

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

434



FROM: Economic Development Agency

SUBMITTAL DATE:
October 25, 2012

SUBJECT: County Farm Central Plant Chiller Upgrade Energy Project - Approval of Change Order No. 4

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify Change Order No. 4 in the amount of \$243,077, towards the construction of the County Farm Central Plant Chiller Upgrade Energy Project, per the Office of Statewide Health Planning and Development (OSHPD) requirements, and find the work integral to the project;
2. Authorize the Assistant County Executive Officer/EDA, or designee, to execute the change order on behalf of the county;
3. Approve a \$436,692 increase to the project budget; and

(Continued)

REVIEWED BY CIP

Christopher Hans

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 436,692	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: Energy Efficient Conservation Block Grant – American Recovery and Reinvestment Act	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE
By:
Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Ashley, seconded by Supervisor Benoit and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: November 6, 2012
xc: EDA, CIP

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

Prev. Agn. Ref.: 3.19 of 5/03/11; 3.16 of 9/14/10 District: 1/1 Agenda Number: **3.30**

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: SAMUEL WONG
 DATE: 10/24/12
 FORM APPROVED COUNTY COUNSEL
 BY: MARSHA L. VICTOR
 DATE: 10/22/12

Policy Policy
 Consent Consent
 Dept's Recomm.: Per Exec. Ofc.:

RECOMMENDED MOTION: (Continued)

4. Approve a reduction of the contract retention for Coutts Heating and Cooling, Inc. from 10% to 5% per the general conditions of the contract and authorize the release of \$79,927 in retained funds to the contractor in accordance with the contract terms.

BACKGROUND:

On May 3, 2011, the Board of Supervisors approved the construction agreement between the County of Riverside and Coutts Heating and Cooling, Inc. in the amount of \$1,472,500 for the County Farm Central Plant Chiller Upgrade Energy Project. During construction, \$126,044 in change orders were approved, increasing the total contract value to \$1,598,544.

Change Order No. 4 addresses the OSHPD requirements towards the construction of the project and will exceed the 10% contingency allowance, which requires Board approval. The change order will compensate Coutts Heating and Cooling, Inc., in the amount not-to-exceed \$243,077 for work essential to complete the project. Therefore, the Board is asked to approve Change Order No. 4 because the work is integral to the project on a critical public health building and competitive bidding for this additional work would not produce an advantage and advertisement would be impractical and undesirable.

The preponderance of the work for the project was to replace aged out existing equipment for the purpose of getting the campus air conditioning system to run properly and to significantly reduce the county's energy usage. After work began, it came to the county's attention that the work was subject to OSHPD's requirements because the central plant serves the Mental Health Inpatient Treatment Facility which is a critical public health building.

Upon recognition of OSHPD requirements, project work was stopped and the situation was evaluated by staff from the county, Riverside County Regional Medical Center, DCGA Engineers and the contractor. OSHPD granted approval to proceed with the installation, start-up and use of the first two chillers under emergency status. The main requirements for completing installation of Chillers 1 and 2 were to designate an inspector of record and have the engineer of record prepare and submit plans to OSHPD for the entire scope of work.

A project budget increase is needed to pay for the additional construction and changes due to OSHPD requirements, additional project management and inspection fees, and contingency necessary to ensure proper completion.

The approximate allocation of the budget increase is as follows:

Increased Project Budget	1,823,844
Change Order No. 4	243,077
OSHPD Fees	111,000
Project Management & Inspection	45,000
<u>Project Contingency</u>	<u>37,615</u>
Revised Project Budget	\$2,260,536

(Continued)

BACKGROUND: (Continued)

Pursuant to the general conditions of the contract, EDA is currently retaining 10% of all progress payments to Coutts Heating and Cooling Inc. The general conditions of the contract state that after the 50% completion point of the contract work, if satisfactory progress is being made, the county has sole discretion to reduce the retention to a minimum of 5% of the contract. The project is now 90% complete and work is satisfactory. This Board action will release \$79,927 in retained funds to the contractor.

All costs associated with this project will be fully funded by the Energy Efficient Conservation Block Grant, thus no net county costs will be incurred.

Attachment:

Copy of Change Order No. 4

COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY

COPY

CHANGE ORDER NO. 4

Date: 8/30/2012

Project: County Farm Central Plant Chillers Upgrade

To Contractor:

Couts Heating and Cooling, Inc.
1693 Rimpau Avenue
Corona, California 92881

Project No: FM06720000021

Distribution:

Project Manager Construction Manager
 Contractor Inspector
 Fiscal Architect/Engineer

You are directed to make the following changes. Changes shall include labor, material and equipment; each item to include all charges or indirect arising out of this work:

- 1) Due to new requirements imposed on the project to meet Office of Statewide Health Planning and Development "OSHPD" standards, corrections must be made to Chillers 1 & 2 & 3 & 4.

COR #	ADD	\$243,076.85
2) No cost time extention for OSHPD requirements.	ADD	0

The specifications, where pertinent, shall apply to these changes.

This Change Order provides for a time extension of 120 calendar days

Original Contract Duration (calendar days):	<u>90</u>
Prior Authorized Time Extension (calendar days):	<u>0</u>
Revised Construction Duration (calendar days):	<u>210</u>
Original Contract Completion Date:	<u>8/1/2011</u>
Revised Contract Completion Date:	<u>6/1/2012</u>

NOTE: This change order is not effective until ALL signatures below are obtained, and if applicable, signature authority approval by Form 11 as indicated per Change Order Guidelines.

The undersigned contractor has given careful consideration to the change proposed, including its effect on other work already contracted for, and hereby agrees, if this change order is approved, that he will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment for all costs related in any way thereto the prices shown above.

1) _____ Date Original Contract \$ 1,472,500.00
 Contractor (signature) _____ Date Prior Authorized ADD DED \$ 126,044.00
 _____ Date Total Contract Prior to this Change \$ 1,598,544.00

Contractor's Printed name

Authorized Changes on this C.O.:

2) _____ Date Addition \$ 243,076.85
 Executive Director or Designee (signature) _____ Date Deduction \$ _____

Executive Director or Designee's Printed name

NET: Addition Deduction \$ 243,076.85

3) _____ Date Amount of Contract Authorized Including this Change Order \$ 1,841,620.85
 Architect (signature) _____ Date

Architect's Printed name

Pursuant to:
 Board Policy B-11
 M.O. and Date 3.19 May 3, 2011

4) _____ Date
 Project Manager (signature) _____ Date

Nahid N. Selbe
 Project Manager's Printed name