

**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: April 4, 2016

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: 2/25/2016

**SUBJECT: Heart and Vascular (H&V) Level 1 Surgery Floor Build Out Project: Board Memo #360, Consideration of Supplemental Services Agreement (SSA) to C2 Coordination, LLC for Project Management (PM) Services for a Not To Exceed cost of \$450,000.**

RECOMMENDATION of DESIGN AND CONSTRUCTION SERVICES (DCS):

Design and Construction Services (DCS) recommends the approval of a SSA for PM Services on the H&V Level 1 Surgery Floor Build Out Project for a Not To Exceed cost of \$450,000, for the GHD Prop G portion of the work.

ASSIGNMENT/FUNDING:

Anticipated / Budgeted

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

Purpose for Supplemental Services Agreement:

The Supplemental Service Agreement, if approved, would authorize and obligate Gary Kiebel of C2 Coordination, LLC to perform PM Services for the H&V Level 1 Surgery Floor Build Out project.

Justification/Background:

Gary Kiebel has performed PM services on the Heart and Vascular Project since mid-2014. In addition to managing the construction of the H&V project, Gary has led the design effort on the H&V Level 1 Surgery Floor Build Out project. Given Mr. Kiebel's knowledge of both projects, it is the position of DCS that continuing PM services with C2 Coordination is in the best interest of the Level 1 Surgery Floor Build Out project. Work and invoicing against this SSA will begin April 1, 2016 and will last through the currently scheduled construction completion of December 2018. The total SSA of the \$900,000 includes \$450,000 for the Prop G scope of work, and \$450,000 to be covered by Sharp. 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.

Supplemental Services Agreement:

On June 19, 2014, the Board entered into a contract with C2 Coordination, LLC to provide Project Management services for the H&V project. This change is for the Level 1 Surgery Floor Build Out project. The current status of prior awards for the Build Out project is summarized in the following table:

Description/ Contract Info	Original Contract Amount	Executed Change Orders	Current Contracts Amount	This Change	Other Pending Changes	Projected Cost at Completion
Base Contract	\$0	\$0	\$0	\$450,000	\$0	\$450,000
Base Reimburse						
Pre-Design						
OSHPD Review						
<b>Subtotals</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$450,000</b>
<b>Current Contingency</b>						<b>\$3,810,773</b>
This Change						\$450,000
Remaining Contingency Balance						\$3,360,773
Other Pending KMD CO's						\$0
All Other Pending Changes						\$7,069,682
<b>Potential Ending Contingency Balance/Deficit</b>						<b>(\$3,708,909)</b>

ICBOC REVIEW:

This recommendation was reviewed by the Independent Citizens' Bond Oversight Committee (ICBOC) on February 25, 2016, and no concerns for the Board were expressed.

FISCAL IMPACT/FUNDING:

The total cost for this Supplemental Services 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 February 3, 2014 and amended December 7, 2015.

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 Supplemental Services Agreement does not impact other Prop G projects.

IMPACT ON SCHEDULE:

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

CONTRACTING PROCESS:

The full scope of this Supplemental Services Agreement has a Not To Exceed cost of \$450,000.