1,000,000
Subtotal	\$433,400,000
Consultant Services	\$ 16,965,000
Miscellaneous Expenditures	\$ 350,000
Jurisdictional Reviews	\$ 3,500,000
County Services	\$ 8,459,000
Past Expenditures	\$ 17,015,000
Total	\$479,689,000

PINK

BA FORM 10142022

BOARD OF SUPERVISORS
OFFICIAL COPY

February 18, 2025

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFORE

FY 2024-25

4 - VOTES

SOURCES		USES	
GENERAL FACILITIES CAPITAL IMPROVEMENT RANCHO LOS AMIGOS SOUTH CAMPUS COUNTY OFFICE BUILDING J22-CP-94-9276-65065-67959 LEASE REVENUE OBLIGATION NOTES PROCEEDS / CAPITAL PROJECTS INCREASE REVENUE	27,000,000	GENERAL FACILITIES CAPITAL IMPROVEMENT RANCHO LOS AMIGOS SOUTH CAMPUS COUNTY OFFICE BUILDING J22-CP-6014-65065-67959 CAPITAL ASSETS - B & I INCREASE APPROPRIATION	27,000,000
SOURCES TOTAL	\$ 27,000,000	USES TOTAL	\$ 27,000,000

JUSTIFICATION

Reflects an increase in revenue and appropriation by \$27,000,000 in the Lease Revenue Obligation Notes - General Facilities Capital Improvement Fund, for the Rancho Los Amigos South Campus County Office Building Project, Capital Project No. 67959, to fund the estimated Fiscal Year 2024-25 project expenditures.

James Yun

Digitally signed by James Yun
Date: 2025.01.15 11:48:11 -08'00'

AUTHORIZED SIGNATURE

JAMES YUN, MANAGER, CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR---

ACTION

RECOMMENDATION

Andrea Turner

Digitally signed by Andrea Turner
Date: 2025.01.15 13:44:03 -08'00'

BY

AUDITOR-CONTROLLER

B.A. NO. **084**

DATE **1/15/25**

APPROVED AS REQUESTED

APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY

Amir Alam

Digitally signed by Amir Alam
Date: 2025.01.15 15:52:53 -08'00'

DATE **1/15/25**