

BOARD MEMO



**GROSSMONT
HEALTHCARE
DISTRICT**

To: GHD Board of Directors
From: Proposition G Design and Construction Services

Cc: Barry M. Jantz, CEO
Jeff Scott, District Counsel
Tom Saiz, CFO

Date: September 6, 2016

APPROVALS

CEO: Approved Date: _____

GO Bond
Committee: Approved Date: _____

GHD Board: Approved Date: _____

ICBOC Review: No Comments Date: _____

SUBJECT: Heart and Vascular (H&V) Level 1 Surgery Floor Build Out Project: Board Memo #369, Consideration of Contract Agreement with HLP Design, Inc. (Kate Herring) for Project Management (PM) Services for a Not To Exceed cost of \$350,000.

RECOMMENDATION of DESIGN AND CONSTRUCTION SERVICES (DCS):

Design and Construction Services (DCS) recommends the approval of Contract Agreement with HLP Design, Inc. for PM Services on the H&V Level 1 Surgery Floor Build Out Project for a Not To Exceed cost of \$350,000, for the GHD Prop G portion of the work.

ASSIGNMENT/FUNDING:

Anticipated / Budgeted

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

Purpose for Supplemental Services Agreement:

The Contract Agreement, if approved, would authorize and obligate Kate Herring of HLP Design, Inc. to perform PM Services for the H&V Level 1 Surgery Floor Build Out project.

Justification/Background:

Kate Herring provided PM services for the Proposition G East Tower Renovation Project from 2014 through completion in early 2016. Given Ms. Herring’s knowledge of the Hospital, Proposition G, and the DCS team, DCS recommends entering into a contract agreement with Ms. Herring’s firm, HLP Design, Inc., to provide PM services for the Level 1 Surgery Floor Build Out project. Work and invoicing against this SSA will begin October 3, 2016 and will last through July 31, 2018.

In May 2016, a Supplemental Services Agreement (SSA) was issued to Gary Kiebel of C2 Coordination for this same project. The total SSA value was \$900,000, which included \$450,000 for the Prop G scope of work, and \$450,000 for the Sharp scope. Sharp's portion will be reimbursed to GHD monthly, commencing with the start of the work in April 2016, and will be tracked and reported monthly to the GO Bond Committee and Board via an accounts receivables report.

To address various staffing needs, under this contract, Kate Herring and Gary Kiebel will split time on the project, Kevin Herr (Sharp employee) will be shifted to the Sharp project full time, and the C2 Coordination (Kiebel) contract will be reduced by \$60,000. In addition, costs for Dave Suydam to assist in managing the project will be removed. This will result in a reduced Proposition G cost of approximately \$100,000. The change in cost is detailed further below:

	Board Memo 360 Cost Projection (May 2016)	Board Memo 369 Cost Projection
Gary Kiebel	\$450,000	\$390,000
Kevin Herr	\$156,000	\$0
Kate Herring	\$0	\$350,000
Dave Suydam	\$234,000	\$0
Total	\$840,000	\$740,000

Contract Agreement:

The financial status of the project is summarized below, assuming the Board enters into a contract as outlined herein with HLP Design, Inc. to provide Project Management services for the H&V Level 1 Surgery Floor Build Out Project:

Description / Contract Info	Original Contract Amount	Executed Change Orders	Current Contracts Amount	This Change	Other Pending Changes	Projected Cost at Completion
Base Contract	\$350,000	\$0	\$350,000	\$0	\$0	\$350,000
Base Reimburse						\$0
Pre-Design						\$0
OSHDP Review						\$0
Subtotals						\$350,000
Current Contingency						\$1,030,364
This Change						\$0
Remaining Contingency Balance						\$1,030,364
Other Pending CO's						\$0
All Other Pending Changes						\$0
Potential Ending Contingency Balance/Deficit						\$1,030,364

ICBOC REVIEW:

This recommendation does not require review by the Independent Citizens' Bond Oversight Committee (ICBOC), as it does not constitute a Change Order or an increase in the approved project budget.

FISCAL IMPACT/FUNDING:

The total cost for this Contract Agreement is available from the current project management budget in the H&V Level 1 Surgery Floor Build Out project budget as approved by the Board on May 20, 2016.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Recommended design and construction changes require approval as indicated by Resolution No. 01-13; the construction change order policy. The policy also sets forth a review by the ICBOC of change orders in an amount greater than \$250,000 that constitutes increases in approved project budget(s).

IMPACT ON CURRENT SERVICES OR PROJECTS:

This Contract Agreement does not impact other Prop G projects.

IMPACT ON SCHEDULE:

This Contract Agreement does not request any added working days to the project schedule.

CONTRACTING PROCESS:

This Contract Agreement has a Not To Exceed cost of \$350,000.