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

917



FROM: Economic Development Agency

March 13, 2014

SUBJECT: Riverside County Regional Medical Center Operating Room Remodel 2nd Floor - Approval of Change Order No. 1, Project Budget Increase and Notice of Completion, District 5, [\$638,590], RCRMC Enterprise Fund

RECOMMENDED MOTION: That the Board of Supervisors:

- 1. Ratify Change Order No. 1 in the amount of \$273,863, toward the construction of Riverside County Regional Medical Center (RCRMC) Operating Room Remodel 2nd Floor and find that the 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. 1 on behalf of the county;

(Continued)

FISCAL PROCEDURES APPROVED
RAUL ANGULO, CPA, AUDITOR-CONTROLLER
RY ANGULO SAA 2176114

Robert Field

Assistant County Executive Officer/EDA

		TOTAINO	Lincipii	se i uiiu				For Fiscal Year	:	2013/14
SOURCE OF FUN	RCRMC	RMC Enterprise Fund					Budget Adjustn	: No		
NET COUNTY COST	\$	0	\$	0	\$. 0	\$	0	Con	sent - Poncy A
COST	\$	638,590	\$	0	\$	638,590	\$	0	Con	sent □ Policy
FINANCIAL DATA	Curre	nt Fiscal Year:	Next Fiscal	Year:	Total	Cost:	Ō	ngoing Cost:	1000000	POLICY/CONSENT

C.E.O. RECOMMENDATION:

County Executive Office Signature

APPROVE

Rohini Dasika

MINUTES OF THE BOARD OF SUPERVISORS

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

5/5

Ayes:

Jeffries, Stone, Benoit and Ashley

Nays:

None

Absent:

Tavaglione

Date:

April 8, 2014 EDA, Recorder

Prev. Agn. Ref.:

3.8 of 12/20/11; 3.26 of 7/27/10; 3.57 of 9/01/09

District:

Agenda Number:

3-4

Kecia Harper-Ihem

Economic Development Agency

FORM 11: Riverside County Regional Medical Center Operating Room Remodel 2nd Floor - Approval of Change Order No. 1, Project Budget Increase and Notice of Completion, District 5, [\$389,955], RCRMC

Enterprise Fund

DATE: February 27, 2014

Page 2 of 5

RECOMMENDED MOTION: (Continued)

- 3. Approve a project budget increase of \$389,955 for a revised project budget of \$1,765,000;
- 4. Accept the reduction of the contract retention for Austin Commercial L.P. (Austin) from 10% to 5% per the general conditions of the contract and authorize the release of \$102,384 in retained funds to the contractor in accordance with the contract terms; and
- 5. Accept the RCRMC Operating Room Remodel 2nd Floor Project constructed by Austin Commercial, L.P. as complete, and authorize the Clerk of the Board to record the Notice of Completion.

BACKGROUND:

Summary

On November 1, 2006, the Economic Development Agency (EDA), previously known as Facilities Management, received a request from RCRMC to convert offices spaces on the fourth floor into Detention Health Service clinic exam rooms, convert office space on the second floor into (2) operating room suites with storage, and enlarge the first floor pharmacy to include a clean room.

On March 13, 2007, the Board of Supervisors (Board) approved the plans and specifications for the RCRMC Pharmacy Clean Room Remodel portion. On April 1, 2008, the Board approved the construction contract with General Consolidated Constructors, Inc and the total project budget in the amount of \$122,000. That portion was completed and a Notice of Completion was filed on November 24, 2009.

On July 15, 2008, the Board approved the plans and specifications for the RCRMC Detention Clinic portion. On December 16, 2008, the Board approved the construction contract with Ascend Management Services, Inc. and the total project budget in the amount of \$200,968. That portion was completed and a Notice of Completion was filed on April 5, 2011.

On September 1, 2009, the Board approved the plans and specifications and the total project budget of \$1,112,100 for the RCRMC Operating Room Remodel 2nd Floor project. On July 27, 2010, the Board approved the construction agreement between the County of Riverside and J.D. Diffenbaugh Inc. for construction of the RCRMC Operating Room Remodel 2nd Floor project. On May 28, 2011, EDA received a default letter from J.D. Diffenbaugh stating they would not be able to carry out their contractual obligations. The Surety for J.D. Diffenbaugh, Inc., SAFECO Insurance Company of America, solicited bids from general contractors and selected Austin Commercial L.P. to complete the remaining portion of the work for the project.

On December 20, 2011, the Board approved the construction agreement between the County of Riverside and Austin Commercial L.P. in the amount of \$749,977 for the RCRMC Operating Room Remodel 2nd Floor.

(Continued)

Economic Development Agency

FORM 11: Riverside County Regional Medical Center Operating Room Remodel 2nd Floor - Approval of Change Order No. 1, Project Budget Increase and Notice of Completion, District 5, [\$389,955], RCRMC Enterprise Fund

DATE: February 27, 2014

Page 3 of 5

BACKGROUND: Summary (Continued)

During demolition and construction, the following unforeseen issues arose: the Area Compliance Officer (ACO) for the Office of Statewide Health Planning and Development (OSHPD) required a set of double doors be installed prior to the start of construction; medical gas piping could not be installed due to confined space and had to be rerouted; electrical and data conduits had to be raised and re-routed for the new surgical lights and medical equipment; and additional electrical and structural designs were required due to the changes in re-routing the piping and conduits. This resulted in additional design and engineering costs, OSHPD permitting and inspection fees, as well as project management time. In addition, the Neonatal Intensive Care Unit (NICU) stopped construction several times due to noise and vibration during structural seismic anchoring required per OSHPD code, after which Hospital Administration requested all seismic anchoring and noise work be performed after normal business hours which was not comprised in the original bid documents, resulting in numerous time delays and additional construction costs.

Change Order No. 1 will compensate Austin in the amount not-to-exceed \$273,863 for design changes; layout reconfiguration, extended general conditions, time delays and overtime labor costs associated with the changes required by RCRMC. Change Order No. 1 will exceed the 10% contingency allowance which requires Board approval.

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. Austin Commercial L.P. has completed the work and the project has been fully inspected and found to comply with all contract requirements. EDA therefore recommends that the contract retention be reduced to 5% of the contract and the Clerk of the Board record the Notice of Completion. This Board action will release \$51,192 to Austin Commercial L.P., which is 5% of the total contract, with the remaining retention funds of \$51,192 to be released after the required 35 days.

Impact on Residents and Businesses

The RCRMC Operating Room Remodel project will add two much needed operating rooms to the existing hospital. This will provide additional care and support for the community and will also financially benefit the hospital's future expansion as RCRMC and the community continues to grow and expand.

Contract History and Price Reasonableness

Upon completion of the bid process, J.D. Diffenbaugh was awarded the construction contract by the Board of Supervisors on July 27, 2010. After the county received a voluntary notice of default by J.D. Diffenbaugh, the Surety for JD Diffenbaugh solicited bids from qualified contractors. On December 20, 2011, the Board approved the construction agreement between the County of Riverside and Austin Commercial L.P. in the amount of \$749,977 for the RCRMC Operating Room Remodel 2nd Floor. The bids received were consistent and in-line with the construction estimates given by the architect at the time for the scope of services requested.

(Continued)

Economic Development Agency

FORM 11: Riverside County Regional Medical Center Operating Room Remodel 2nd Floor - Approval of Change Order No. 1, Project Budget Increase and Notice of Completion, District 5, [\$389,955], RCRMC Enterprise Fund

DATE: February 27, 2014

Page 4 of 5

BACKGROUND: Summary (Continued)

BUDGET INCREASE

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

DESCRIPTION	PRIOR PROJECT BUDGET	INCREASE TO PROJECT BUDGET	REVISED PROJECT BUDGET
Pharmacy Clean Room – Design	16,106	0	16,106
Pharmacy Clean Room – Construction	89,000	0	89,000
Pharmacy Clean Room – PM/Inspection	6,406	0	6,406
Pharmacy Clean Room – Contingency	10,488	0	10,488
Pharmacy Clean Room – Total Budget	122,000	0	122,000
Detention Clinic - Design	23,500	0	23,500
Detention Clinic – Construction	128,968	0	128,968
Detention Clinic - RCIT	5,000	0	5,000
Detention Clinic – PM/Inspection	25,000	0	25,000
Detention Clinic – Project Contingency	18,500	0	18,500
Detention Clinic - Total Budget	200,968	0	200,968
OR Remodel – Design	81,000	62,441	143,441
OR Remodel – Construction	749,977	273,863	1,023,840
OR Remodel – RCIT	15,000	0	15,000
OR Remodel – Project Management	62,500	39,382	101,882
OSHPD Inspection and Permits	50,000	13,269	63,269
OR Remodel – County Counsel	7,000	1,000	8,000
OR Remodel – Project Contingency	86,600	0	86,600
OR Remodel – Revised Project Budget	\$ 1,052,077	\$389,955	\$ 1,442,032
TOTAL REVISED PROJECT BUDGET	\$ 1,375,045	\$389,955	\$ 1,765,000

(Continued)

Economic Development Agency

FORM 11: Riverside County Regional Medical Center Operating Room Remodel 2nd Floor - Approval of Change Order No. 1, Project Budget Increase and Notice of Completion, District 5, [\$389,955], RCRMC Enterprise Fund

DATE: February 27, 2014

Page 5 of 5

BACKGROUND:

Summary (Continued)

CHANGE ORDER REPORT

Change Order No. 1 will compensate Austin for completed work on the critical path essential to keeping the project moving forward toward completion as quickly as possible due to the sensitive nature of the facility and its occupants.

DESCRIPTION	AMOUNT	PERCENT	DESCRIPTION
Original Contract	749,977	0	Original construction agreement.
Change Order No. 1	273,863	36.5	Re-route conduit and plumbing of Medical gas. Fire Alarm and door replacement; install additional fire/smoke dampers, shutdown relays, duct, humidifiers and piping per OSHPD requirements.
Totals	\$1,023,840	36.5%	

All costs associated with this agreement will be fully funded by RCRMC Enterprise Fund, thus no net county costs will be incurred and no department budget adjustment is required.

Attachment:

Copy of Change Order No. 1 with Austin Commercial L.P. Notice of Completion with Austin Commercial L.P.

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 # 2014-0128773

04/09/2014 11:01A Fee:NC

Page 1 of 2 Recorded in Official Records County of Riverside

Larry W. Ward



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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:

Riverside County Regional Medical Center Operating Room Remodel 2nd Floor

(FM08430003747)

Date of Completion:

Date Hereof

04/08/14

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: Austin Commercial, LP,

5933 West Century Blvd., Suite 610, Los Angeles, CA 90045

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

Dated:

April 8, 2014

Owner: County of Riverside

(Name of Public Entity)

Chairman, Board of Supervisors

STATE OF CALIFORNIA)

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

Chairman, Board of Supervisors

Executed at Riverside, California on 04/08/14

04.08.14 3-4

2014-4-122392



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

Recorder P.O. Box 751 Riverside, CA 92502-0751 (951) 486-7000

http://riverside.asrc/krec.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:

Signature:

Print Name:

Karen Barton, Board Assistant, Riverside County Clerk of the Board

2014-0128773 04/09/2014 11:01A

	CHANGE ORDER NO.	1				
Date: 12/12/2013	Project Name:	RCRMC	Operating R	oom Remodel 2nd		
To Contractor: Austin Commercial, LP	PeopleSoft Project No: FM 08430003747					
5933 West Century Blvd., Suite 610 LosAngeles, CA 90045	Distribution: (1) Project Manager (2) Contractor (3) Fiscal		(4) Constru (5) Inspecto (6) Architec			
ou are directed to make the following changes. Indirect arising out of this work:	Changes shall include labor, material a	nd equipm	ent; each ite	m to include all ch		
DESCRIPTION OF CHANGE	REASON FOR CHANGE ORDER	COR#	TYPE	AMOUNT		
Re-Route of Conduit and Plumbing for Medical Gas	Unforeseen Conditions	1	ADD	\$103,109.00		
Fire Alarm and Door replacement per OSHPD	Unforeseen Conditions	2	ADD	\$72,533.00		
nstall additional fire/smoke dampers, shutdown	Plan/Essential Scope Omissions	3	ADD	\$98,221.00		
elays, duct, humidifiers & piping installation per						
DSHPD requirements.						
			TOTAL	\$273,863.00		
Original Contract Completion Date: Revised Contract Completion Date: OTE: This change order is not effective until ALL significated per Change Order Guidelines.	1/31/2014	ole, signatur	e authority a	oproval by Form 11 a		
OTE: This change order is not effective until ALL sign		ole, signatur	e authority ap	oproval by Form 11		
he undersigned contractor has given careful consor, and hereby agrees, if this change order is appenoted above, and perform all services necessary thereto the prices shown above. This is the flegotiations between the parties, and documents autstanding change orders, claims, requests for the fundative impact on work under the contract.	roved, that he will provide all equipme y for the work above specified, and will FINAL CLOSEOUT CHANGE ORDER for and includes full and final payment for o me extensions, extended field overhead The amount set forth comprises the	nt, furnish accept as i r this proje closing out d or home total comp	all materials full payment ct. This Cha the project, office overhous ensation du	e, except as may oft for all costs related ange Order is the re- including settleme ead costs, interest, we the Contractor (
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Assistant County Executive Officer/EDA (Signature)

Robert Field
Assistant County Executive Officer/EDA Printed Name

Pursuant to: Board Policy B-11
Architect (Signature)

Architect's Printed Name

Project Manager (Signature)

Date

Project Manager's Printed Name

EDA Change Order Form - Revised 07-08-13

1/27/14

Riverside County Board of Supervisors Request to Speak

Submit request to Clerk of Board (right of podium), Speakers are entitled to three (3) minutes, subject to Board Rules listed on the reverse side of this form.

SPEAKER'S NAME:_	Paul Jaco	65
Address: (only if fol		
City: Temecula		
Phone #:		
Date: 4/8/14	Agenda #	3-4
PLEASE STATE YOU	R POSITION BEL	.ow:
Position on "Regula	ır" (non-appeale	ed) Agenda Item:
Support	Oppose	Neutral
Note: If you are he for "Appeal", please the appeal below:		
Support	Oppose	Neutral
Taive my 3 minute	s to:	

BOARD RULES

Requests to Address Board on "Agenda" Items:

You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

Requests to Address Board on items that are "NOT" on the Agenda:

Notwithstanding any other provisions of these rules, member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES.

Power Point Presentations/Printed Material:

Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, insuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please insure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo.

Individual Speaker Limits:

Individual speakers are limited to a maximum of three (3) minutes. Please step up to the podium when the Chairman calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chairman adheres to a strict three (3) minutes per speaker. Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.

Group/Organized Presentations:

Group/organized presentations with more than one (1) speaker will be limited to nine (9) minutes at the Chairman's discretion. The organizer of the presentation will automatically receive the first three (3) minutes, with the remaining six (6) minutes relinquished by other speakers, as requested by them on a completed "Request to Speak" form, and clearly indicated at the front bottom of the form.

Addressing the Board & Acknowledgement by Chairman:

The Chairman will determine what order the speakers will address the Board, and will call on all speakers in pairs. The first speaker should immediately step to the podium and begin addressing the Board. The second speaker should take up a position in one of the chamber aisles in order to quickly step up to the podium after the preceding speaker. This is to afford an efficient and timely Board meeting, giving all attendees the opportunity to make their case. Speakers are prohibited from making personal attacks, and/or using coarse, crude, profane or vulgar language while speaking to the Board members, staff, the general public and/or meeting participants. Such behavior, at the discretion of the Board Chairman may result in removal from the Board Chambers by Sheriff Deputies.

Riverside County Board of Supervisors Request to Speak

Submit request to Clerk of Board (right of podium), Speakers are entitled to three (3) minutes, subject to Board Rules listed on the reverse side of this form.

SPEAKER'S NAME:_	GARRY	GRANT					
Address <u>:</u> (only if foll	,						
City:							
Phone #:							
Date: 8 TH APR	り ル <u>/</u> L Agenda #	3-4					
PLEASE STATE YOU							
	Position on "Regular" (non-appealed) Agenda Item:						
Support _	Oppose	Neutral					
Note: If you are he for "Appeal", please the appeal below:							
Support _	Oppose	Neutral					
I give my 3 minutes to:							

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