

30 Day Status Report Design & Construction Management of the Proposition G Projects

Report to GHD & GHC

By

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December 18, 2013

Agenda

1. Regulatory Compliance
2. Overall Project Status
3. Staffing Resources
4. Initial Operational Improvements

A wide-angle landscape photograph featuring a dirt road that curves from the bottom center towards the middle ground. The road is flanked by dry, scrubby vegetation. In the background, a range of rugged mountains with patches of snow is visible under a heavy, overcast sky. Sunlight breaks through the clouds on the left side, creating a dramatic, high-contrast scene.

1. Regulatory Compliance

Regulatory Compliance

- Poor attention to regulatory compliance

**Summary of Log of Notices of Non-Compliance (NNCs)
Open as of 11-11-13**

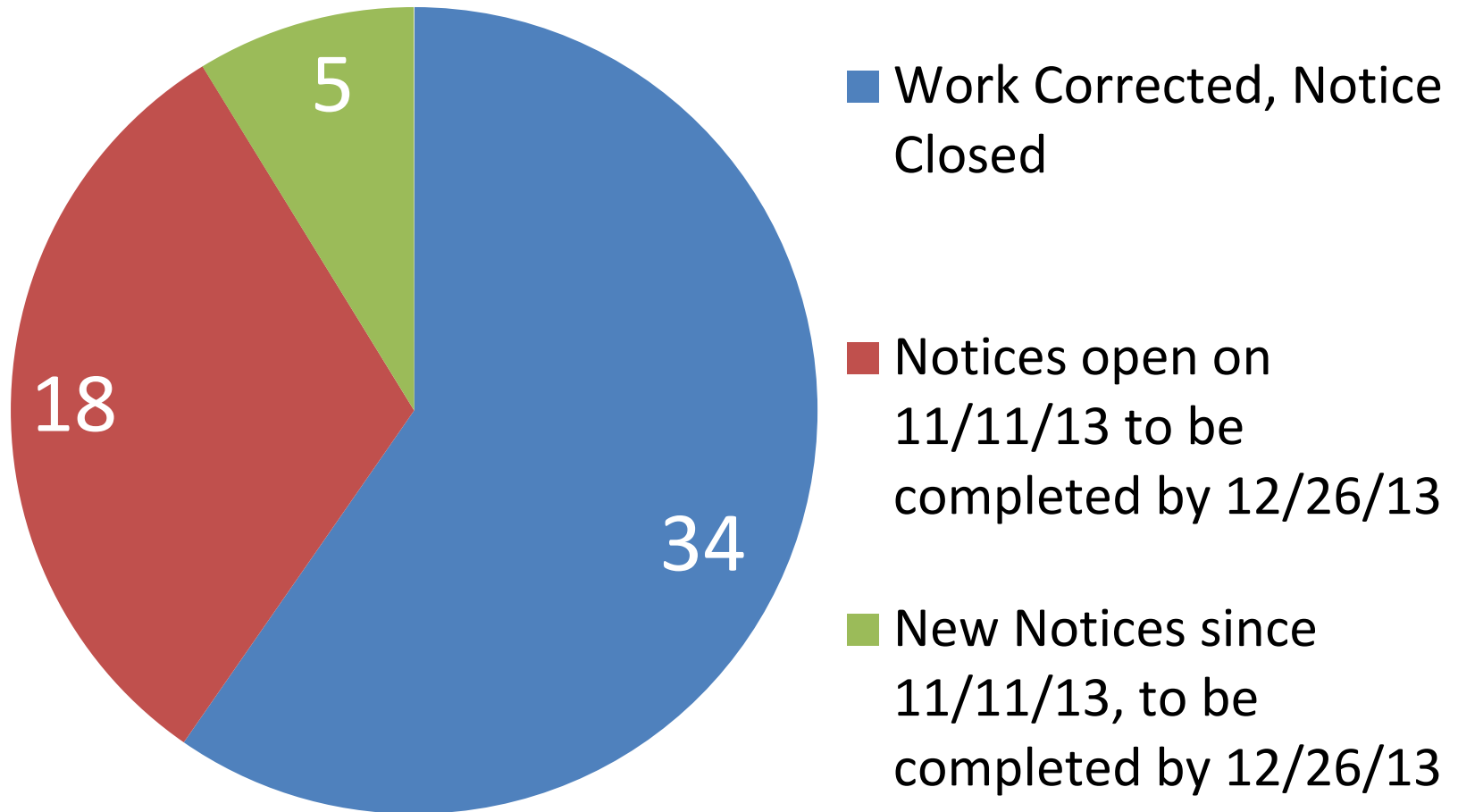
Project	Total # NNCs	(Sub-Set) # NNCs that are Fire Life Safety Concern	% of NNCs that are Fire Life Safety Concerns
East Tower	36	15	42%
Central Energy Plant	9	6	67%
Heart & Vascular	1	0	0
South Dock & Level 1 Seismic	6	4	67%
TOTALS	52	25	48%

Prop G All Projects

Status of Notices of Non Compliance

From 11-11-13 to 12-5-13

Notices to Comply



Corrective Actions

- 9 Corrective Actions, including:
 - All current NNC closed by 12-26-13
 - Any future NNC corrected w/in 15 work days
 - IOR reports weekly concerns in OAC meeting
 - Sr. Management meets bi-monthly w/ ACO
 - PM responsible for daily infection control inspection & Log
 - Any infection control breach corrected w/in 4 hours

2. Overall Project Status



Projects Schedule Status

- East Tower = 12 months late
- S. Dock & Level B Seismic = 8.5 months late
- CEP = 6 months late
- H & V = 3 months late

At least 20% to 30% are all delays are due to scheduling & coordination problems

East Tower – 3rd Floor Remodel

Major Causes of Delay

DELAY LEGEND:

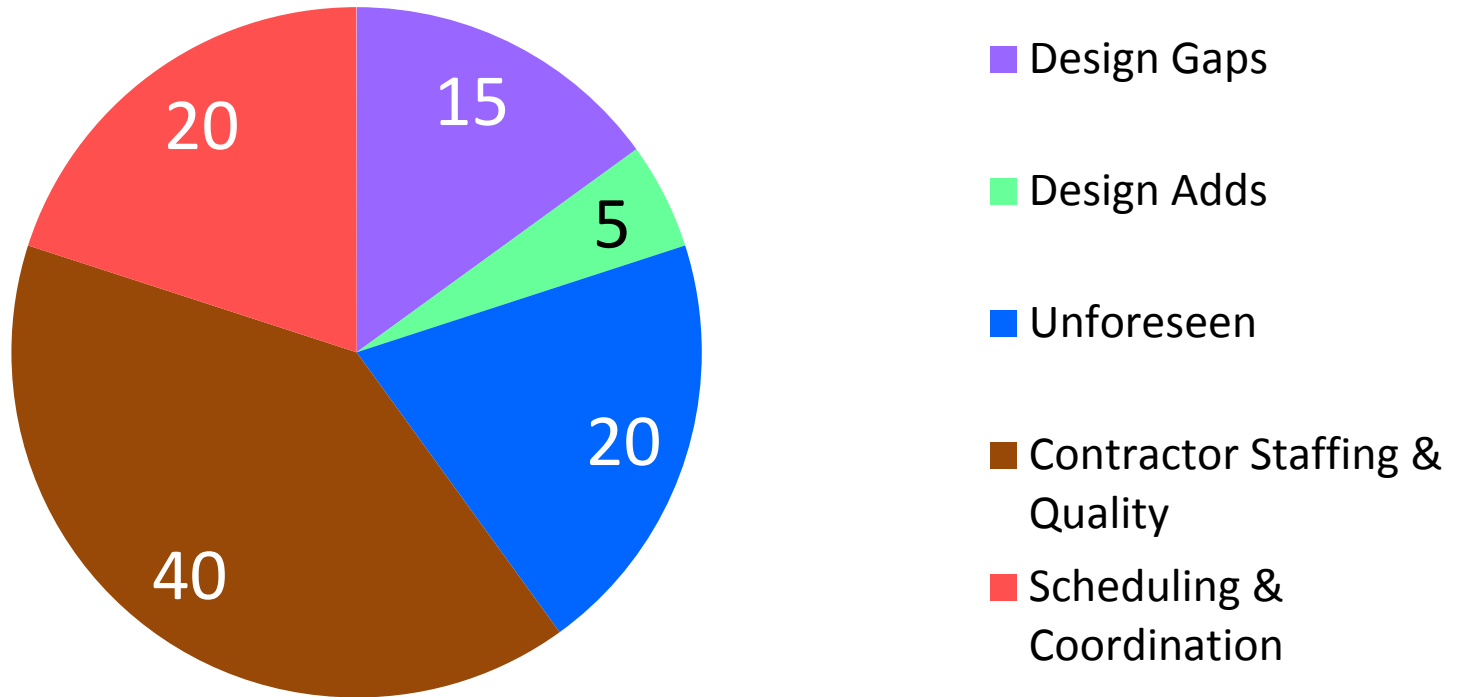
Design Gaps	
Design Adds	
Unforeseen	
Contractor Staffing & Rework	
Scheduling & Coordination	

Issues

Door Access Delay																				
Pharmacy - Temp AH																				
Access to ORs																				
Vertical integration - sewer																				
Elevators - electrical panel																				
Design Additions & Mock-Up																				
Unforeseen As-Built Conditions																				
Poor Plumbing Cont. - Med Gas																				
Staffing Resources																				
Infection Control Concerns																				
Scheduling & Coordination																				
Stop Payments																				
	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
	2012							2013												

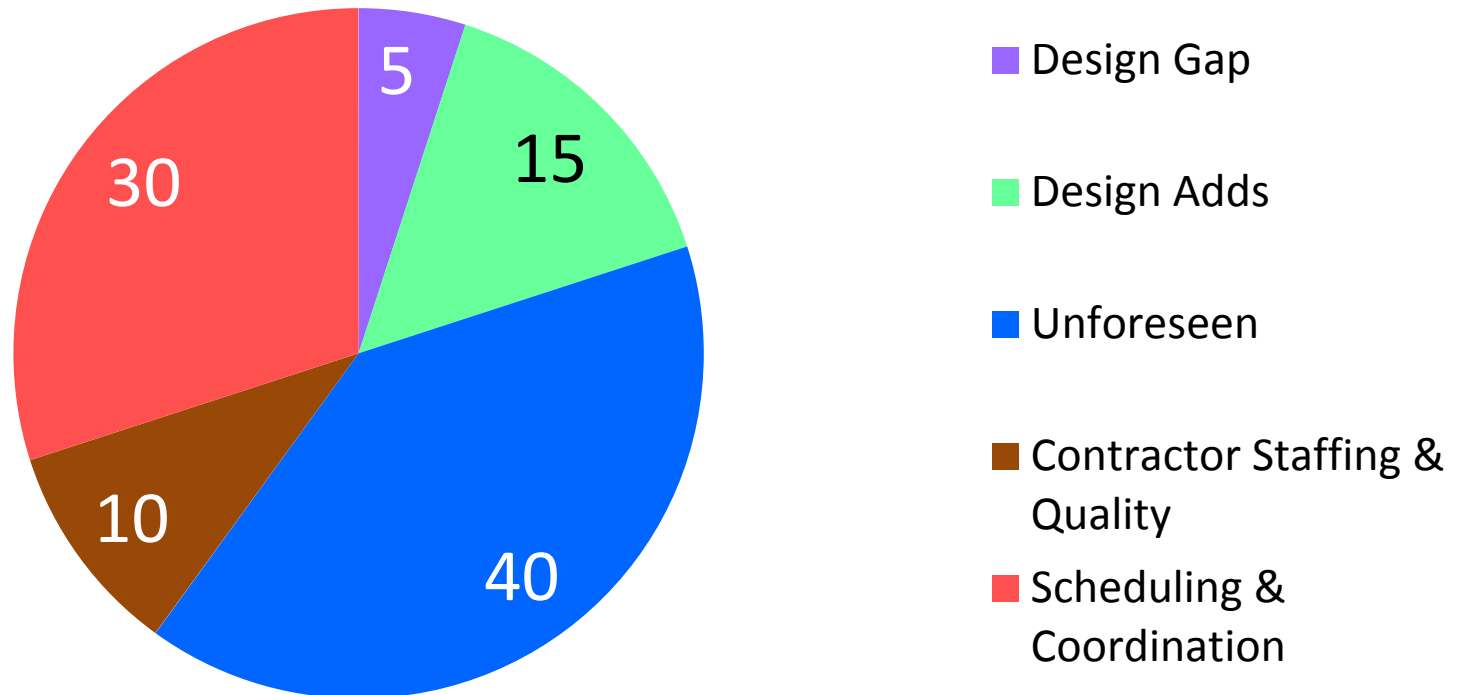
East Tower Delays Responsibility Allocation for Delays

Delay Factors



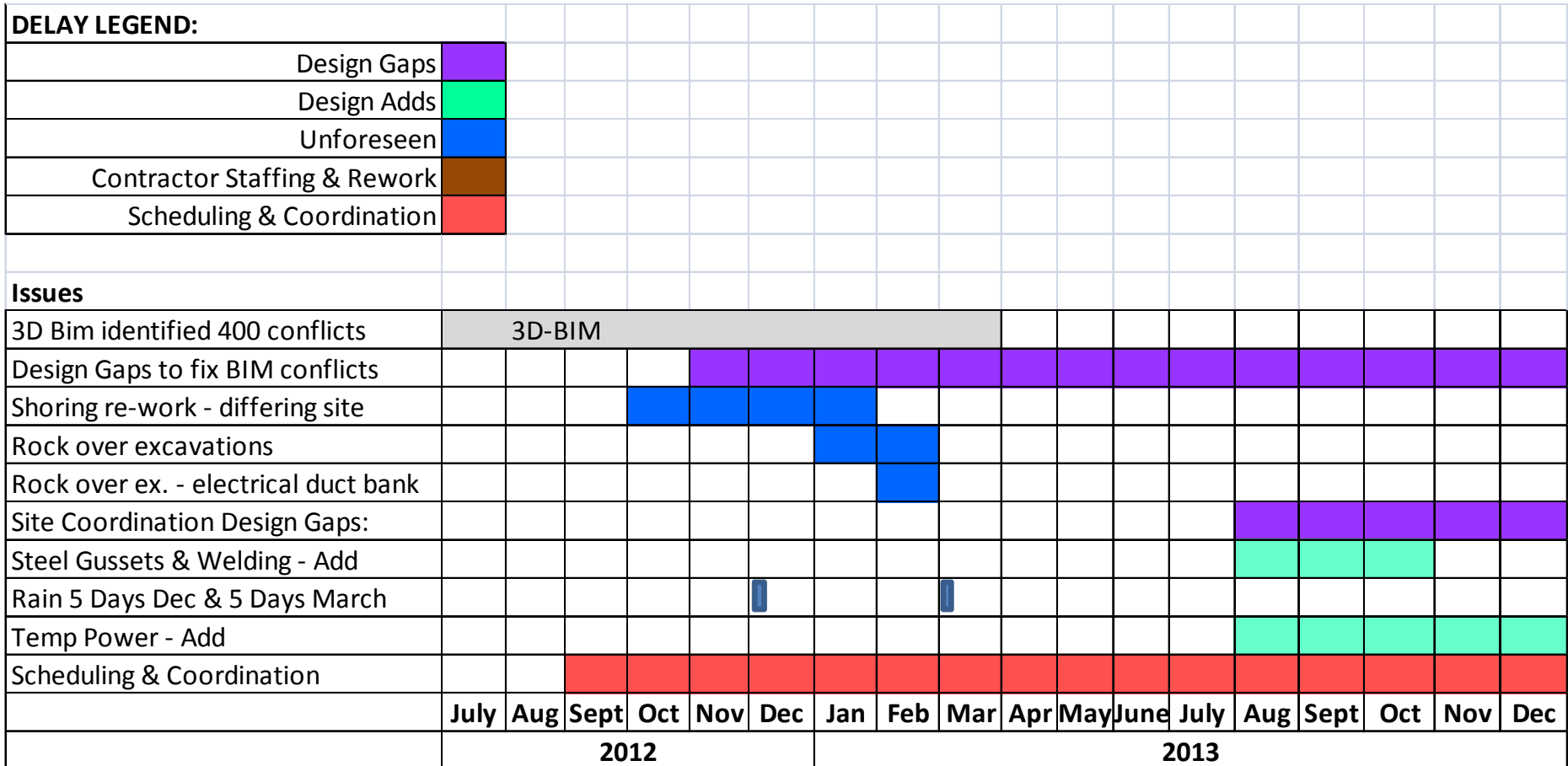
South Dock & Level B Seismic Delays Responsibility Allocation for Delays

Delay Factors



CEP & Co-Gen

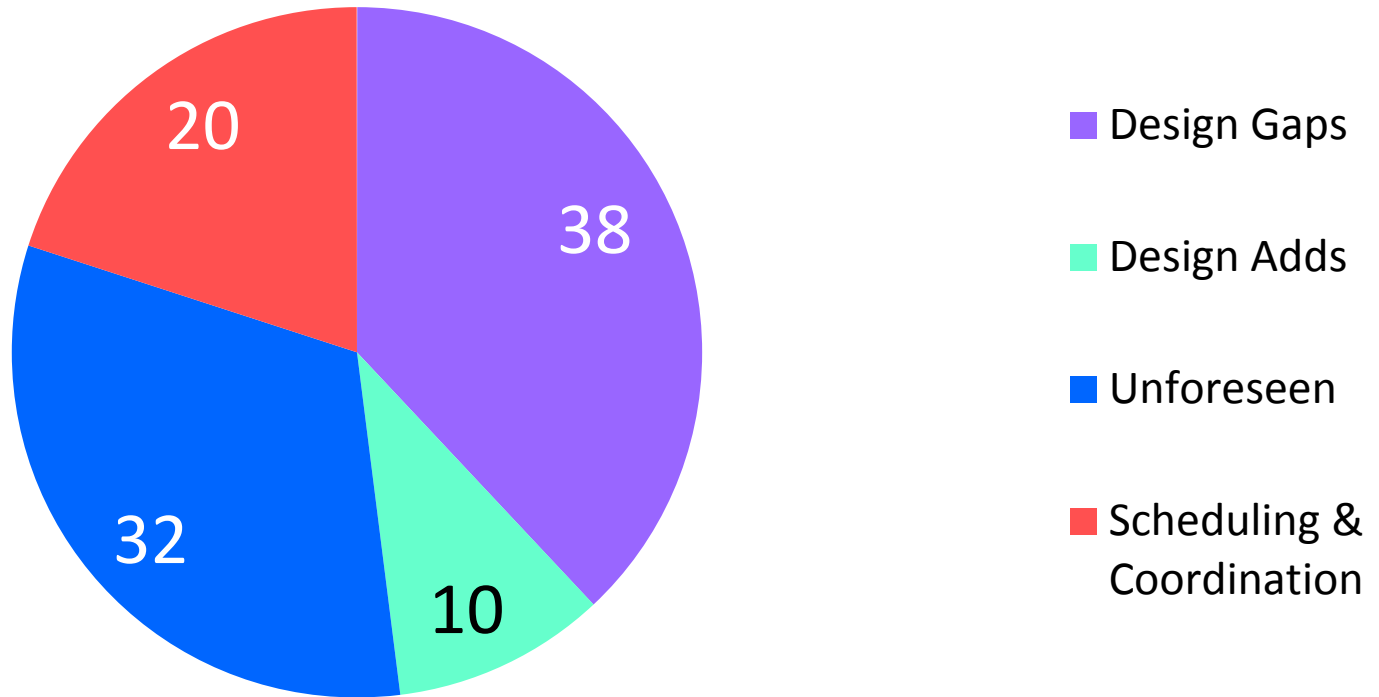
Major Causes of Delays



CEP Delays

Responsibility Allocation for Delays

Delay Factors



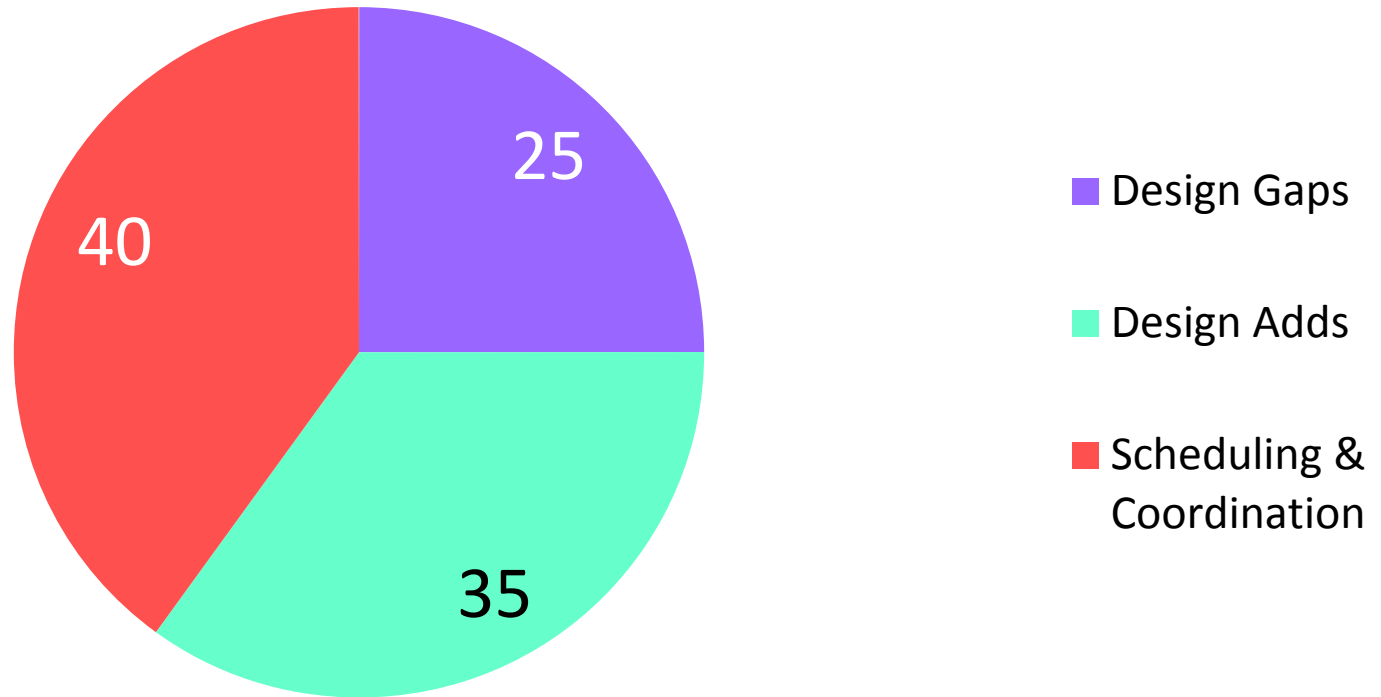
H & V

DELAY LEGEND:													
Design Gaps													
Design Adds													
Unforeseen													
Contractor Staffing & Rework													
Scheduling & Coordination													
Issues													
Delay between award and NTP2													
Hold period to utilize existing dock													
No access to dock & chilled water line scope uncertain													
Change in scope for over excavation													
Added framing requirements													
Helix Water line													
Susump Add for City - Adds scope													
CO 1 Bid addendums - Adds scope													
Scheduling & Coordination													
	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
	2012	2013											

H & V Delays

Responsibility Allocation for Delays

Delay Factors

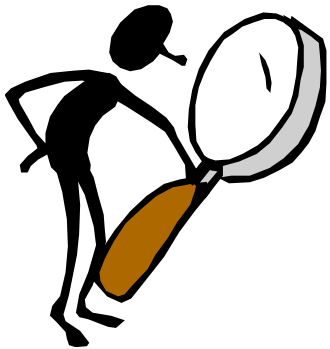


Looking Forward – Forecast of Additional Delays

This report has looked back to explain the delays to date.

Looking forward there are 4 major concerns that represent potential & known future delays. They are:

1. Sequencing of construction between CEP & H&V
2. Sequencing of construction between Level 1 build out & H&V
3. Establish revised baseline schedules & then manage to the schedule
4. Establish reconciled budgets and then manage to the budget



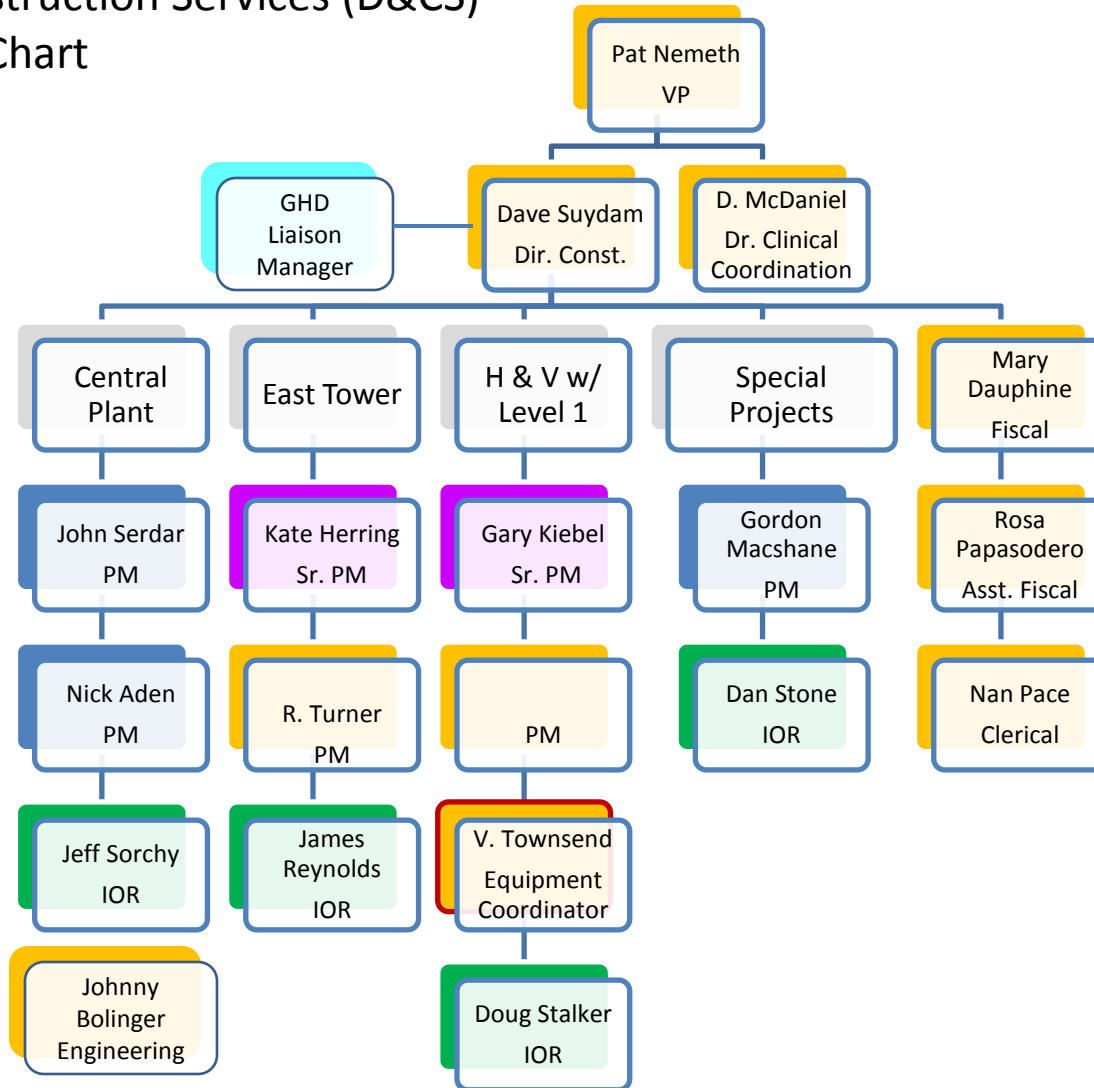
3. Staffing Resources



New Management Goals

- Create a productive work environment
- Improve OSHPD relations
- Staff the job w/ experienced OSHPD Managers
- Create a structure w/ clear lines of authority & accountability for the Managers
- Improve communication of information on budgets and schedules

New Proposition G Design & Construction Services (D&CS) Organization Chart



Legend:

Parson's PMs		= 3
Sharp		= 9
Sharp Funded		= 1
IORs		= 4
GHD		= 1
Other Vendor		= 2
GHD Funded		= 19
Sharp Funded		= 1
Total		= 20

Consulting Service Contracts
For:

- Scheduling
- Cost Estimating
- Safety Audits

Comparison of Administration Costs

Parsons - PMT			Reorganized Team - Design & Construction Services (DCS)		
Individuals	Positions	Ave. Monthly \$	Individuals	Positions	Ave. Monthly \$
Tim Meehan	Director	\$26,677	Pat Nemeth	VP Facilities	\$27,917
Bob York	Executive	\$27,360	Dave Suydam	Director, Construction	\$21,250
Ken Franzese	Project Manager	\$21,600	Dan McDaniel Sharp	Dir. Clinical Coord.	\$20,308
Gordon Macshane	Project Manager	\$21,330	Kate Herring	Sr. PM - East Tower	\$20,000
John Serdar	Project Manager	\$21,600	Gary Kiebel	Sr. PM - H&V	\$27,712
Ken Becker	Project Manager	\$15,855	John Serdar	Sr. PM - CEP	\$21,600
Keith Schedel	Project Manager	\$15,120	Gordon Macshane	Project Manager	\$21,300
James White	Project Engineer	\$14,400	Nick Aden	Project Engineer	\$14,400
Nick Aden	Project Engineer	\$14,400	Rober Turner	PM	\$10,500
Jimmy Capacit	Scheduler	\$16,084	To be filled	PM	\$10,500
Mark Brand	Scheduler	\$7,928	Mary Dauphine	Fiscal	\$10,694
Anastacio Castillo	Estimator	\$15,525	Rosa Papasodero	Assistant Fiscal	\$8,271
Jorge Torres	Safety Officer	\$17,765	Nan Pace	Clerical	\$7,857
Misc. Costs	Misc. Parsons costs	\$25,862	Misc. Parsons costs	Reduced	\$3,000
Dan McDaniel Sharp	Dir. Clinical Coord.	\$20,308	Misc. Sharp costs		\$12,037
Mary Dauphine	Fiscal	\$10,694	Contract Services	Safety, Est., Scheduling	\$30,000
Rosa Papasodero	Assistant Fiscal	\$8,271		DCS Net Total	\$267,345
Nan Pace	Clerical	\$7,857			
Misc. Costs		\$12,037			
	PMT Net Total	\$320,672			

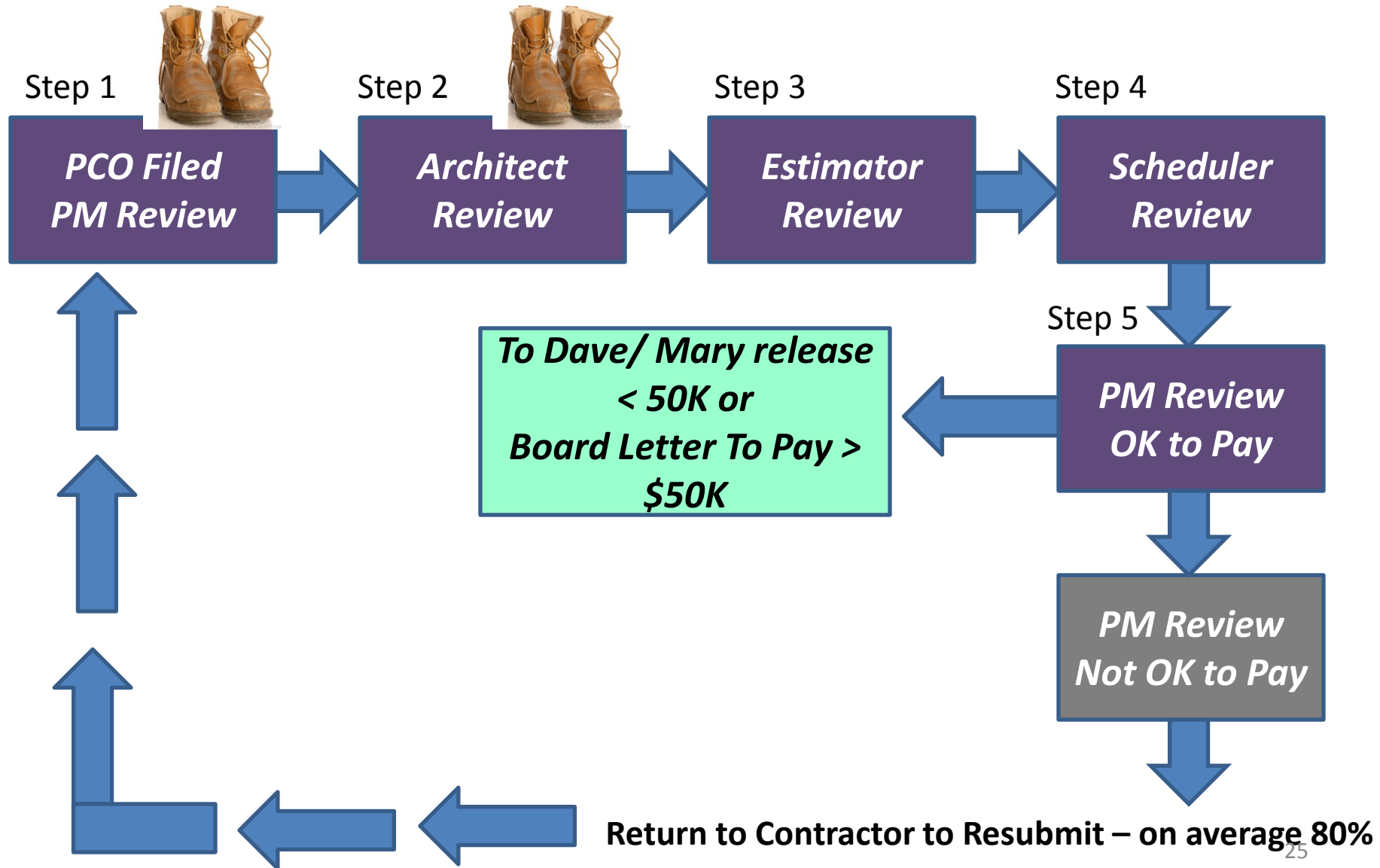
4. Initial Operational Improvements



Overarching Operational Issues

- Improve Management Procedures For:
 - Timely decision making,
 - Coordination with the Hospital, and
 - Payment review procedures.

Existing PCO Change Order Review Process



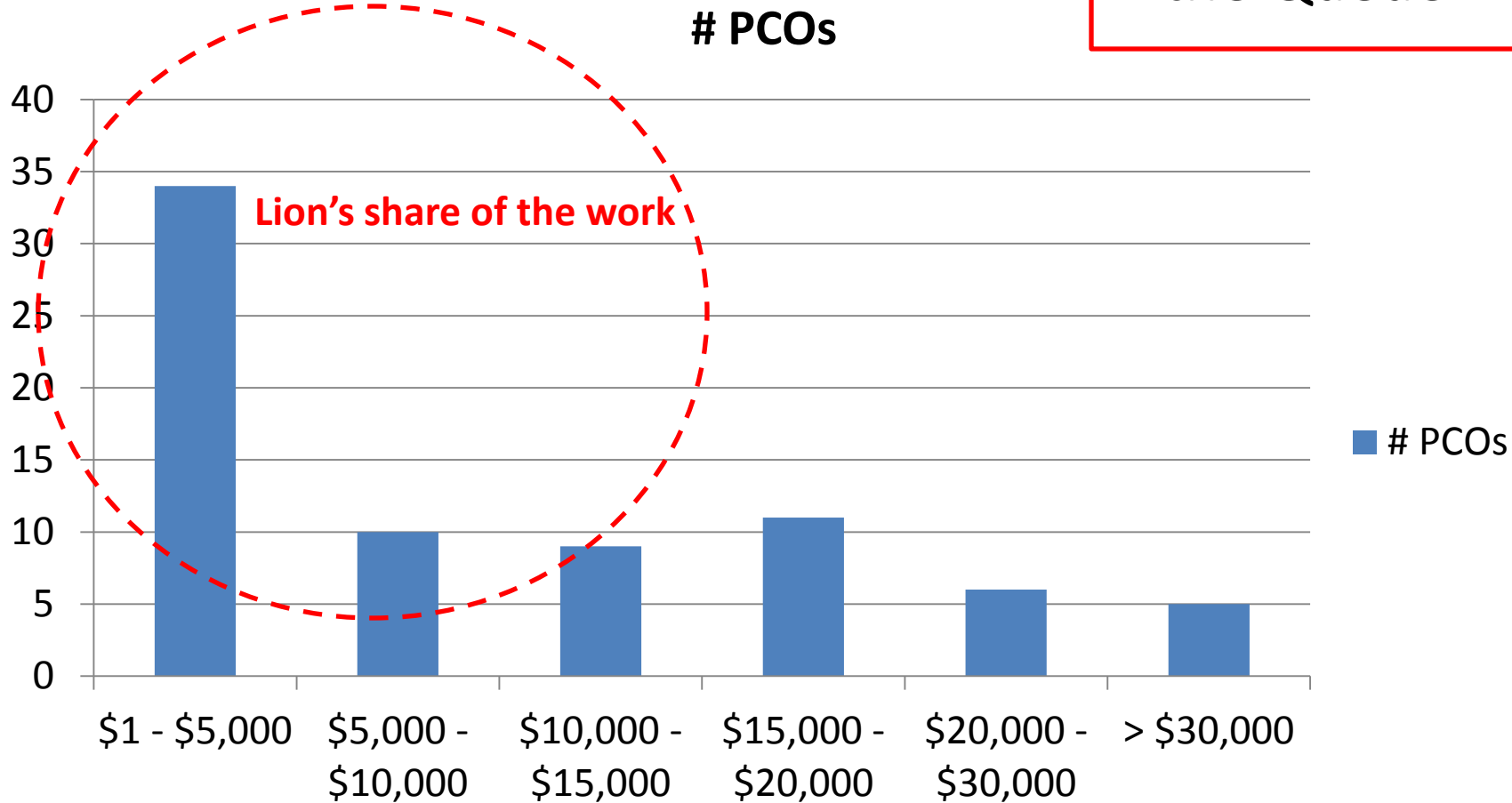
Guiding Principles for Payment

- Verification of work completed in the field by ‘boots on the ground’
 - Project Manager & IOR
- Review of work for in scope of documents by Architect, only when the PM is not certain the work is in scope or has not already been requested
- Review by 3rd party scheduler only when there is a material claim
- Review by 3rd party estimator only when there is a material claim



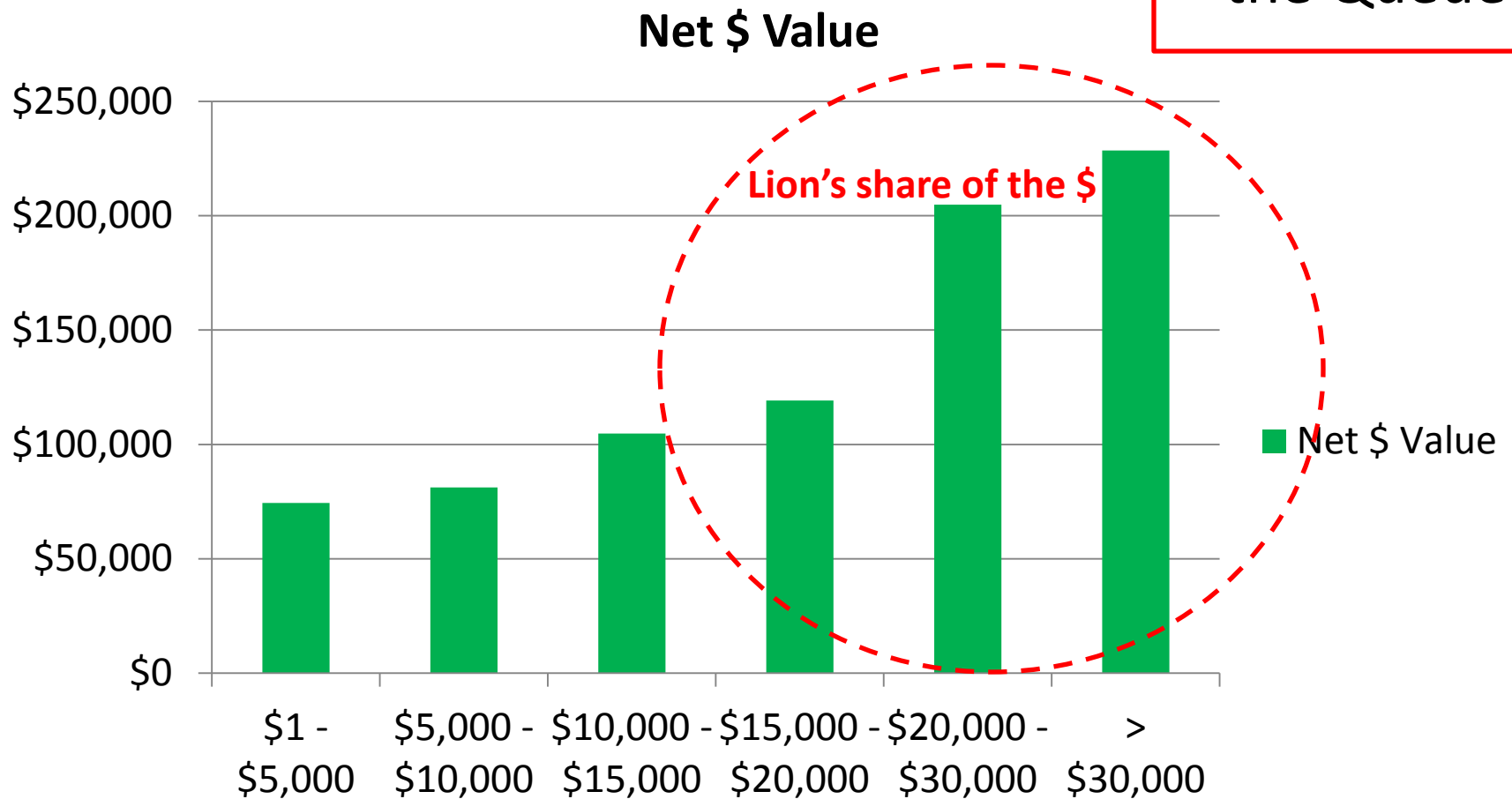
Case Study: East Tower Queue of Pending Change Orders as of 12/6/13

75 PCOs in the Queue



Case Study: East Tower Net \$ Value of Pending Change Orders by Size as of 12/6/13

\$813,112 in the Queue



New Pay Application Review Process

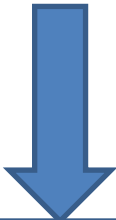
Step 1

*Pay Application Filed
Job Walk
Pencil Review*



*Final Pay
Application
Resubmitted*

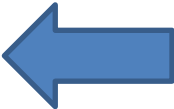
Step 2



*PM Review
& OK to Pay
Review Mary,
Dave & Pat
& OK*

Step 3

To Tom & Barry To Pay

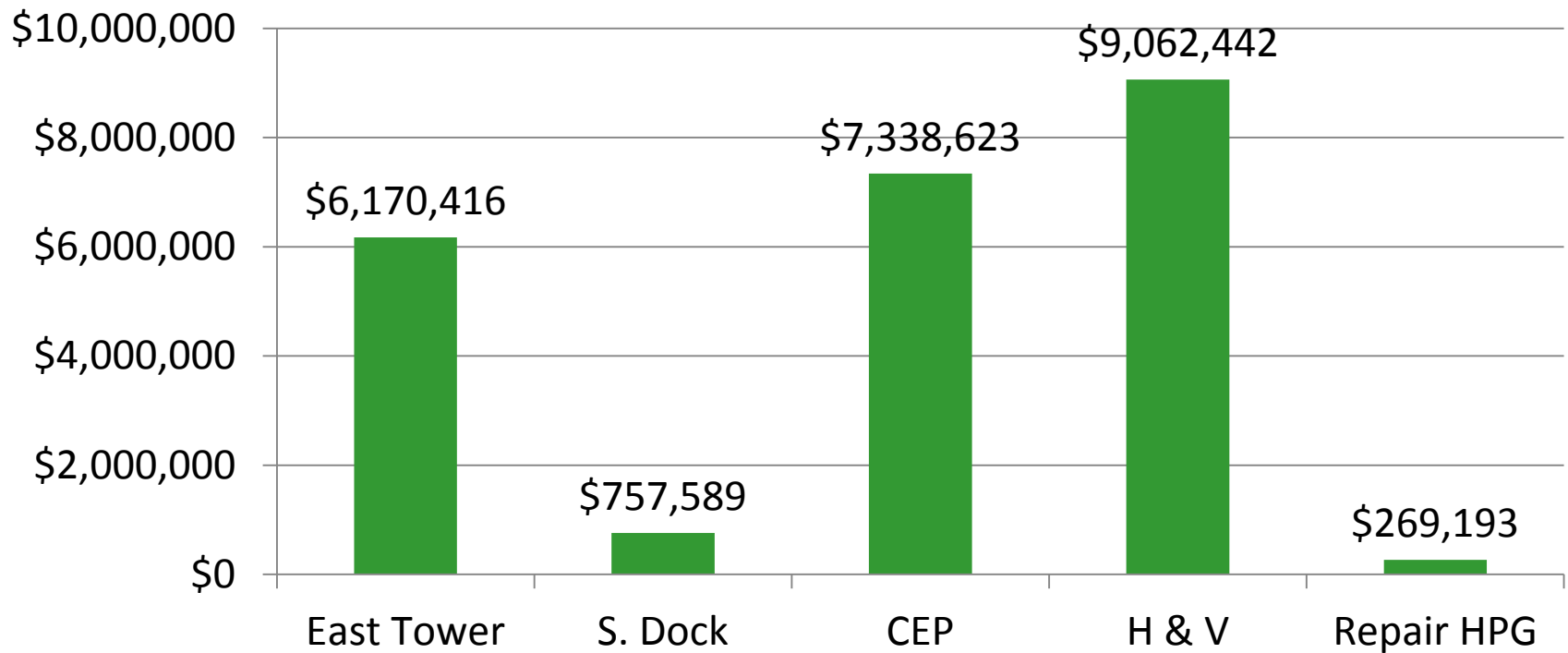


Overarching Fiscal Issues

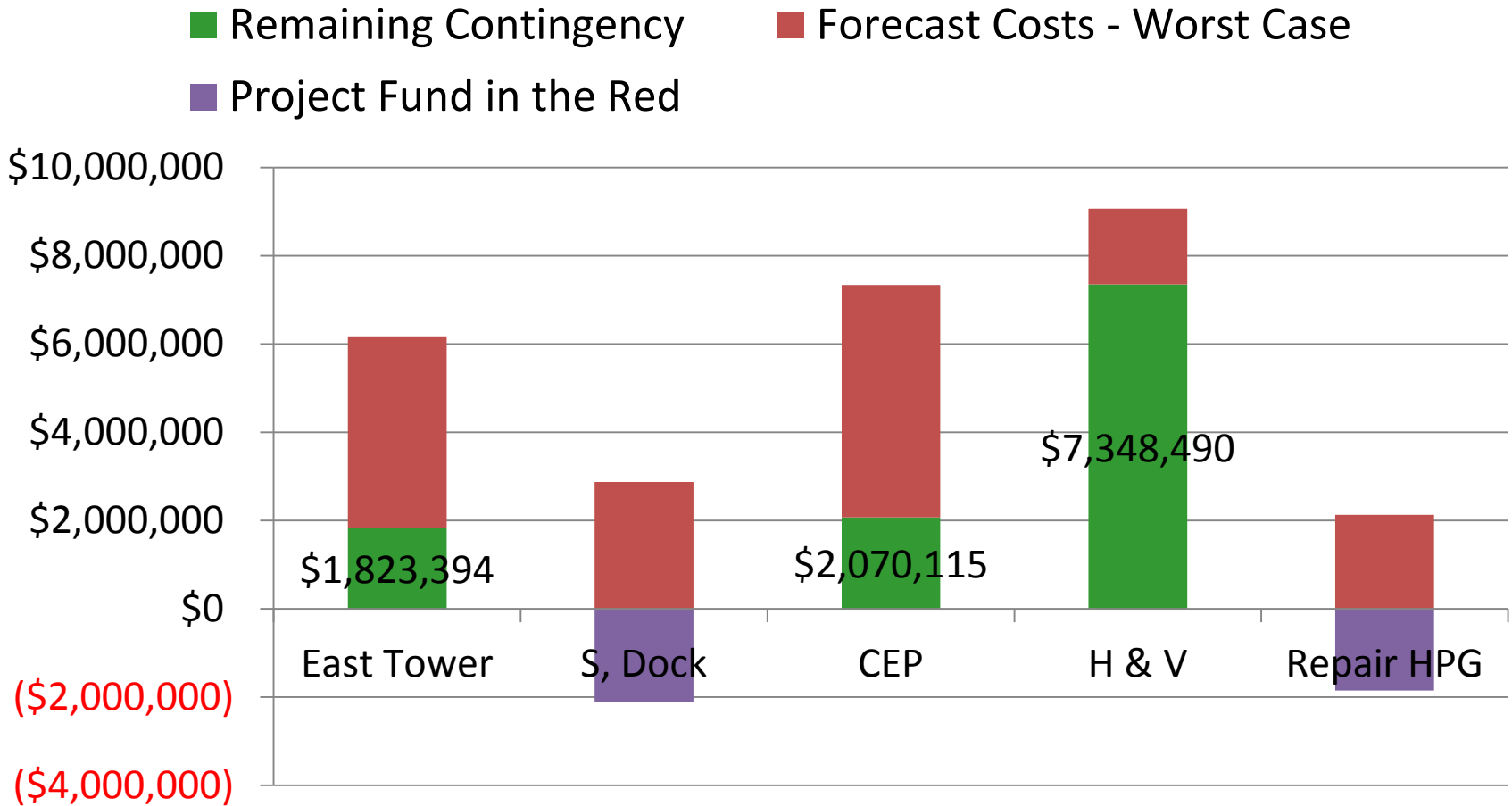
- Improve Management Procedures For:
 - Management of problems within the boundaries of available funds
 - Curtail Unilateral Change Orders
 - Timely reporting of total pending costs for the Projects to show the true status of Contingency funds

Current Contingency Summary

■ Available Contingency (12-6-13)



Current Contingency Minus Worst Case Forecast



Questions?



Corrective Actions

1. *All NNCs on the 11-11-13 Log will be corrected and closed by 12/26/13.*
2. *IORs will present weekly observation reports on any potential issues & steps will be taken within a week to address each concern. This will be documented through the weekly Owner Architect Contractor (OAC) meeting.*
3. *Any future NNCs will be corrected and closed within 15 work days.*
4. *Sr. Management will meet bi-monthly with the ACO to review and address any future concerns.*
5. *Project managers will be responsible for a daily Infection Control inspection of their projects. A daily Infection Control Inspection Log will be kept.*
6. *Any Infection Control Risk Assessment (ICRA) Permit violation will be reported immediately to the project Superintendent and corrected within 4 hours.*
7. *Infection Control Compliance will be discussed at the weekly OAC meeting to ensure on-going real-time compliance.*
8. *Coordination will improve with the Hospital Infection Control & Safety Committee. Each Project manager will schedule (at a minimum) a monthly Committee inspection of each project. Any concerns raised through those job walks will be documented by the Project Manager and corrected per the metrics noted above.*
9. *Work sites will be kept clean and orderly on a daily basis.*

10. *The revised organization structure resolves questions over authority and accountability.*
11. *A new Communications Plan was developed in the first week of the assignment. This Plan revised meetings and attendance in order to improve the focus of each meeting, reduce duplication and improve coordination. The new meeting format went into effect on December 9, 2013.*
12. *The standard practice in the industry is to have the General Contractor prepare the Minutes (which serves as a working Agenda). The format for this Agenda was proposed to the two General Contractors and they were asked to take on the duty, as part of their contract. Both General Contractors (McCarthy and C.W. Driver) agreed, at no extra cost.*
13. *The revised Organization Plan will reduce the Parsons work force in the field by eight positions. Seven of these reductions are individuals with no OSHPD experience. Required positions will be filled with individuals with appropriate experience.*
14. *The team has been directed to communicate directly with one another to solve problems.*
15. *The directive from the prior Director that “all communication must be through Impact” has been cancelled verbally with all stakeholders.*
16. *New Monthly Construction Progress Reports and a new Project Budget Reports will clearly describe the overall status of the work and will reconcile the Project Budgets every month.*
17. *A more formal process to work out “empty chairs” during construction will be developed.*
18. *Construction coordination with the Hospital will develop a three week look ahead plan that includes as needed:*
 - *Extended construction work hours, and/or*
 - *Any necessary case management or room assignment considerations.*

19. *A more formal process to request changes from the Hospital will be developed. And request for a change must have the signed approval from the CEO, before D&CS will request a quote for the work. No work will occur without the prior approval of the GHD.*
20. *Beginning in December, the Project managers will prepare the Monthly Progress Report and the Monthly Budget Report for their Projects.*
21. *Budgets will be reconciled monthly, showing all forecast draws against Contingency.*
22. *A new review process is recommended herein for Monthly Payment Applications.*
23. *A new review process is recommended herein for Potential Change Orders.*
24. *Signature authority for the Director of Construction is recommended for PAD applications.*