

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

392
(1861)



FROM: Economic Development Agency

SUBMITTAL DATE:
August 23, 2016

SUBJECT: Riverside University Health System Emergency Department Expansion and Remodel Project - California Environmental Quality Act Exempt, Approval of Preliminary Project Budget, Amendment No. 1 for Kitchell CEM, Inc. for Construction Management Services, and Plans and Specifications, District 5, [\$12,774,578], CORAL Bond Proceeds-83%, RUHS Enterprise Fund 40050-17%

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the Riverside University Health System (RUHS) Emergency Department (ED) Expansion and Remodel Project, located at 26520 Cactus Avenue, Moreno Valley, California, is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15301 – Class 1 Existing Facilities Exemption and 15061 (b)(3) “Common Sense” Exemption;
2. Approve a preliminary project budget of \$12,774,578 and find that RUHS is authorized to use RUHS Enterprise Fund 40050 and CORAL Bond Proceeds and reimburse the Economic Development Agency (EDA) for incurred project expenses;

(Continued)

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 6,000,000	\$ 6,774,578	\$ 12,774,578	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: CORAL Bond Proceeds-83%, RUHS Enterprise Fund 40050-17%				Budget Adjustment: No	
				For Fiscal Year: 2016/17-17/18	

C.E.O. RECOMMENDATION: APPROVE APPROVE
 BY: *Ivan M. Chand* BY: *Rohini Dasika*
 County Executive Office Signature Ivan M. Chand Rohini Dasika
 8/17/2016

MINUTES OF THE BOARD OF SUPERVISORS

FORM APPROVED COUNTY COUNSEL
BY: GREGORY P. PRIAMOS
DATE
Departmental Concurrence

By: *Zareh Sarrafian*
Zareh Sarrafian, Chief Executive Officer
Riverside University Health System

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: 3-42 of 3/29/16; 3-11 of 12/08/15 **District:** 5 **Agenda Number:**

3-34

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

Economic Development Agency

FORM 11: Riverside University Health System Emergency Department Expansion and Remodel Project - California Environmental Quality Act Exempt, Approval of Preliminary Project Budget, Amendment No. 1 for Kitchell CEM, Inc. for Construction Management Services, and Plans and Specifications, District 5, [\$12,774,578], CORAL Bond Proceeds-83%, RUHS Enterprise Fund 40050-17%

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RECOMMENDED MOTION: (Continued)

3. Approve the attached Amendment No. 1 to the construction management services agreement between the County of Riverside (County) and Kitchell CEM, Inc. (Kitchell) in the credit amount of (\$185,250) for the project and authorize the Chairman of the Board to execute the Amendment on behalf of the County;
4. Authorize the Assistant County Executive Officer/EDA to administer Amendment No. 1 for Kitchell in accordance with applicable Board policies;
5. Approve the plans and specifications for the bidding and construction of the RUHS ED Expansion and Remodel Project using the approved pre-qualified list of the Office of Statewide Health Planning and Development (OSHPD) Level II contractors, and authorize the Clerk of the Board to advertise for bids;
6. Upon completion of the bid process, authorize the Assistant County Executive Officer/EDA to submit the contract for award of the bid to the lowest responsive and responsible pre-qualified OSHPD bidder to the Chairman of the Board, and authorize the Chairman to execute the agreement on behalf of the Board provided that, if any of the following occur, the award will be submitted to the Board for action: there is a bid protest, the lowest bid exceeds the estimated construction budget, the low bidder is disqualified, two or more bids are the same and are the lowest, or a bidder requests relief from its bid due to an error; and
7. Delegate project management authority for the project to the Assistant County Executive Officer/EDA in accordance with applicable Board policies.

BACKGROUND:

Summary

On March 29, 2016, the Board of Supervisors (Board) approved a construction management services agreement between the County and Kitchell in the amount of \$1,245,795, plus a reimbursable amount of \$30,000. Amendment No. 1 for Kitchell will reduce the CM service contract by \$185,250 to a revised amount of \$1,090,545; Kitchell's scope of work has been reduced by changing the delivery method from CM multi-prime to CM agency.

On December 8, 2015, the Board approved the pre-qualified general contractors list for OSHPD projects for the County ranging from \$175,000 to \$30,000,000. HKS Architects has completed the bid documents and are ready for advertisement. In order to keep the project moving forward and meet project schedule commitments, EDA recommends the Board authorize the Assistant County Executive Officer/EDA, or designee, to determine award of the project in accordance with Board Policy B-11 and authorize the Chairman of the Board to execute the agreement on behalf of the Board, provided that the lowest bid falls within the allotted project budget.

(Continued)

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BACKGROUND:
Summary (Continued)

EDA requests Board approval to solicit bids from the pre-qualified prime contractors for OSHPD Level II and authorize the Clerk of the Board to advertise the Notice of Inviting bids for construction of the project. EDA will return to the Board under separate cover to execute other project related agreements.

The remodel and addition would occur on previously developed land, would not substantially increase or expand the use of the site, and is limited to the continued use of the site in a similar capacity. No direct or indirect physical environmental impacts are anticipated from the remodel and limited expansion.

Impact on Citizens and Businesses

Riverside County residents will experience improved wait times, direct access to a Level I Trauma facility and have an overall positive patient care experience as a result of these improvements for emergency services.

Construction Management Agreement History

DESCRIPTION	AMOUNT	PERCENT	DESCRIPTION
Base Service Contract Reimbursable	1,245,795 30,000	0.00%	Base contract for construction management services plus reimbursable.
Amendment No. 1 Service Contract	(185,250)	(14.52)%	Reduction of scope of work in the delivery method from multi-prime to agency.
TOTAL	\$ 1,090,545	(14.52)%	

Additional Fiscal Information

(Commences on Page 4)

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Additional Fiscal Information

The approximate allocation of the preliminary project budget is as follows:

PROJECT BUDGET LINE ITEMS	BUDGET CATEGORY	PROJECT BUDGET AMOUNT
Architectural Design	1	994,033
Construction Management	2	1,090,545
Construction Contract	3	8,770,000
Offsite Construction	4	0
Project Management	5	250,000
Fixtures, Furnishings, Equipment	6	400,000
Other Soft Costs / Specialty Consultants	7	500,000
Project Contingency	8	770,000
Minor Construction	9	0
Project Budget		\$12,774,578

Expenditures for FY 2016/17 are estimated at \$6,000,000; expenditures for FY 2017/18 are estimated at \$6,774,578. All costs associated with this project will be 83% funded through CORAL Bond Proceeds and 17% funded through RUHS Enterprise Fund 40050. Due to ongoing project commitments of CORAL Bond Proceeds, any project shortfalls will be covered by use of RUHS Enterprise Fund 40050. No departmental budget adjustment is required at this time.

Attachments:

Notice of Exemption
Amendment No. 1 for Kitchell CEM, Inc.
Specifications