



**MINUTES OF GROSSMONT HEALTHCARE DISTRICT  
INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE  
Construction Sub-Committee  
October 15, 2015**

A Construction Sub-Committee Meeting for the Independent Citizens' Bond Oversight Committee (ICBOC) of the Grossmont Healthcare District was held Thursday, October 15, 2015, at 1:30 p.m., at the Offices of the Grossmont Healthcare District, 9001 Wakarusa Street, La Mesa, California 91942.

*For purposes of these minutes, the listed items will be reflected in the order set forth on the posted agenda or in the order as amended at the start of the meeting. In some cases, discussion of items may have taken place out of sequence during the course of the meeting. Any documents referred to in these meeting minutes are posted on the website under the meeting agenda of the same date.*

---

Members Present:     Dexter Levy  
                                 Ken Lavigne

GHD:                     Barry Jantz

Gafcon:                 Derek Contizano  
                                 Sheryl Castro

***The meeting was called to order at 1:34 p.m.***

**A.     Approval of the August 13, 2015 Meeting Minutes**

Mr. Dexter Levy called for a motion to approve the August 13, 2015 meeting minutes. The motion was approved.

**B.     August Monthly Report of Prop G Projects at Grossmont Hospital**

August was provided but was not reviewed in detail.

**C.     September Monthly Report of Prop G Projects at Grossmont Hospital**

Mr. Derek Contizano presented the Prop G Monthly Progress Report for September 2015. Mr. Contizano stated the major event in August was the prequalification of contractors for the Surgery Floor Build Out project. The four prequalified contractors for the Prop G portion of the work are: McCarthy, Turner, Swinerton and Kitchell. Three out of these four have been prequalified for the Sharp portion of the work, which are: McCarthy, Swinerton and Turner.

Mr. Contizano stated the major events during the month of September were: no reportable safety incidents; and DCS received approval from OSHPD to separate the Surgery Floor Build Out project permits.

Mr. Contizano reviewed the project schedules.

- The Central Energy Plant is approximately 92% complete and scheduled for completion March 31, 2016. Connection to the grid will happen sometime in November and will be pushing power to the grid by December. Mr. Levy asked if there were any weather concerns. Mr. Contizano indicated everything was sealed up and has been tested, so there are no concerns.



- The East Tower project is approximately 87% complete and is scheduled for completion October 28, 2015. Punchlists are currently being completed. The injured worker has fully recovered and is back to work.
- The Heart & Vascular project is 90% complete. The beneficial occupancy date is scheduled for February 15, 2016. The move-in date for the lab and pharmacy is scheduled for February 18, 2016.
- The Surgery Floor Build Out permits have been separated and the Invitation to Bid is being finalized for publication. There will probably be a true-up from Sharp to Prop G for approximately \$2M in the form of purchased equipment for the separation of bids. Bids will go out in January with an anticipated construction start date of April 15, 2016.

Mr. Contizano reviewed the Prop G Available Funds vs. Worst Case Forecasted Costs spreadsheet and the status of each project's contingency funds. As of September 23, 2015, the remaining Prop G building funds total \$22,572,548. The decrease in funds from July is primarily due to contractor delay claims, administrative costs, and the Central Energy Plant generator enclosure. The current potential shortfall of the projects not yet under construction totals \$6,254,984. However, this does not take into account the \$7.5M or \$246,400 of interest earned from the Health & Occupations Training Center project that has not yet been reallocated to a project. Mr. Barry Jantz stated the status of these funds will be carried by the Board as an old agenda item and will not be up for conversation until the Surgery Floor Build Out bids come in and there has been time to discuss with Sharp.

Mr. Contizano reviewed the "look ahead" for next month.

- DCS will continue discussions with contractors on delay claims: CW Driver conversations are finished; they are nearly finished with the Central Energy Plant conversations; and H&V will take a few more months.
- The Co-Gen will start up on October 26, 2015.
- The East Tower fifth floor will be completed by the end of this month.
- The City has asked for the staging area to be vacated within 30 days.
- DCS will be revisiting the potential SGIP credit the sale of old CEP equipment and the air emission credits.

**D. Memos/Approvals to Board:**

- i. Mr. Contizano reviewed the Central Energy Plant and Cogeneration System: Board Memo #348 – Consideration of Proposed Change Order to McCarthy Building Companies for additional Project Management staff to process Change Orders. Fixed cost of \$145,394 (Split 80/20 between CEP and Cogen). *Approved by Board 9/8/2015.* This change order was for a Cost Engineer to review change orders because the number of changes orders were higher than expected. DCS hopes this will be a benefit the delay claim negotiations. Any additional costs will be part of the global wrap-up.
- ii. Mr. Contizano reviewed the East Tower Project: Board Memo #350 – Consideration of Proposed Change Order to C.W. Driver for Pharmacy Infection Control (Fixed cost of \$113,517). *Approved by Board 10/5/2015.* This was due to a planning error by Parsons and CW Driver could not have anticipated these costs at the time of bid.



- iii. Mr. Contizano reviewed the East Tower Project: Board Memo #351 – Consideration of Proposed Change Order to C.W. Driver for Flex Duct Repair and Replacement Infection Control on Level 2 (Fixed cost of \$174,514). *Approved by Board 10/5/2015.* This was due to the amount of work needed on Level 2 that was not needed on the other floors.
- iv. Mr. Contizano reviewed the Central Energy Plant: Board Memo #352 – Consideration of Proposed Change Order to McCarthy for Medical Alarm Panel Wiring (Fixed cost of \$402,782). *For Board consideration 10/16/2015.* This became an issue approximately 1 year ago. It has finally been determined that the wiring is needed. Value engineering is currently happening on this item. There may be a cost reduction from this exercise.
- v. Mr. Contizano reviewed the H&V Project: Board Memo #353 – Consideration of Proposed Change Order to KMD Architects for Extended Construction Administration through expected construction completion in February 2016 (Fixed cost of \$192,126). *For Board consideration 10/16/2015.* Mr. Jantz explained that the reason for bringing this to the ICBOC’s attention is because the cumulative amount exceeds \$250,000. KMD Architects have been extended three separate times for the approximate amounts of \$1M, \$850,000 and this request. Mr. Jantz shared Chair Kathleen Bute’s concern expressed during the 10/08/2015 Audit & Finance Sub-Committee meeting about the total amount spent on these extensions to date. Mr. Jantz reminded the committee that the reason for the first two change orders was due to significant re-design which caused the project to be placed on hold for more than one year.

**E. ICBOC Member Survey**

Mr. Jantz requested the Sub-Committee provide questions that could be asked in an anonymous survey to the entire ICBOC. Questions should pertain to any concerns the ICBOC might have as it relates to Prop G and/or the performance of the administration by Grossmont Healthcare District.

Mr. Jantz will send out an email to the full ICBOC requesting input for questions to ask in the survey. Mr. Jantz will bring a list of all suggested questions to the next full ICBOC regular meeting.

**F. Miscellaneous Items**

No miscellaneous discussions were held.

**G. Next Meeting**

The next Construction Sub-Committee meeting is scheduled for Thursday, November 12, 2015 at 1:30 p.m. in the Grossmont Healthcare District Admin. Conference Room, 9001 Wakarusa Street, La Mesa.

**H. Adjournment**

Meeting was adjourned at 2:38 p.m.