MINUTES OF GROSSMONT HEALTHCARE DISTRICT
INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE
Construction Sub-Committee
May 14, 2015

A Construction Sub-Committee Meeting for the Independent Citizens' Bond Oversight Committee (ICBOC) of the Grossmont Healthcare District was held Thursday, May 14, 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:	James Maletic (Chair) Charles Fouquette	GHD:	Barry Jantz
		DCS:	Dave Suydam
		Gafcon:	Derek Contizano Sheryl Castro

The meeting was called to order at 1:35 p.m.

A. Approval of the April 16, 2015 Meeting Minutes

Chair James Maletic asked the Sub-Committee if there were any edits to the April 16, 2015 meeting minutes. No comments were made.

B. April Monthly Report of Prop G Projects at Grossmont Hospital – *Presented to Board May 4, 2015*

Mr. Dave Suydam presented the April 2015 Monthly Report to the Sub-Committee. Mr. Suydam stated during the month of April they held a budget workshop with the Board, water proof testing was began on Heart & Vascular, and a review of the Surgery Floor project drawings was held with the designers.

Mr. Suydam reviewed the DCS Organization Chart with the Sub-Committee. Mr. Suydam announced that Mr. Jeff Avruch will be replacing Mr. John Serdar as a Senior Project Manager starting next week. Mr. Serdar held the last remaining Parsons position.

Mr. Suydam reviewed the project schedules with the Sub-Committee. Mr. Suydam stated the schedules have not changed since January 23, 2015 and are tracking along as planned.

Mr. Suydam reviewed the Surgery Floor Build Out schedule and the construction phasing. He stated that although the schedule shows work to start in November 2015 and "go live" the summer of 2018, this will probably be pushed out a few months due to a recent request from OSHPD for a full seismic analysis of any other any prior modifications to the Hospital that have occurred since the building was built.

Mr. Suydam stated the East Tower is approximately 70% complete. The fourth floor remodel is ahead of schedule and should be finished May 22, 2015, occupancy will happen on June 10, 2015 and contract completion on June 18, 2015. Mr. Suydam reported the air balance is going well because there were not as many existing issues in the ductwork as the prior floors had.

Mr. Suydam reviewed the OSHPD ADA issues at the entrance of the Hospital with the Sub-Committee. Although OSHPD's request to restore twelve ADA parking spaces is not Prop G related, OSHPD stated they will not issue occupancy for the fourth and fifth floors until these parking spaces are restored.

Mr. Suydam stated the Heart & Vascular project is approximately 80% complete. Water testing on the windows resulted in one failed window. Additional testing will be performed to determine corrective action. Helix installed a section of lines that also failed during the initial testing. Helix will be replacing a section of pipe this week.

Mr. Suydam reviewed design reassessment between the Women's Center and Heart & Vascular. Approved drawings allowed for a circular driveway, a retaining wall, the relocation of fire valves, and stairs going up to the upper dining area elevation. DCS feels this design could potentially cause significant change orders and is, therefore, being reevaluated. DCS is in the process of getting estimates from the designers and contractors on the potential design changes.

Mr. Suydam stated the Central Energy Plant is approximately 80% complete. Construction began on the utility trellis footings and training for the engineering staff begins next month. Training is provided by the contractor per the contract.

Mr. Suydam reviewed the status of the Surgery Floor Build Out project. He stated DCS met with HOK to discuss the staffing proposal, OSHPD's review comments on the Level 1 Mechanical and Fire Life Safety, the evaluation of the water loop line in the surgery corridor, plumbing phasing corrections, and the architect's fees for the Construction Administration services.

Mr. Suydam reiterated the current bid dates for the Surgery Floor Build Out projects will be changing due to the recent OSHPD request. There are four bidders on the Prop G project and three on the Sharp HealthCare funded project.

Mr. Suydam reviewed the Prop G project budgets with the Sub-Committee. The monthly bar chart was revised to show three reporting categories for each project: 1) current budget; 2) project cost at completion (this takes into account the worst case forecast); and 3) expenditures to date. The projects that have the largest overruns are the Central Energy Plant at almost $8.5M and the Level 1 Surgery Build Out at $3.7M. These overruns are in excess of what is being held in contingency. There is still $7.5M from the Health & Occupations Training Center project that has not yet been reallocated to a project. There is also $811,093 from the bond issuance fee budget and $4M in additional funding from Prop G interest earned and unneeded bond issuance fees for allocation to a project.

Mr. Suydam reviewed the status of each project's contingency funds as of April 23, 2015. Mr. Suydam stated DCS went to the Board for additional money to supplement the contingency bank for the Central Energy Plant. The Board approved their request through Board Memo 341, which requested the reassignment of the $4M in additional funds. Mr. Suydam stated Sharp HealthCare has pledged an additional $4M to use towards the projects.

Mr. Suydam reviewed the "look ahead" for next month with the Sub-Committee. DCS is working towards obtaining a permit for the Level 1 Surgery Floor Build Out project. The Surgery Floor Build Out bid packages for both Prop G and Sharp HealthCare funded projects have been postponed. DCS has started training classes with the Engineering staff on the Central Energy Plant and Co-Generation. DCS is working towards settling the delays claims with the contractors by September 2015.

C. Memos/Approvals to Board:

i. Mr. Contizano reviewed the Central Energy Plant Project and Cogen System: Board Memo #338, Consideration of Supplemental Service Agreement to Syska Hennessy Group for additional Construction Administration on the Central Energy Plant project through December 31, 2015 for a Not To Exceed cost of $1,599,383. *Approved by Board 4/17/2015. Split 80/20 with Cogen.*

ii. Mr. Contizano reviewed the Central Energy Plant and Cogeneration System: Board Memo #339, Consideration of a Change Order to McCarthy Building Companies, Inc. for additional project management staffing at a fixed cost of $153,958. *Approved by Board 5/4/2015. Split 80/20 with Cogen.*

iii. Mr. Contizano reviewed the Heart and Vascular Building: Board Memo #340, Consideration of Change Order to McCarthy Building Companies, Inc. for the late start on the project because the South Loading Dock was not completed. This was a fixed cost of $105,026. *Approved by Board 5/4/2015.*

iv. Mr. Contizano reviewed the Central Energy Plant: Board Memo #341, Consideration of Interim Master Budget Revision. This served to move the $4M ($1M in interest earned and $3M in unneeded bond issuance money) to the Central Energy Plant project budget. *Approved by Board 5/4/2015.*

v. Mr. Contizano reviewed the East Tower Renovation Project: Board Memo #342, Consideration of Supplemental Services Agreement to DSCIS for extended Inspector of Record Services through the end of the project (December 2015) for a Not To Exceed cost of $187,000. *For Board review 5/15/2015.*

vi. Heart and Vascular Project: Board Memo #343, Consideration of Supplemental Services Agreement to KMD Architects for extended Construction Administration Services through the end of construction (July 2015) for a Not To Exceed cost of $619,762. *For Board review 5/15/2015.*

D. Miscellaneous Items

No other discussions were held.

E. Next Meeting

The next Construction Sub-Committee meeting is scheduled for Thursday, June 11, 2015 at 1:30 p.m.

F. Adjournment

Meeting was adjourned at 2:44 p.m.