

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

542



FROM: Economic Development Agency

SUBMITTAL DATE:
February 27, 2014

SUBJECT: Riverside County Regional Medical Center Medical Air Pumps and Medical Air Dryer Replacement – Approval of Change Order No. 3, Project Budget Increase and Notice of Completion, District 5, [\$100,044], RCRMC Enterprise Fund

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify Change Order No. 3 in the amount of \$36,762 for the equipment and system upgrades required by the Office of Statewide Health Planning and Development (OSHDP), and find that work was integral to the project and that competitive bidding would not produce an advantage and is impractical for the work.
2. Authorize the Assistant County Executive Officer/EDA or designee, to execute Change Order No. 3 on behalf of the county;

(Continued)

FISCAL PROCEDURES APPROVED
RAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: [Signature] 2/27/14

[Signature]

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	\$ 100,044	\$ 0	\$ 100,044	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: RCRMC Enterprise Fund	Budget Adjustment: No
	For Fiscal Year: 2013/14

C.E.O. RECOMMENDATION:

APPROVE
BY: [Signature]
Rehini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: March 11, 2014
xc: EDA, Recorder

Kecia Harper-Ihem
Clerk of the Board
By: [Signature]
Deputy

Prev. Agn. Ref.: 3.44 of 5/04/10; 3.27 of 3/17/09 District: 5/5 Agenda Number:

3-12

FORM APPROVED COUNTY COUNSEL
BY: [Signature] 2/11/14
DATE
MARSHAL VICTOR
Departmental Concurrence

By: [Signature]
Lowell Johnson, Interim Chief Executive Officer
Riverside County Regional Medical Center

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

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

Economic Development Agency

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RECOMMENDED MOTION: (Continued)

3. Approve a project budget increase of \$100,044 for Change Order No. 3 including design, inspection and equipment costs associated with the change order;
4. Accept the reduction of the contract retention for Inland Mechanical Construction, Inc., from 10% to 5% per the general conditions of the contract and authorize the release of \$15,474 in retained funds to the contractor in accordance with the contract terms; and
5. Accept the Riverside County Regional Medical Center (RCRMC) Medical Air Pumps and Medical Air Dryer Replacement Project constructed by Inland Mechanical Construction, Inc. as complete, and authorize the Clerk of the Board to record the Notice of Completion.

BACKGROUND:

Summary

On May 4, 2010, the Board of Supervisors approved the construction agreement between the County of Riverside and Inland Mechanical Construction, Inc. (Inland) for construction of the RCRMC Medical Air Pumps and Medical Air Dryer Replacement project in the amount of \$109,000. The project's scope included installation of temporary medical air equipment before the existing equipment was removed and the new equipment was installed.

During the installation of the temporary equipment, OSHPD field staff required major changes to the temporary equipment installation plan even though it was on the OSHPD approved drawings bid by the contractor. These OSHPD changes delayed the schedule and increased project costs.

County staff and the contractor made significant efforts to find a cost effective solution to the unforeseen OSHPD requirements, including modification of the planned temporary equipment, an enclosure for the temporary equipment, and providing different temporary equipment. The only solution approved by OSHPD was installation of the temporary equipment inside the boiler room. This required a different kind of temporary medical air equipment and changing the medical air piping and electrical systems to meet the new OSHPD requirements. Portions of the temporary system were left in place for use during future equipment maintenance or replacement; thereby providing permanent value to the hospital.

All work required to relocate the temporary equipment was integral to the project in that replacement of the new medical air and gas equipment could not even begin until the temporary equipment was installed, tested, found properly operational and approved by OSHPD field staff and RCRMC personnel. Further, competitive bidding would not likely produce an advantage for the county in that Inland had already bid the project \$38,247 below the next bidder and \$62,613 lower than the highest bidder. It would also be impractical to further delay the schedule while bidding was conducted, complicate logistics by adding another contractor to the project which would complicate and delay work by requiring modification to OSHPD approval documents. The county would also lose the single point of responsibility intrinsic with just Inland building the project.

(Continued)

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BACKGROUND:

Summary (Continued)

During construction, two change orders were approved in the combined amount of \$8,976, increasing the total contract value to \$117,976. Change Order No. 3 will exceed the contract contingency allowance by 30% which requires Board approval. Change Order No. 3 will compensate Inland in the amount of \$36,762 for work essential to complete the project. A budget increase is needed to pay for the additional work that was not anticipated.

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. Inland has completed the work and the project has been fully inspected and found to comply with all contract requirements. EDA recommends that the contract retention be reduced to 5% and the Clerk of the Board record the Notice of Completion. This Board action will release \$7,737 to Inland, which is 5% of the total contract, with the remaining retention funds of \$7,737 to be released after the contractual lien period of 35 days.

Impact on Residents and Businesses

Recording the Notice of Completion will not impact residents and businesses. Installation of the new, permanent medical air system provides RCRMC with a more reliable and higher capacity medical air system, thus improving service to patients of the county medical center.

Additional Fiscal Information

A budget increase is needed to pay for additional work required by OSHPD. The budget increase will also cover additional design services required by OSHPD and additional inspection, testing and temporary equipment costs necessary to complete the work. All costs associated with this project will be fully funded by the RCRMC Enterprise Fund, thus no net county costs will be incurred and no department budget adjustment is required.

Contract History and Price Reasonableness

Inland was awarded the subject contract via a public works bidding process. Inland was the lowest responsible, responsive bidder among four companies. The difference between Inland's bid and the next lowest responsible, responsive bidder was \$38,247 and the highest bid was \$62,613 higher than Inland's bid. Even with change orders to Inland's contract in the amount of \$40,849, the county still received very competitive and reasonable pricing for this project.

PROJECT BUDGET ADJUSTMENT

(Commences on Page 4)

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PROJECT BUDGET ADJUSTMENT

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

DESCRIPTION	PRIOR PROJECT BUDGET	ADJUSTMENT ON PROJECT BUDGET	REVISED PROJECT BUDGET
System Design	35,300	0	35,300
Construction	109,000	0	109,000
Equipment	108,112	0	108,112
Project Management	20,870	0	20,870
Design for OSHPD Compliance	0	9,500	9,500
Inspections and Testing for OSHPD Compliance	0	23,475	23,475
Construction for OSHPD Compliance	0	36,762	36,762
Equipment for OSHPD Compliance	0	30,307	30,307
Project Contingency	26,741	0	26,741
Revised Project Budget			
	\$ 300,023	\$ 100,044	\$ 400,067

CHANGE ORDER REPORT

NUMBER	AMOUNT	PERCENT	DESCRIPTION
Construction Agreement	109,000	0	Original construction agreement.
Change Order No. 1	3,156	2.9	Temporary back-feed of system, and equipment handling.
Change Order No. 2	5,820	5.3	Installation of equipment, temporary piping, and new connectors.
Change Order No. 3	36,762	33.7	OSHPD required upgrades, pipe supports, and relocation of equipment.
NEW CONTRACT TOTAL			
	\$ 154,738	41.9%	

(Continued)

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CHANGE ORDER REPORT (continued)

Upon receipt of the Notice to Proceed, the contractor and temporary equipment supplier commenced work according to the approved OSHPD plans, but OSHPD field staff required changes to the specified temporary equipment. Significant efforts were made to find a cost effective solution, but the only solution OSHPD approved was installation of the temporary equipment inside the boiler room. This required using different equipment and changing associated piping, electrical and structural systems. The only way to meet OSHPD requirements and finish the work was to change the temporary medical air and dryer equipment system, which led to additional costs. Change Order No. 3 in the amount of \$36,762 is included within the project budget increase of \$100,044. Change Order No. 3 is identified within the project budget adjustment table as Construction for OSHPD Compliance, therefore no additional costs will be incurred.

Attachment:

Copy of Change Order No. 3 for Inland Mechanical Construction, Inc.
Notice of Completion for Inland Mechanical Construction, Inc.

COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY

CHANGE ORDER NO. Three

COPY

Date: 8.29.13

Project: RCRMC-Replace Medical Air Pumps & Dryers

To Contractor:
Inland Mechanical Construction
571-C Crane Street
Lake Elsinore, CA 92530-2742

Project No: FM08430003907

Distribution:
 Project Manager _____
 Contractor _____
 Fiscal _____
 Construction Manager _____
 Inspector _____
 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) Electrical upgrades required by OSHPD to run temporary medical air equipment
 COR # 5 ADD \$ 9,654.87
- 2) Construct two new pipe support structures for OSHPD required temp air system
 COR # 8 ADD \$ 4,162.59
- 3) New piping system for outside air intake required by OSHPD for temporary air system
 COR # 9 ADD \$ 18,055.91
- 4) Provide unistruct support and electrical junction boxes for OSHPD required smoke detectors as per RFI #12
 COR # 12 ADD \$ 720.63
- 5) Relocate fan coil starter & fire alaorm panel including Unistruct supports per OSHPD requirements (RFI # 11R-1)
 COR # 13 ADD \$ 4,168.36

This Change Order provides for a time extension of 0 calendar days
 Original Contract Duration (calendar days): _____
 Prior Authorized Time Extension (calendar days): _____
 Revised Construction Duration (calendar days): 0
 Original Contract Completion Date: _____
 Revised Contract Completion Date: _____

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) John W. Basse 8/30/13
 Contractor (signature) Date

JOHN W. BASSE
 Contractor's Printed name

Original Contract	\$	<u>109,000.00</u>
Prior Authorized [x] ADD [] DED	\$	<u>8,975.61</u>
Total Contract Prior to this Change	\$	<u>117,975.61</u>

2) _____
 Assistant County Executive Officer EDA Date
 or Designee (signature)

Authorized Changes on this C.O.:
 Addition \$ 36,762.36
 Deduction \$ _____

Assistant County Executive Officer EDA or Designee
 Printed name

NET: [x] Addition [] Deduction \$ 36,762.36

3) _____
 Architect (signature) Date

Amount of Contract Authorized
 Including this Change Order \$ 154,737.97

Architect's Printed name

Pursuant to:
 [] Board Policy B-11
 [] M.O. and Date _____

4) _____
 Project Manager (signature) Date

Project Manager's Printed name

FORM APPROVED COUNTY OF RIVERSIDE
J.R. Vector 2/16/14
 COUNTY CLERK

PLEASE COMPLETE THIS INFORMATION
RECORDING REQUESTED BY:

KECIA HARPER-IHEM, CLERK OF THE BOARD
4080 LEMON STREET, 1ST FLOOR CAC
P O BOX 1147 - RIVERSIDE, CA 92502

MAIL STOP # 1010

AND WHEN RECORDED MAIL TO:

RETURN TO: STOP #1010
RIVERSIDE COUNTY CLERK OF THE BOARD
P. O. BOX 1147 - RIVERSIDE, CA 92502

DOC # 2014-0092019

03/12/2014 11:06A Fee:NC

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Recorded in Official Records

County of Riverside

Larry W. Ward

Assessor, County Clerk & Recorder



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M	A	L	465	426	PCOR	NCOR	SMF	NCHG	EXAM
NCHGCC						T:	CTY	UNI	524

⊕

NOTICE OF COMPLETION

(California Civil Code §§ 8180-8190, 8100-8118)

To be recorded with County Recorder within 15 days after completion.

Notice is hereby given by the undersigned owner, a public entity of the State of California, that a public work of improvement has been completed, as follows:

Project title or description of work: RCRMC Medical Air Pumps and Medical Air Dryer Replacement
(FM08430003907)

C
524

Date of Completion: Date Hereof 3/11/14

Nature of owner: Public Entity

Interest or estate of owner: In Fee

Address of owner: Clerk of the Board of Supervisors, County Administrative Center,
4080 Lemon St., Riverside, CA 92501

Name/address of direct contractor: Inland Mechanical Construction, Inc.
571-C Crane Street, Lake Elsinore, CA 92530-2742

Street or legal description of site: 26520 Cactus Avenue, Moreno Valley, CA 92555

Dated: March 11, 2014

Owner: County of Riverside
(Name of Public Entity)

By: Jeff Stone
Jeff Stone, Chairman, Board of Supervisors

STATE OF CALIFORNIA)

ss

COUNTY OF RIVERSIDE)

I am the Chairman of the governing board of the County of Riverside, the public entity which executed the foregoing notice and on whose behalf I make this verification; I have read this notice, know its contents, and the same is true. I certify under penalty of perjury that the foregoing is true and correct.

ATTEST: Kecia Harper-Ihem, Clerk

Executed at Riverside, California on 3/11/14

By: Rogers
Deputy

Jeff Stone
Jeff Stone, Chairman, Board of Supervisors

FORM APPROVED COUNTY COUNSEL

BY: Victor 2/6/14

3/11/14 3-12

Updated 12/2012

204-3-121733



LARRY W. WARD
COUNTY OF RIVERSIDE
ASSESSOR-COUNTY CLERK-RECORDER

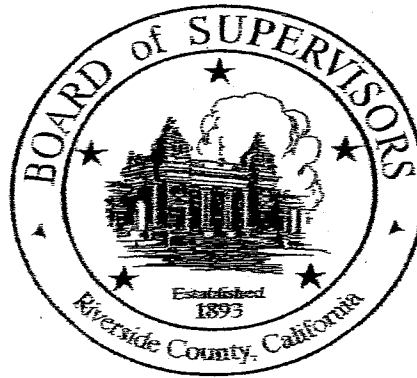
Recorder
P.O. Box 751
Riverside, CA 92502-0751
(951) 486-7000
<http://riverside.asrcfrec.com>

CERTIFICATION

Pursuant to the provisions of Government Code 27361.7, I certify under the penalty of perjury that the following is a true copy of illegible wording found in the attached document:

(Print or type the page number(s) and wording below):

CLARIFICATION OF THE SEAL for the Riverside County Board of Supervisors
(embossed on document)



Date:

3/11/14

Signature:

Raquel Rosete

Print Name:

Raquel Rosete, Board Assistant, Riverside County Clerk of the Board

