

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



ITEM: 3.29
(ID # 12947)

MEETING DATE:
Tuesday, August 25, 2020

FROM: FACILITIES MANAGEMENT AND RIVERSIDE UNIVERSITY HEALTH SYSTEM:

SUBJECT: FACILITIES MANAGEMENT (FM) AND RIVERSIDE UNIVERSITY HEALTH SYSTEM: Riverside University Health System Emergency Department Modular Swing Space Office Purchase – California Environmental Quality Act Exempt, Approve the Proposal and Agreement of Sale with Design Space Modular Buildings, Inc. for Modular Office and Approval of Increase in Project Budget, District 5. [\$342,946 - RUHS Enterprise Fund 40050-50%, CARES Act Fund-50%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Recommend the Riverside University Health System Emergency Department Modular Swing Space Office Purchase (RUHS ED Modular Office Purchase) Project for inclusion in Capital Improvement Program (CIP);
2. Find that the RUHS ED Modular Office Purchase Project, located at 26520 Cactus Avenue, Moreno Valley, California, is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Class 1 Existing Facilities Exemption, and Section 15061 (b)(3) "Common Sense" Exemption;

ACTION: Policy, CIP


Rose Salgado, Director of Facilities Management 8/10/2020


Jennifer Cruikshank, Chief Executive Officer - Health System 8/10/2020

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: Jeffries
Date: August 25, 2020
xc: FM, RUHS

Kecia R. Harper
Clerk of the Board

By: 
Deputy

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RECOMMENDED MOTION: That the Board of Supervisors:

3. Approve the attached Proposal and Agreement of Sale with Design Space Modular Buildings, Inc. (Design Space) of Pasadena, California, for the RUHS ED Modular Office Purchase Project for the purchase of the currently leased modular office space, housing emergency room personnel treating COVID-19, in the amount of \$267,946;
4. Authorize the Chairman of the Board to execute the Proposal and Agreement of Sale with Design Space on behalf of the County;
5. Approve an increase to the project budget in the not to exceed amount of \$342,946 for the RUHS ED Modular Office Purchase Project for a revised project budget of \$934,842; and
6. Authorize the use of RUHS Enterprise Fund 40050 in the not to exceed amount of \$171,473, including reimbursement to Facilities Management (FM), for incurred project related expenses; and authorize the use of the CARES Act Fund in the not to exceed amount of \$171,473.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 342,946	\$ 0	\$ 342,946	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: RUHS Enterprise Fund 40050 – 50%, CARES Act Fund – 50%			Budget Adjustment: No	
			For Fiscal Year: 2020/21	

C.E.O. RECOMMENDATION: Approve.

BACKGROUND:

Summary

On November 1, 2016, Item 3-9, the Board of Supervisors (Board) approved the RUHS ED Modular Office Purchase Project and the Lease Service Agreement with Design Space to house displaced RUHS hospital personnel during the course of the Emergency Department construction. The previously approved lease agreement covered the first year of the modular lease and included an option to renew in subsequent years. The current lease expires at the end of August which corresponds to the completion of the Emergency Department project.

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On March 8, 2020, the County of Riverside declared a local public health emergency in response to the spread of the coronavirus disease (COVID-19) prompting immediate response by the RUHS to prepare for COVID-19 emergency projects at the medical center. The modular office space provides alternate office space for physicians, nurses and emergency personnel separate from COVID-19 emergency treatment areas as well as staffing space for the COVID-19 surge and necessary supplies. In lieu of terminating the lease at the conclusion of the emergency department construction, the RUHS intends to exercise the purchase option for the modular office in order to ensure the continued safety of hospital staff and to achieve savings from ongoing lease costs.

With certainty, there is no possibility that the RUHS ED Modular Office Purchase Project may have a significant effect on the environment. The Project, as proposed, is limited to the purchase in lieu of a lease of a modular building at an existing facility on top of a surface parking lot. The building would be an accessory structure that would allow for the continued operation of the RUHS Medical Center Emergency Department, including expanded staff for COVID-19 administration. The modular building would not change and would not result in an increase in capacity or intensity of use at the RUHS Medical Center. The Project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2.

(Continued)

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BACKGROUND:

Summary (Continued)

The Project will not cause an impact to an environmental resource of hazardous or critical concern nor would it include unusual circumstances which could have a potential significant effect on the environment. It would not result in impacts to scenic highways, hazardous waste sites, historic resources, or other sensitive natural environments, or have a cumulative effect to the environment. Therefore, the RUHS ED Modular Office Purchase Project is exempt as the project meets the scope and intent of the Common Sense Exemption identified in Section 15061 (b)(3), and the Class 1 Categorical Exemption identified in Section 15301. A Notice of Exemption will be filed by Facilities Maintenance staff with the County Clerk within five days of Board approval.

Impact on Residents and Businesses

The modular offices will provide the ability to accommodate hospital personnel during the COVID-19 surge as well as emergency COVID-19 storage needs in order to safely operate the Emergency Department separate from treatment areas of COVID-19 patients.

Additional Fiscal Information

The approximate allocation of the project budget is as follows:

PROJECT BUDGET LINE ITEMS	CATEGORY	PROJECT BUDGET	PROJECT BUDGET INCREASE	REVISED PROJECT BUDGET
Architectural Design	1	15,750	0	15,750
Construction Management	2	5,000	0	5,000
Utility Infrastructure	3	174,903	25,000	199,903
Lease Agreement for Modular	4	180,909	0	180,909
Purchase of Modular	4a	0	267,946	267,946
Project Management	5	15,984	30,000	45,984
Fixtures, Furnishings, Equipment	6	112,000	0	112,000
Other Soft Costs / Specialty Consultants	7	18,500	20,000	38,500
Project Contingency	8	53,850	0	53,850
Information Technology	9	15,000	0	15,000
Project Budget		\$ 591,896	\$342,946	\$934,842

(Continued)

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Additional Fiscal Information (Continued)

Purchase costs associated with this Board action will be expended in FY 2020/21 and are 50% funded through the RUHS Enterprise Fund 40050 and 50% funded through the CARES Act Fund.

Attachment:

- Proposal and Agreement of Sale with Design Space Modular Buildings, Inc.

RS:VC:SP:RM:sc;tv

FM08430008125

MT #12947

G:\Project Management Office\FORM 11'S\FORM 11's_In Process\12947_D5 - 008125_RUHS ED Mod Office Purch-Proposal&Agr-
Design Space Mod Bldgs_Proj Budg Incr_082520.doc


Teresa Summers, Director of Purchasing 8/5/2020


Steven Atkeson 8/16/2020


Gregory F. Priaros, Director County Counsel 8/13/2020

**Riverside County
Facilities Management**

3133 Mission Inn Avenue, Riverside, CA 92507

Original Negative Declaration/Notice of
Determination was routed to County
Clerks for posting on.

8/26/20
Date

RP
Initial

NOTICE OF EXEMPTION

July 14, 2020

Project Name: RUHS-ED Modular Office Space Purchase

Project Number: FM08430008125

Project Location: 26520 Cactus Avenue, west of Nason Street, Moreno Valley, County of Riverside, California;
Assessor's Parcel Number (APN): 486-280-037

Description of Project: On November 1, 2016, Item 3-9, the Board of Supervisors (Board) approved the Riverside University Health System (RUHS) Emergency Department (ED) Modular Office Purchase Project and the Lease Service Agreement with Design Space to house displaced RUHS hospital personnel during the course of the ED construction. The previously approved lease agreement covered the first year of the modular lease and included an option to renew in subsequent years. The current lease expires at the completion of the ED Project.

On March 8, 2020, the County of Riverside declared a local public health emergency in response to the spread of the coronavirus disease (COVID-19) prompting immediate response by the RUHS to prepare for COVID-19 emergency projects at the medical center. The modular office space for relocated emergency department personnel during construction of the Emergency Department provides alternate office space for physicians, nurses and emergency personnel separate from COVID-19 emergency treatment areas. In lieu of terminating the lease at the conclusion of the emergency department construction, the RUHS intends to exercise the purchase option for the modular office in order to ensure the continued safety of hospital staff and to achieve savings from ongoing lease costs. The purchase of the modular office space is identified as the proposed project under the California Environmental Quality Act (CEQA). The operation of the facility will continue to provide public services at the RUHS-ED and will not result in a significant expansion of existing use. No additional direct or indirect physical environmental impacts are anticipated.

Name of Public Agency Approving Project: Riverside County

Name of Person or Agency Carrying Out Project: Riverside County Facilities Management

Exempt Status: State California Environmental Quality Act (CEQA) Guidelines, Section 15301 Existing Facilities Exemption and Section 15061(b) (3), General Rule or "Common Sense" Exemption, Codified under Title 14, Articles 5 and 19, Sections 15061 and 15301.

10631 Banana Ave
Fontana, CA. 92337
Ph: (909) 349-2800
Fax: (909) 349-2110

PROPOSAL AND AGREEMENT OF SALE

DESIGN SPACE MODULAR BUILDINGS PNW, LP (DSMB), hereinafter referred to as "Seller", hereby submits for acceptance by:

Customer Name: County of Riverside / Purchasing & Fleet Address: 2980 Washington Street Riverside, CA. 92504	Contact: Rebecca McCray Phone: 951-955-8764 E-mail: RMcCray@rivco.org
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hereinafter referred to as Buyer, the following Proposal to furnish the materials and services described below for the prices indicated:

QUANTITY	DESCRIPTION	PRICE
1	72x60 Units 6736-41 on Lease F003917R1 - Buyout price after 36 months - Sold "As Is" no warranty expressed or implied.	\$235,148.00
1	Foundation Materials	\$4,523.00
1	Re-Slope / Re-surface ADA ramp at identified areas	\$715.00
1	Replace 4' door, paint to match, install existing hardware. Add gutter and drip edge above door.	\$1,280.50
1	Supply and install kick plates for both exterior doors	\$383.50
1	Supply and install gutter over rear exterior door	\$585.00
1	Replace damaged window screen	\$136.50
1	Supply and Install (1) 4x8 sheet of Acrovyn at 4' exterior door	\$448.50
1	Relocate Thermostat & re-route ducting in conference room	\$1,267.50
1	Service (6) HVAC units, clean coils and replace filters	\$1,521.00
1	Trouble shoot hot water heater (\$111 per hour plus materials) Estimate 4 hours	\$444.00
Sales Tax @ 8.75%		\$19,684.06
HCD Title Transfer Fee:		\$1,809.00
Total		\$267,945.56


Payment Terms:	Net due upon invoice		
Above Pricing Based Upon:			
DSMB Proposal:	1 page	Date	SITE ADDRESS:
Drawing:		7/8/2020	Riverside Regional Medical Center
Specification:	<u>Per Proposal Above</u>		26520 Cactus Ave
			Riverside, CA. 92555


The Seller agrees to sell and the Buyer agrees to buy the above described materials for the price and on the terms herein set forth, including the Terms and Conditions set forth on the reverse side of this Proposal and Agreement, which Terms and Conditions are incorporated herein by this reference as if herein set out in full.

This Agreement will not become binding and effective until signed by an authorized representative of the Buyer and an authorized officer of the Seller. Buyer warrants that the person signing in Buyer's behalf is an authorized officer.

IN WITNESS WHEREOF, the parties hereto have caused this Proposal to be accepted at the prices and upon the Terms and Conditions named herein and to be executed by a duly authorized officer.

BUYER
By: 
Title: **CHAIRMAN, BOARD OF SUPERVISORS**
Date: **AUG 25 2020**

ATTEST:
KECIA R. HARPER, Clerk
By: 
DEPUTY

DESIGN SPACE MODULAR BUILDINGS
By: 
Title: **PROJECT SALES**
Date: **8/14/20**

AUG 25 2020 3.29

GENERAL TERMS AND CONDITIONS

1. ~~Acceptance of this Proposal shall constitute an agreement by the buyer to all the terms and conditions herein, subject, however, to the right of the Seller at home office to cancel this agreement within fifteen (15) days of receipt of acceptance or order by Seller's home office.~~
2. In consideration of Seller furnishing Equipment described on the front page hereof, the Buyer shall pay to the Seller the sum stipulated on the front page hereof, subject to such additions or deductions relative to changes which may hereinafter be agreed upon between the parties in writing. Payment shall be made to the Seller at its offices at 25212 Marguerite Pkwy., Suite 200, Mission Viejo, CA 92692. The Buyer shall pay to the Seller the full sales price within ten (10) days of invoice date, or as otherwise stipulated on the front page hereof. In the event delivery of the Equipment for the project requires more than one shipment, Seller may, at its option, render separate invoices for each shipment. If shipment of any part of the project is delayed Buyer's obligation for the remainder of the Equipment shall not be affected thereby.
3. Unless otherwise specifically set forth in this Proposal and Agreement, it is specifically agreed and understood between the parties that the price herein specified does not include any state or local taxes or other governmental charge. Any tax or other governmental charge upon the production, sale, use or shipment of the products sold, now imposed or hereinafter becoming effective, shall be paid and remitted to the appropriate governmental agency by the Buyer. If state federal law does not permit payment and remission in such manner, said tax or other governmental charge shall be added to the price and shall be paid by the Buyer to the Seller.
4. ~~Seller's delivery of the Equipment described on the front page hereof, is subject to delays in manufacture or delivery due to fire, flood, windstorm, riot, civil disobedience, strike, failure to secure materials from the usual source of supply, Act of God, or any other circumstances beyond the Seller's control which shall prevent the manufacture of Equipment or the making of deliveries in the normal course of business. It is further understood and agreed that Buyer will not hold Seller responsible for liquidated damages or other damages for delay which may be imposed upon Buyer pursuant to any other contract which Buyer may have entered into with respect to the project to which Seller is not a party.~~
5. The Buyer shall be solely responsible for any and all additional materials, labor, site preparation and all other items on the project other than those materials are specifically set forth on the front page hereof.
6. The Buyer shall be solely responsible for the compliance with applicable building codes, for obtaining any type of building permits and licenses that may be required in the project, and for payment of state and local taxes other than those set forth in this Proposal and Agreement.
7. The Buyer agrees to indemnify and save harmless the Seller against all losses, cost or damages incurred or paid by Seller on account of any claim under Workmen's Compensation Acts or other employee benefits acts, any claim for damages because of bodily injury, including death, to Buyer's employees and all others, and any claims for damages to property caused by, or resulting from, or arising out of the Buyer's performance of this Agreement, any aspect hereof or of the project to which this Agreement is related, or use of this Equipment after delivery. Buyer shall pay and all attorney's fees and expenses incurred or paid by the Seller on account of any such claims; and Buyer, if requested by Seller, shall assume and defend at its own expense any suit, action or other legal proceeding arising therefrom.
8. The Buyer agrees that it shall not assign or transfer this Agreement or any part hereof or any amount payable hereunder, except with the prior written consent of the Seller. Seller may assign its interest, obligations, and rights of this Agreement.
9. THE BUYER SHALL:
 - a. Reimburse Seller for all costs incurred in order to correct improper or inaccurately constructed foundations, to correct misalignment or inaccuracy in any bolts, walls, footings, cutoffs for doors, or other work.
 - b. Provide storage and be responsible for loss of or damage to materials and Equipment if site and foundations are not ready or accessible in accordance with delivery provision contained in this contract, and reimburse the Seller for all additional costs incurred by the Seller including, but not limited to, the cost of unloading, reloading, and hauling materials resulting from the Buyer's failure to perform this condition. Delay in completing foundation and inaccessibility of the site may necessitate rescheduling of the order for which Seller shall not be responsible, and shall extend the period of performance by the period of delay.
 - c. Schedule his operations so that the erection, by the Seller, can be carried out in one continuous operation and in proper sequence. Should delays in preparation of the foundation and the site be encountered which would delay erection, Seller must be advised thereof not less than ten (10) days in advance of the tentative shipping date set by the Seller at the time of acknowledgement of order. In the event that the provisions of this subparagraph are not complied with, Buyer shall reimburse the Seller for actual costs and damages incurred, including a reasonable profit for the work performed thereon resulting from such delay. Any delay resulting therefrom shall extend the period of performance under this agreement by the period of delay.
 - d. Provide and maintain roadway to each building site so that trucks can drive alongside each building site; provide suitably leveled and compacted area with each building unit for the support of crane operation in erection; furnish power for the Seller's machine tools during the course of erection; and furnish accessible utility services required by the Seller in the performance of the contract at the job site.
10. Unless otherwise specified, additional expense caused by obstructions, either overhead or underground, demolition work, grading to bring site to level, or depth or width of concrete footings, foundations or excavations caused by earth fill, or abnormal soil conditions which may require foundations different from the standard plans approved by Building Department, are to be paid for by the Buyer.

11. The Buyer warrants that they own, or have the right to construct buildings on the property upon which the Equipment is to be located. If required by the seller, buyer shall provide proof of title or other documentation as may be required to assert this representation.
12. The Buyer agrees not to interfere with the progress of the work, and not to occupy any portion of the building until all terms and conditions herein are fulfilled by both parties. Buyer further agrees not to permit any workmen other than those of the Seller to work at or in the immediate vicinity of the building without the Seller's written consent until the Seller's work on the building is completed. Should any workmen or contractors or sub-contractors of the Buyer perform any such work, the Buyer will furnish to the Seller in writing their names before such work is commenced. The Buyer agrees to pay the Seller for any damage that may be caused by anyone other than workmen or sub-contractors of the Seller, by reason of disturbing or damaging concrete forms, grade finishing or any construction work in process whatsoever.
13. No charge for labor or material furnished by the Buyer shall be allowed as a credit under this agreement unless authorized in writing by the Seller.
14. The Buyer shall obtain insurance naming Seller as sole insured on all Seller's property located on the building site, against loss by fire, lightning, wind, storm, riot, civil disobedience, earthquake, Act of God and against other perils ordinarily included under the extended coverage endorsement as well as any other insurance which the Buyer deems necessary upon the work covered by the proposal for the full insurable value thereof. The minimum coverage of said insurance shall be the fair market value of such property as established of the contract price contained herein. Such insurance shall also cover the following items whether they be in or adjacent to the structure insured, materials in place or used to be as part of permanent construction including surplus materials, temporary structures, scaffoldings protective fence, bridging, forms and miscellaneous materials and supplies. Insurance need not cover tools or Equipment owned by or rented by the Seller. Buyer shall furnish to the Seller certificates of insurance on demand by Seller.
15. ~~Expressly incorporated herein by reference thereto are the plans and specifications relating to the Equipment specified in this proposal and Agreement of Sale.~~
16. In the event any act or thing required by Buyer hereunder shall not be done and performed in the manner and at the time or times required by this Agreement, Buyer shall thereby be held in default and all amounts due under the terms and conditions of this Agreement shall be payable immediately by Buyer to Seller, without demand by Seller. In addition Buyer will reimburse Seller for any legal fees and costs that become due as a direct result of Buyer's default of this Agreement, and Buyer will pay to Seller interest at the rate of 18% per annum, calculated on a 360 days = equals one (1) year base, on the unpaid balance owed. Interest will be calculated from the date said default takes place, through and including the date of Settlement.
17. The Seller's Equipment as described herein is warranted for a period of one year against structural failure due to defective material or workmanship in the Equipment manufactured, unless otherwise stated by warranties of the Seller's supplier of purchased components. Such warranties will be conveyed to Buyer and Buyer will deal directly with the Supplier if a claim arises. Seller's liability is limited to replacing (but not to dismantling and installing) defective parts on an exchange basis. F.O.B. the manufacture's factory. The warranty is limited to "Normal" usage and exposure. The following are excluded by the definition of "Normal" and therefore from this warranty if such conditions exist:
 - a. Improper installation affecting the structural design of the building or failure to provide drainage of water from all surfaces without internal penetration of the building.
 - b. Improper Maintenance
 - c. Installation in an area subject to heavy fall out or corrosive chemicals, ash or fumes from chemical plants, foundries, plating works, kilns, fertilizing manufactures, paper plants and the like.
 - d. Acts of God, vandalism, falling objects, external forces, explosion, fire, riots, acts of war and radiation. In the event that any defect is discovered by the Buyer, notice of the defect shall be given to the Seller in writing and such notice must be sent within the warranty period by certified registered mail. The warranty is tendered for the sole benefit of the original Buyer and is not transferable or assignable and further is void in the event the product is removed from its original location of installation. THERE ARE NO OTHER WARRANTIES EXPRESSED OR IMPLIED (INCLUDING WARRANTIES RELATING TO MERCHANTABILITY) EXCEPT THOSE STATED HEREIN.
18. The warranty as outlined in Paragraph 17 is hereby specifically EXCLUDED as to materials and Equipment currently owned (or "used") and is in possession of the Seller. Said material and Equipment is sold in an "as is" condition with NO WARRANTIES EXPRESSED OR IMPLIED.
19. The failure by Seller to enforce at any time, or for any period of time, any one or more of the terms of this Proposal and Agreement shall not be a waiver of such terms and conditions or of the Seller's right thereafter to enforce each and every term and condition contained herein.
20. Upon acceptance of this Proposal, together with its terms and conditions, shall constitute the entire agreement between the Seller and the Buyer, there being merged all prior and collateral representations, promises and conditions in connection with this proposal, and any representation, promise or condition not incorporated herein shall not be binding on either party.
21. Manufacture's certificate of origin or title (if applicable) to the Equipment described herein will be conveyed to the Buyer within 60 days of payment in full to Seller.

22. Dispute Resolution: The parties will promptly give each other written notice of problems or concerns arising in connection with the other's actions under this agreement and will meet as needed, but not later than three (3) business days after receipt of a written request for a meeting, to discuss and make all possible efforts through good faith discussions and negotiations to resolve the matter. If after full good faith effort to resolve the problem has been unsuccessful, and the dispute is not resolved by a meeting between the parties as provided above, then either party may refer the dispute to mediation or arbitration by request made in writing upon the other. Then venue for such proceeding or any litigation will be within Riverside County. Arbitration shall be conducted in accordance with the American Arbitration Association Construction Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The prevailing party at arbitration shall be entitled, in addition to such other relief as may be granted, to a reasonable sum for all its costs and expenses related to such arbitration, including, without limitation, the fees and expenses of the arbitrator and attorney's fees, which shall be determined by the arbitrator or any court of competent jurisdiction that may be called upon to enforce or review the award.

23. Definitions:

- a. Delivery – Date that structures arrive at site address.
- b. Notice of Completion – Date of written notice given by Seller to Buyer that structures are complete and available for Buyer's occupancy.
- c. Equipment – The term Equipment as used herein shall refer to the item or items provided by the Seller as described on the front page of this Proposal and Agreement of Sale.

24. Stenographical and clerical errors herein are subject to correction.

25. This Agreement and Terms and Conditions of Sale shall be construed in accordance by the laws of the State of California.