



MARK PESTRELLA, Director

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE
REFER TO FILE

January 13, 2026

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
CIVIC CENTER POWER PLANT
BOILERS AND CHILLERS REPLACEMENT PROJECT
AWARD MATERIALS TESTING AND
DEPUTY INSPECTION SERVICES CONSULTANT AGREEMENT
DELEGATE INCREASED CHANGE ORDER AUTHORITY
SPECS. 7842; CAPITAL PROJECT NOS. 87735 AND 89149
FISCAL YEAR 2025-26
(SUPERVISORIAL DISTRICT 1)
(3-VOTES)**

SUBJECT

Public Works is seeking Board approval to award and execute a consultant services agreement for materials testing and deputy inspection services for the Civic Center Power Plant Boilers and Chillers Replacement project, and delegated expanded change order authority to the Director of Public Works to execute changes to the work under the Construction Manager at Risk Preconstruction and Construction Services Agreement, up to \$750,000 for a single change.

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. Award and authorize the Director of Public Works or his designee to execute a consultant services agreement with Koury Engineering and Testing, Inc. to provide materials testing and deputy inspection services for a not-to-exceed amount of \$1,250,000 for the Civic Center Power Plant Boilers and Chillers Replacement project.
3. Delegate authority to the Director of Public Works or his designee to supplement the initial not-to-exceed contract amount of \$1,250,000 by up to 25 percent based on the project needs.
4. Delegate authority to the Director of Public Works or his designee to approve extra costs for any change or addition to the work under the previously Board-approved Construction Manager at Risk Preconstruction and Construction Services Agreement with Gilbane Building Company for the Civic Center Power Plant Boilers and Chillers Replacement project, provided that the extra cost of any such individual change or addition to the work does not exceed \$750,000, and further provided that there is sufficient remaining budget for the project to cover such costs or changes, and further subject to the limit that the aggregate amount of all such delegated authority change orders shall not exceed 25 percent of the original Construction Manager at Risk Preconstruction and Construction Services Agreement Guaranteed Maximum Price of \$153,600,000 as set forth in California Public Contract Code Section 20145.
5. Instruct the Director of Public Works or his designee to provide monthly reports to the Board detailing all change orders granted under the increased delegated authority for the Civic Center Power Plant Boilers and Chillers Replacement project and find that this monthly reporting constitutes a sufficient and appropriate measure to prevent fraud and ensure accountability for the delegated authority to the Director of Public Works or his designee to approve extra costs for any change or addition to the work.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to find that they are within the scope of the previous finding of exemption under the California Environmental Quality Act (CEQA); award a consultant services agreement for materials testing and deputy inspection services for the Civic Center Power Plant Boilers and Chillers Replacement project; and delegate authority to the Director of Public Works or his designee to approve change orders to the previously Board-approved Construction Manager at Risk (CMAR) Preconstruction and Construction Services Agreement up to \$750,000 per change, and make the required findings that the implementation of monthly reporting of change orders carried out under delegated authority for the Civic Center Power Plant Boilers and Chillers Replacement project constitutes a sufficient and appropriate measure to prevent fraud and ensure accountability for such delegated authority.

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.

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 and building code standards, to improve the efficiency and reliability of the facility. The proposed improvements will consist of structural and seismic upgrades to the Central Plant building; historic restoration of the exterior building facade; 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.

On November 16, 2021, the Board approved the project with an initial budget of \$24,900,000 for selective demolition and make-ready work, and authorized Public Works to carry out the design 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 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 was completed in March 2025.

On January 10, 2023, the Board approved the revised project budget of \$46,100,000 for the demolition and make-ready work and awarded a project-specific architectural/engineering design services agreement for a not to exceed contract amount of \$6,100,000 to Perkins Eastman Architects, Design Professional Corporation to provide design, consultant, construction administration, and cost estimating services for the approved project.

On September 12, 2023, the Board awarded a 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 February 18, 2025, the Board approved the revised total project budget of \$242,000,000 and approved and authorized the Director of Public Works to execute an amendment to the CMAR 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 project.

The CMAR construction started in September 2025 and will be phased to maintain the facility in operation with anticipated completion in September 2028.

Consultant Services Agreement

Under the recommended consultant services agreement, Koury Engineering and Testing, Inc. will provide materials testing and deputy inspection services for the project, for a not-to-exceed amount of \$1,250,000. These services are intended to verify that the materials, products, and processes used by the CMAR contractor during construction comply with the approved construction documents and the various building code requirements. The scope of work includes testing and deputy inspection services for soils, concrete, structural steel, welding, anchorage pull tests, and fireproofing.

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 recommended consultant services agreement for materials testing and deputy inspection services is for a not-to-exceed amount of \$1,250,000.

The Board-approved total project budget is \$242,000,000 and includes design, plan check, demolition and make-ready work, consultant services, County services, Civic Art, procurement of long-lead mechanical and electrical equipment, and CMAR preconstruction and construction services. Sufficient funding is available in the approved project budget to fund the recommended consultant services agreement.

Currently, the project funding is \$196,900,000, which includes \$106,100,000 of net County cost appropriated under Capital Project No. 87735, and \$90,800,000 of lease revenue commercial paper notes appropriated under Capital Project No. 89149. The remaining balance of \$45,100,000 to be funded through lease revenue commercial paper notes will be budgeted in future budget cycles based on the projected cashflow for each fiscal year.

Operating Budget Impact

ISD does not anticipate any one-time start-up cost. Any additional ongoing operational and maintenance funding required as a direct result of the 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 project budget includes 1 percent of eligible design and construction costs in the amount of \$77,000 to be allocated towards Civic Art.

In accordance with Board Policy 5.270, Countywide Local and Targeted Worker Hiring, 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 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.

On July 16, 2021, the State of California enacted certain revisions to the California Public Contract Code Section 20142. These revisions, which were sponsored by the County and apply only to the County, authorize the Board of Supervisors for projects whose original contract amount exceeds \$50,000,000, among other things, to increase the individual change order authority delegated to the Director of Public Works or his designee to \$750,000. These revisions to the California Public Contract Code may be used on a maximum of seven projects, and these statutory revisions expire on January 1, 2027. The Board approved the use of these revisions for the Adventure Park Multi-Benefit Stormwater Capture on November 16, 2011, the Pacoima Spreading Grounds Basin Enhancement on January 11, 2022, the Harbor-UCLA Medical Center Replacement Program on February 8, 2022, the North Hollywood Health Center on August 8, 2023, the Los Angeles General Medical Center Psychiatric Subacute Facility on July 9, 2024, and the Puente Hills Landfill Park on December 2, 2025. Although the Board did approve the use of these revisions for the Alondra Park Multi Benefit Stormwater Capture, the Rancho Los Amigos South Campus Development, and the Hall of Administration Seismic Retrofit, the authority was never utilized for these projects. Upon approval of the recommended actions, the Civic Center Power Plant Boilers and Chillers Replacement will be the next project to apply these revisions. The statutory revisions also require the Board to implement appropriate measures to prevent fraud and ensure accountability for that delegated authority. Accordingly, the recommendations include direction to the Director of Public Works or his designee to report monthly on change orders carried out under this delegated authority for the Civic Center Power Plant Boilers and Chillers Replacement project and a finding by the Board that this reporting requirement is a sufficient and appropriate measure to prevent fraud and ensure accountability for this delegated authority. Finally, these special statutory provisions require that, for any contract applying this higher delegated authority, the County shall provide a review report to the Assembly Committee on Local Government and the Senate Committee on Governance and Finance no later than July 1, 2026.

A standard consultant services agreement, in a form previously approved by County Counsel, will be used for the materials testing and deputy inspection services. The agreement contains terms and conditions supporting the Board's ordinances and policies and includes provisions requiring the consultant to track subcontractor's utilization of Local Small Business Enterprise, Disabled Veterans Business Enterprise, and Social Enterprise Businesses.

The term of the consultant services agreement shall commence on the date of the full execution of the contract and will continue for the duration of the project. Enclosure A reflects the consultant's minority participation and the Community Business Enterprises participation data.

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 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. The recommended actions are

within the scope of the previous exemption under the CEQA for the approved project.

CONTRACTING PROCESS

On July 10, 2025, Public Works issued a Request for Proposal (RFP) for the materials testing and deputy inspection services for the Civic Center Central Plant Boilers and Chillers Replacement project. The RFP was advertised on the County's "Doing Business with Los Angeles County" website (Enclosure B), Public Works' "Do Business with Public Works" website, X (formerly Twitter), and advertisements were placed in the Daily Commerce, Daily News Los Angeles, Los Angeles Sentinel, Long Beach - Press Telegram, San Gabriel Valley Tribune, Santa Monica Daily Press, The Signal, and World Journal (Chinese Daily News). Also, Public Works informed 1,706 Local Small Business Enterprises; 187 Disabled-Veteran Owned Business Enterprises; 146 Social Enterprises; 1106 Community Business Enterprises, and 1,386 Community-Based Organizations about this business opportunity. The Department of Economic Opportunity informed 351 clients with the North American Industry Classification System code. Public Works advertised this RFP in a weekly e-mail newsletter with over 32,673 subscribers. Eleven firms registered on the Public Works website for this RFP.

On August 27, 2025, five firms submitted proposals. An evaluation committee, consisting of ISD and Public Works, evaluated the proposals based on criteria described in the RFP, including qualifications, experience, personnel, and understanding of the work requirements, and price. Based on the evaluation of the proposals, Koury Engineering and Testing, Inc. was selected without regard to race, creed, color, or gender as the best-value firm to provide the required services. Public Works has determined that the firm's proposed rates for performing the services are reasonable. The three-year contracting history for the selected firm is on file with Public Works.

Public Works has evaluated and determined that Los Angeles County Code Chapter 2.201 (Living Wage Program) does not apply to the recommended consultant services agreement. This agreement is exempt from the requirements of Proposition A because the services are required on a part-time and intermittent basis. Public Works notified the Union of this solicitation.

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.

The Honorable Board of Supervisors

1/13/2026

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Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Mark Pestrella".

MARK PESTRELLA, PE

Director

MP:GT:cg

Enclosures

c: Auditor-Controller
Chief Executive Office (Capital Programs
Division)
County Counsel
Executive Office, Board of Supervisors
Internal Services

**PROPOSERS' UTILIZATION PARTICIPATION AND COMMUNITY BUSINESS ENTERPRISE PROGRAM INFORMATION FOR
MATERIALS TESTING AND DEPUTY INSPECTION SERVICES FOR THE CIVIC CENTER POWER PLANT
BOILERS AND CHILLERS REPLACEMENT PROJECT**

SELECTED FIRMS

	Proposer Name (Prime with subcontractors* listed below) *only subcontractors with Utilization Participation are listed.	Local Small Business Enterprise (LSBE)	Small Business Enterprise (SBE)	Minority	Women-Owned	Disadvantaged Business	Disabled Veteran Business Enterprise	Social Enterprise	Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning-Owned Business
1	Koury Engineering & Testing, Inc.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	MBI Professional Services, Inc.	n/a	x	n/a	x	n/a	n/a	n/a	n/a

NON-SELECTED FIRMS

	Proposer Name (Prime with subcontractors* listed below) *only subcontractors with Utilization Participation are listed.	Local Small Business Enterprise (LSBE)	Small Business Enterprise (SBE)	Minority	Women-Owned	Disadvantaged Business	Disabled Veteran Business Enterprise	Social Enterprise	Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning-
Small Business Category									
1	American Engineering Laboratories, Inc.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2	California Testing & Inspection, Inc.	n/a	n/a	x	x	x	n/a	n/a	n/a
	Grace Inspection and Testing	n/a	x	n/a	n/a	n/a	n/a	n/a	n/a
3	Caltech Labs, Inc.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4	Smith Emery Laboratories, Inc.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	AESCO, Inc.	n/a	x	n/a	x	x	n/a	n/a	n/a

*Information provided by proposers in response to the Request for Proposal. On final analysis and consideration of award, vendors were selected without regard to race, creed, gender, or color.

**PROPOSERS' UTILIZATION PARTICIPATION AND COMMUNITY BUSINESS ENTERPRISE PROGRAM INFORMATION FOR
MATERIALS TESTING AND DEPUTY INSPECTION SERVICES FOR THE CIVIC CENTER POWER PLANT
BOILERS AND CHILLERS REPLACEMENT PROJECT**

FIRM INFORMATION*		Koury Engineering & Testing, Inc.						
BUSINESS STRUCTURE		Corporation	Corporation	Corporation	Corporation	Corporation		
CULTURAL/ETHNIC COMPOSITION		NUMBER/% OF OWNERSHIP						
OWNERS/PARTNERS	Black/African American	0						
	Hispanic/Latino	0						
	Asian or Pacific Islander	0						
	Native American	0						
	Subcontinent Asian	0						
	White	100%						
	<i>Female (included above)</i>	51%						
Total No. of Employees		20						
COUNTY CERTIFICATION								
CBE		N						
LSBE		N						
OTHER CERTIFYING AGENCY		N/A						

*Information provided by proposers in response to the Request for Proposal. On final analysis and consideration of award, vendors were selected without regard to race, creed, gender, or color.



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Solicitation Information

Solicitation Number:	BRC0000555		
Title:	Materials Testing and Deputy Inspection Services for the Civic Central Plant Boilers and Chillers Replacement Project		
Department:	Public Works		
Bid Type:	Service	Bid Amount:	\$1,250,000.00
Commodity:	CONSULTING SERVICES - CONSTRUCTION		
Description:	<p>The Los Angeles County (County) Public Works (Department) is issuing this Request for Proposals (RFP) to solicit proposals for a contract with an organization that can provide materials testing and deputy inspection services for the Civic Center Central Plant Boilers and Chillers Replacement Project.</p> <p>The objective of this solicitation is to select one best value firm that provides the requested services.</p> <p>July 23, 2025, an optional virtual conference will be held at 10 a.m. An optional project site visit will be held on July 29, 2025, at 1 p.m. Attendees must wear a hard hat to enter project site. Project site address is 301 N. Broadway, Los Angeles, CA 90012. Refer to Map in the RFP document.</p> <p>Email all questions to the contact person identified below, no later than July 29th. To Access the entire Request for Proposals Documents, visit https://dpw.lacounty.gov/contracts/opportunities.aspx.</p> <p>Posted Addendum:</p> <p>Notice to Proposers A, dated July 17, 2025 Notice to Proposers B, dated August 5, 2025</p> <p style="text-align: right;">Less</p>		
Open Day:	7/10/2025	Closed Date:	8/27/2025 5:30:00 PM
Contact Name:	Loydi Nguyen	Contact Phone:	(626) 458-2180
Contact Email:	Lnguyen@pw.lacounty.gov		
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Solicitation Award (0) :	Click here to view award list.		
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