COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS
"To Enrich Lives Through Effective and Caring Service"
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MARK PESTRELLA, Director

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IN REPLY PLEASE
REFER TO FILE

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

26 July 21, 2026

Edward Yen
EDWARD YEN
EXECUTIVE OFFICER

July 21, 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 2026-27
(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 $1,000,000, to design and construct an auxiliary generator yard at Surface Lot 2.

3. 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

$15,000,000, an increase of $4,677,655 from the previously Board-approved change order amount of $10,322,345, to design and construct utility ductbank and a utility bridge between the new Central Utility Plant and the existing Surgery/Emergency Building.

**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 $16,000,000, 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 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 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 Replacement 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, 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, 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 2026, the Board approved the execution of a total of 23 change orders, for a total not-to-exceed amount of $64,977,890 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 78 percent complete. The Support Services Building, Parking Structure A, Outpatient/Support Building, and the Regional Laboratory are complete. Construction of the Inpatient Tower (IPT) 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.

Auxiliary Generator Yard at the Surface Lot 2 (SL-2): The proposed change order is for a $1,000,000 not-to-exceed amount, to design and construct an Auxiliary Generator yard at SL-2 surface parking lot to support backup power infrastructure for campus-wide emergency power testing. Electrical equipment for the Emergency Generator component of the Replacement Program is subject to global market volatility, which may impact the testing, commissioning, and completion of the IPT should delivery of any of the equipment be delayed. To mitigate that risk, use of an Auxiliary Generator to provide emergency power to the Central Plant will allow for timely testing of the electrical systems at the IPT and maintain the project schedule. Additionally, an Auxiliary Generator can serve as a backup power source in case the main generator fails or requires maintenance while the facilities are in operation.

Utility Ductbank and Utility Bridge Between New Central Utility Plant and Surgery/Emergency (S/E) Building: On May 13, 2025, the Board approved a change order for a $10,322,345 not-to-exceed amount to design and construct the utility ductbank between the new Central Utility Plant and the existing S/E Building. Due to utility congestion, the ductbank section crossing Central Drive cannot be placed underground and must be installed overhead on a utility bridge. This bridge will require underground vaults, footings, a steel superstructure, and screens to hide the utility lines. To accommodate the additional required scope and unforeseen underground conditions, the change order value will increase by $4,677,655, for a not-to-exceed amount of $15,000,000.

**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 $16,000,000. 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 construction of the Auxiliary Generator yard at SL-2 and ductbank and utility bridge between the new Central Utility Plant and S/E Building, 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 on 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 97 allowance reallocation Contract Amendments for a total not-to-exceed amount of $86,527,786.  Additionally, Public Works has executed 262 change orders under delegated authority for a total not-to-exceed amount of $17,191,727.  Of the $64,997,890 in change orders approved in the six previous Board actions, $12,222,345 is still pending execution and $8,603,467 was unused due to change order negotiations.  The enclosed Project Budget Summary has been updated to reflect these successful negotiations.

The proposed two change orders, with not-to-exceed amounts of $1,000,000 and $15,000,000, represent 0.08 percent and 1.21 percent, respectively, of the original maximum contract sum of $1,238,179,000.  When executed, the change orders will increase the contract sum to $1,276,187,043, and the maximum contract sum to $1,315,693,747.

## 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

**ENCLOSURE**

**CONSTRUCTION-RELATED CONTRACT**
**CONSTRUCTION MANAGEMENT CORE SERVICE AREA**
**HARBOR-UCLA MEDICAL CENTER**
**REPLACEMENT PROGRAM**
**APPROVE CONSTRUCTION CHANGE ORDERS**
**CAPITAL PROJECT NO. 67965**
**FISCAL YEAR 2026-27**
**(SUPERVISORIAL DISTRICT 2)**
**(4-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 | Board Approved Budget | Changes Under Delegated Authority Since the Last Board Action | Impact of this Action | Revised Project Budget |
|---|---|---|---|---|
| Design-Build Construction | $1,262,276,181 | $ 8,233,207 | $ 5,677,655 | $1,276,187,043 |
| Make-Ready Construction | $ 127,658,212 | | | $ 127,658,212 |
| Change Order Contingency | $ 117,654,074 | $(1,449,378) | $ (5,677,655) | $ 110,527,041 |
| Civic Arts | $ 2,000,000 | | | $ 2,000,000 |
| Stipend | $ 1,000,000 | | | $ 1,000,000 |
| Medical Equipment Allowance | $ 46,061,373 | $(6,783,829) | | $ 39,277,544 |
| Design Completion Allowance | $ 229,160 | | | $ 229,160 |
| Plans and Specifications | $ 54,090,000 | | | $ 54,090,000 |
| Consultant Services | $ 138,600,000 | | | $ 138,600,000 |
| Miscellaneous Expenditures | $ 1,450,000 | | | $ 1,450,000 |
| Jurisdictional Review/ Plan Check/Permits | $ 24,131,000 | | | $ 24,131,000 |
| County Services | $ 30,850,000 | | | $ 30,850,000 |
| **TOTAL** | **$1,806,000,000** | **$ 0** | **$ 0** | **$1,806,000,000** |