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**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

April 14, 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-RELATED CONTRACT  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
HARBOR-UCLA MEDICAL CENTER  
REPLACEMENT PROGRAM  
APPROVE CONSTRUCTION CHANGE ORDERS  
CAPITAL PROJECT NO. 67965  
FISCAL YEAR 2025-26  
(SUPERVISORIAL DISTRICT 2)  
(4-VOTES)**

**SUBJECT**

Public Works is seeking Board approval to execute two construction change orders with Hensel Phelps Construction Company for the Harbor-UCLA Medical Center Replacement Program.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the scope of work to be carried out by the proposed change orders is within the scope of the environmental impacts analyzed in the previously certified Final Environmental Impact Report and subsequent Addenda Nos. 1, 2, and 3 for the Harbor-UCLA Medical Center Campus Master Plan.
2. Approve and authorize the Director of Public Works or his designee to finalize negotiations and execute a change order with Hensel Phelps Construction Company, for a not-to-exceed amount of \$1,180,000, to design, furnish, and install a secondary domestic water line to the existing Surgery/Emergency Building.
3. Approve and authorize the Director of Public Works or his designee to execute a change order

with Hensel Phelps Construction Company, for a not-to-exceed amount of \$936,545, to decrease the spacing between Wireless Access Points from 1,600 square feet per device to 600 square feet at the Inpatient Tower.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to find that the scope of work in the proposed change orders is within the scope of the impacts analyzed in the County's previously certified Final Environmental Impact Report (FEIR) and subsequent Addenda Nos. 1, 2, and 3; and authorize Public Works to execute two change orders, for a combined total not-to-exceed amount of \$2,116,545, within the Board-approved project budget of \$1,806,000,000, with Hensel Phelps Construction Company (Hensel Phelps).

#### 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 (H-UCLA) Medical Center Replacement Program will not only bring the hospital into compliance with the mandate, but also consolidate inpatient and outpatient services into new buildings that optimize operational effectiveness, reduce operation and maintenance costs, provide outpatient facilities that accommodate planned patient visits, implement sustainability, and create a campus designed for the wellbeing of patients and staff.

The H-UCLA Medical Center Replacement Program includes construction of an Outpatient/Support Building, which comprises of 233 exam rooms that are distributed across 3 floors of space. The clinics are arrayed throughout the floors to promote an integrated care model that meets patients' complex care needs. The H-UCLA Medical Center Replacement Program also consists of construction of an Inpatient Tower Building with 347 inpatient beds, new psychiatric emergency department, and permanent rooftop helistop. The current hospital is licensed at 453 beds and runs an average daily census of 312 patients, which has increased steadily over the past 4 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 H-UCLA Medical Center Replacement Program comprises construction of a 1,500-stall above-grade parking structure; a new Central Utility Plant to serve new buildings under the jurisdiction of the California Department of Health Care Access and Information; a new Support Services Building for the campus Information Technology and Facilities staff; a new Regional Laboratory; and related make-ready work, such as several new surface parking lots, a 66-kilovolt electrical substation, a 12-kilovolt electrical building, and tenant improvements.

On February 8, 2022, the Board approved a total project budget of \$1,695,000,000. The budget included a stipulated sum Design-Build (D-B) Agreement with Hensel Phelps for a maximum not-to-exceed contract sum of \$1,238,179,000; inclusive of a \$1,112,179,000 stipulated sum contract plus a \$30,000,000 Design Completion Allowance, and a \$96,000,000 Medical Equipment Allowance. The Board also delegated authority to the Director of Public Works or his designee to approve change orders for a maximum of \$750,000 subject to the limits that the aggregate amount of all such delegated authority change orders does not exceed 25 percent of the original contract amount as set forth in California Public Contract Code Section 20145.

On June 25, 2024, the Board approved the revised 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. On January 21, 2025, the Board approved 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, to address additional make-ready project cost and scope increases, soft costs, and future unforeseen conditions.

Between March 2022 and May 2025, the Board approved the execution of a total of 21 change orders, for a total not-to-exceed amount of \$62,861,345 to Hensel Phelps. These change orders were within the Board-approved budget for various scopes of work, but exceeded Public Works' delegated authority of \$750,000.

Construction is 62 percent complete. The Support Services Building, Parking Structure A, Outpatient/Support Building, and the Regional Laboratory are complete. Construction of the Inpatient Tower and Central Utility Plant began in June 2024 and November 2024, respectively, and are scheduled to be completed by August 2027.

#### Proposed Change Orders

The recommended actions would approve the following two construction change orders with Hensel Phelps, which exceed Public Works' delegated authority of \$750,000 but are within the Board-approved project budget of \$1,806,000,000.

**Secondary Domestic Water Line to Surgery/Emergency (S/E) Building:** The proposed change order is for a \$1,180,000 not-to-exceed amount to design, furnish, and install an 8-inch-diameter secondary domestic water line from the existing point of connection at the South Drive at H-UCLA Medical Center to the new point of connection south of the S/E Building. The work would also include the removal and restoration of existing concrete and asphalt surfaces for installation of the new line. The secondary water line will supply the S/E Building with a redundant source of domestic water to facilitate uninterrupted operation during scheduled maintenance or in case of damage to either line.

**Wireless Access Points (WAPs) Spacing:** The proposed change order is for a \$936,545 not-to-exceed amount to decrease the spacing between the WAPs from 1,600 square feet per device to 600 square feet. Upon completion of preliminary design of the wireless network, the County determined that the 600-square-foot spacing would best support the complex healthcare wireless systems specified, while also allowing capacity for future expansion or addition of systems. A deductive change order to increase the WAPs spacing to 1,600 square feet was issued to Hensel Phelps shortly after contract execution to align with installations at other hospitals; however, further design confirmed the spacing would be insufficient to support systems planned for deployment at the Inpatient Tower.

The D-B Agreement executed in 2022 included the latest WAPs technology at the time of solicitation in 2021. Since that time and prior to implementation, newer WAPs technology has become available. In order to incorporate the latest technology and at competitive prices, Public Works, outside of the above-referenced change order and within delegated authority, will remove the procurement of the WAPs devices from the D-B scope, and the County would utilize the Department of Health Services contracting methods to procure through the Capital Project for all remaining buildings in the H-UCLA Medical Center Replacement Program.

#### **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 enhances the quality and delivery of healthcare services to Los Angeles County residents; and North Star 3, 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.

### **FISCAL IMPACT/FINANCING**

Approval of the recommended actions would allow Public Works to issue the change orders to Hensel Phelps for a total not-to-exceed amount of \$2,116,545. Public Works has reviewed the change orders and finds their value to be in line with the cost of the work included in the project budget. There is sufficient funding in the \$1,806,000,000 project budget approved by the Board on January 21, 2025, to cover the cost of the proposed change orders. The Enclosure reflects the reallocation of funding for these proposed change orders within the approved project budget, as well as unrelated adjustments within the soft cost categories.

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

#### Operating Budget Impact

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

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Section 20137 of the California Public Contract Code allows the Board, with a four-fifths vote, to authorize an individual change order to a construction contract that is 10 percent or less of the original contract amount without having to obtain bids for the work. Each of the two proposed change orders are less than 10 percent of the original contract sum and are, therefore, within the statutory threshold.

### **ENVIRONMENTAL DOCUMENTATION**

The recommended actions are within the scope of the impacts analyzed in the FEIR, certified by the Board on December 16, 2016, and subsequent Addenda Nos. 1, 2, and 3 approved by the Board on November 10, 2020, and February 8, 2022, respectively, and there have been no changes to the project or to the circumstances under which it will be undertaken that require further review or findings under the California Environmental Quality Act. The proposed activities included in the change orders, which include the design and installation of the new secondary domestic water line to the S/E Building and the WAPs spacing change are within the scope of impacts analyzed in the FEIR and certified Addendum No. 3. The Mitigation Monitoring and Reporting Program, Environmental Findings of Fact, and Statement of Overriding Considerations adopted at the time of FEIR certification will continue to apply.

The location of the documents, including the previously certified FEIR, Addenda and related environmental documents, and other materials constituting the record of the proceedings upon which

the Board's decision is based in this matter is with Public Works, Project Management Division I, 900 South Fremont Avenue, 5th Floor, Alhambra, CA 91803. The previously certified FEIR and Addenda are available at the location above and can also be viewed online at <https://pw.lacounty.gov/harbor-ucla-rp/>. The custodian of such documents and records is the H-UCLA Replacement Program Project Manager.

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

### **CONTRACTING PROCESS**

To date, Public Works has executed 55 allowance reallocation contract amendments for a total not-to-exceed amount of \$79,204,115. Additionally, Public Works has executed 200 change orders under delegated authority for a total not-to-exceed amount of \$14,175,835. Of the \$62,861,345 in change orders approved in the six previous Board letters, \$13,767,845 is still pending execution and \$8,260,659 was unused due to change order negotiations. The Enclosure contingency has been updated to reflect these successful negotiations.

The proposed two change orders for \$1,180,000 and \$936,545 not-to-exceed amounts represent 0.1 and 0.08 percent of the original maximum contract sum of \$1,238,179,000. When executed, the change orders will increase the contract sum to \$1,262,276,181, and the maximum contract sum to \$1,309,072,066.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommended change orders are within the Design Builders limits of work and will not result in any additional impacts to the current services on the H-UCLA Medical Center Campus.

**CONCLUSION**

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

Respectfully submitted,



MARK PESTRELLA, PE

Director

MP:GT:cg

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  
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**I. PROJECT SCHEDULE SUMMARY**

Project Activity	Scheduled Completion Date
Scoping Documents	June 2021*
Design-Build Award	February 2022*
Jurisdictional Approvals	Various
Substantial Completion-Parking Structure A	June 2024*
Substantial Completion-Outpatient/Support Building	June 2026
Substantial Completion-Central Plant	May 2027
Substantial Completion-Inpatient Tower	August 2027
Project Acceptance	December 2027

\*Completed Activity

**II. PROJECT BUDGET SUMMARY**

Project Budget Category	Board Approved Budget	Current Changes Under Delegated Authority	Impact of this Action	Revised Project Budget
Design-Build Construction	\$1,244,889,423	\$15,270,213	\$ 2,116,545	\$1,262,276,181
Make-Ready Construction	\$ 127,585,527	\$ 72,685		\$ 127,658,212
Change Order Contingency	\$ 121,117,833	\$ (1,347,214)	\$(2,116,545)	\$ 117,654,074
Civic Arts	\$ 2,000,000			\$ 2,000,000
Stipend	\$ 1,000,000			\$ 1,000,000
Medical Equipment Allowance	\$ 49,756,061	\$ (3,694,688)		\$ 46,061,373
Design Completion Allowance	\$ 10,764,088	\$(10,216,619)		\$ 229,160
Plans and Specifications	\$ 54,000,000	\$ 90,000		\$ 54,090,000
Consultant Services	\$ 138,266,068	\$ 333,932		\$ 138,600,000
Miscellaneous Expenditures	\$ 1,650,000	\$ (200,000)		\$ 1,450,000
Jurisdictional Review/ Plan Check/Permits	\$ 24,181,000	\$ (50,000)		\$ 24,131,000
County Services	\$ 30,790,000	\$ 60,000		\$ 30,850,000
<b>TOTAL</b>	<b>\$1,806,000,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$1,806,000,000</b>