

BOARD MEMO



**GROSSMONT
HEALTHCARE
DISTRICT**

To: GHD Board of Directors
From: Prop G – Design and Construction Services
Dave Suydam, Director of Construction

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

Date: May 4, 2015

APPROVALS			
CEO: Approved	<input type="checkbox"/>	Date:	_____
GO Bond Committee: Approved	<input type="checkbox"/>	Date:	_____
GHD Board: Approved	<input type="checkbox"/>	Date:	_____
ICBOC Review: No Comments	<input type="checkbox"/>	Date:	_____

SUBJECT: Central Energy Plant (CEP): Board Memo #341, Consideration of Interim Master Budget Revision

RECOMMENDATION of DESIGN AND CONSTRUCTION SERVICES (DCS):

Design and Construction Services (DCS) recommends an interim reallocation of funds from the unused Bond Issuance Fee budget, and Prop G Interest Earned through 6/30/2014 revenue source to the CEP project budget in the amount of \$4,000,000 as shown in the table below.

Project	Source	Increase Budget
Bond Issuance Fees	\$3,000,000	
Prop G Interest Earned	\$1,000,000	
Central Energy Plant		\$4,000,000

ASSIGNMENT/FUNDING:

Not Applicable

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

Purpose for Reallocation:

The interim reallocation of funds would allow the continued issuance of Change Orders (COs) and Supplemental Service Agreements (SSAs) to contractors, vendors, and professional service providers on the CEP project, so as to keep the project progressing.

Justification/Background:

The Contingency budget in the CEP project is approaching the point where approved COs and SSAs will not be able to be issued because they exceed the available contingency fund. The intent of DCS and the Grossmont Healthcare District (GHD) was to complete a master budget realignment once bids were received for the H&V Level 1 project, but the issuance of several large COs and SSAs for the CEP project in the past 1-2 months have necessitated increasing the project budgets on an interim basis prior to the expected receipt of the bids in August 2015. Soon thereafter, a full Prop G program budget realignment, including all ongoing projects, will be brought to the District Board for review and action.

ICBOC REVIEW:

This recommendation will not require a review by the Independent Citizens' Bond Oversight Committee (ICBOC) as determined in the Board adopted Change Order Policy Board Resolution 01-13.

FISCAL IMPACT/FUNDING:

The funds for this interim budget realignment are available from the current Bond Issuance Fee budget and Interest Earned revenue fund.

IMPACT ON CURRENT SERVICES OR PROJECTS:

This action does not impact other Prop G projects.

IMPACT ON SCHEDULE:

This action does not impact the overall program completion date.

CONTRACTING PROCESS:

Not Applicable