



November 18, 2011

Honorable Board of Supervisors
County of Alameda
1221 Oak Street, Suite 536
Oakland, California 94612-4305

REVISED
11/30/11

Dear Board Members:

SUBJECT: APPROVE AN INCREASE IN THE CONTRACT AMOUNT OF THE DESIGN/BUILD CONSTRUCTION AGREEMENT FOR THE HIGHLAND HOSPITAL ACUTE TOWER REPLACEMENT (ATR) PROJECT, 1411 E. 31st STREET, OAKLAND, CALIFORNIA FOR UNFORESEEN CONDITIONS; AUTHORIZE THE DIRECTOR OF THE GENERAL SERVICES AGENCY (GSA) TO APPROVE FUTURE CHANGE ORDERS TO THE DESIGN/BUILD AGREEMENT UP TO \$210,000 EACH, NOT EXCEEDING \$4,000,000 IN THE AGGREGATE; PROJECT NO. CPP05C204300000; CONTRACT NO. 4759; AMOUNT: \$196,128; MASTER CONTRACT NO. 900684 AND AUTHORIZE THE DIRECTOR OF GSA TO EXECUTE PURCHASE ORDERS TO CROWN ENERGY SERVICES/ DBA ABLE ENGINEERING SERVICES IN AN AMOUNT NOT TO EXCEED \$250,000 IN THE AGGREGATE; PROCUREMENT CONTRACT NO. 7179

RECOMMENDATIONS:

- A. Approve an amendment to increase the contract amount of the Design/Build (D/B) agreement (Procurement Contract #4759, Master Contract #900684) with Clark Design/Build of California, Inc. (F. Robert Hood, Senior Vice President), 7677 Oakport Street, Suite 1040, Oakland, CA 94621, for the Acute Tower Replacement (ATR) Project at the Highland Hospital Campus, from \$431,719,720 to \$431,915,848 an increase of \$196,128 due to unforeseeable differing soils conditions discovered during installation of permanent shoring necessary for construction of the Satellite Building;
- B. Authorize the Director of GSA to approve future change orders to the D/B agreement from \$150,000, as approved by your Board in July 2010, to \$210,000 each in an amount not to exceed \$4,000,000 in the aggregate, consistent with changes in Public Contract Code Section 20142 and in accordance with applicable purchasing statutes and County procurement policies; and
- C. Authorize the Director of GSA to execute purchase orders to Crown Energy Services/DBA Able Engineering Services (Able), engineering services contractor to Alameda County Medical Center (ACMC); Procurement Contract No. 7179, in an amount not to exceed \$250,000 in the aggregate for utility shut off and coordination services needed to execute the ATR project and maintain hospital operations.

DISCUSSION/SUMMARY:

On June 28, 2005 (Item #9, File #19954), your Board authorized the use of the D/B method of procurement for this Project. On November 3, 2009 (Item #16, File #25434), your Board authorized award of the D/B contract for this project to Clark Design/Build of California, Inc. (Clark) and authorized the Director of GSA to approve purchase order contracts up to \$100,000 for this project on condition that the total of such purchase orders is within the overall project budget approved by your Board in accordance with County Purchasing statutes and procurement policies.

On July 13, 2010 (Item #31, File #26402), your Board approved an amendment to increase the contract price of the D/B agreement with Clark from \$430,800,000 to \$431,211,015, an increase of \$411,015, for the removal of additional unforeseeable hazardous materials. Your Board also authorized the Director of GSA to approve future change orders to the D/B agreement of up to \$150,000 each and in an amount not to exceed \$4,000,000 in the aggregate and in accordance with applicable purchasing statutes and County procurement policies. GSA Director approved change orders in the amount shown in Attachment A have increased the contract amount to its current value of \$431,719,720.

Clark D/B Change Order for Unforeseen Differing Soils Conditions: As a result of work activities at the Phase I Satellite Building site, Clark identified areas with differing soils conditions, including material found under the H building, during installation of the permanent shoring. These conditions affected the installation of the tiebacks on levels 1 through 3 of the V Building and required additional design work and OSHPD review, as well as additional labor, equipment and materials. Following OSHPD's approvals and GSA's design and construction management consultant's evaluation of Clark's proposed costs, the \$196,128 cost represents GSA's and Clark's final agreed upon price for the unforeseen work.

Director of GSA Authorization to Approve Change Orders: Since July 2010, the Director of GSA has approved six change orders for a total of \$508,705 as described in Attachment A: Director of GSA Approved Highland D/B Contract Change Orders, as of November 16, 2011. Effective January 1, 2011, Section 20142 of the Public Contract Code was revised to allow the Board to authorize the Director of GSA to approve future change orders to the D/B contract up to \$210,000 each (in this case, delegated change order authority for contracts in excess of \$250,000 is limited to \$25,000 plus 5% of the contract sum in excess of \$250,000, but in no event exceeding \$210,000). In June 2011, the Board provided authorization for this increased amount to the Director for the Ashland Youth Center Project. This request is being made to maintain consistency with Public Contract Code.

Able Purchase Order Authorization: Per the Master Lease Agreement between the County of Alameda and the ACMC, ACMC is responsible for operating Highland Hospital, including all facilities management and engineering services. Able is ACMC's contracted service provider for all engineering services. In order to execute the ATR Project and maintain hospital operations, utility shut-offs and other engineering coordination services must be done by ACMC's designated engineer. The County purchasing agent determined that it would be competitively unavailing to solicit proposals for these services, and the County issued purchase orders for this work using the Board approved authority for the Director in the amount of \$100,000 (Item #16, File #25434). To complete the work needed for the ATR project, additional authorization, in an amount not to

exceed \$250,000 is requested. Able is not a local business; therefore a SLEB waiver will be issued for this work.

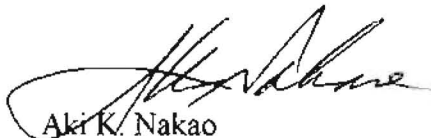
SELECTION CRITERIA AND PROCESS:

The Outreach Program proposed by Clark is one that should enable the ATR project outreach goals/requirements to be met and likely exceeded, and could also be used to benefit future County projects. Their proposal included detailed information about programs and plans already developed and being utilized for outreach, local employment, mentoring and a strong community involvement, including a plan to achieve 78% local, 21% certified small local, 18% minority, and 6% woman-owned participation, all in excess of the goals set forth in the ECOP. All change orders executed for this contract, unless otherwise identified to your Board, will include the original proposal goals. The Clark proposal clearly communicated that the objective of their Outreach Program was for long-term results and participation. Clark is also actively participating in the County's First Source Program and has committed to implementing Business Assistance Programs, Youth Employment Programs, and Local Employment Programs as part of the ATR Project.

FINANCING:

Appropriations for change order contingencies are included in the Highland Hospital ATR Project's FY 2011-2012 Approved Budget. This contract increase is within said budget. No additional appropriations are needed, and there will be no increase in Net County Cost.

Respectfully submitted,



Aki K. Nakao
Director, General Services Agency

Attachment A: Director of GSA Approved Highland D/B Contract Change Orders, as of 11/16/11

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cc: Susan S. Muranishi, County Administrator
Patrick J. O'Connell, Auditor-Controller
Donna R. Ziegler, County Counsel
Alex Briscoe, Director, Health Care Services Agency
Wright Lassiter III, CEO, ACMC

Attachment A
Director of GSA Approved Highland D/B Contract Change Orders
Current as of 11/16/11

Approval Date	Description	Amount
8/27/10	Change Order No. 2 to Design/Build Agreement with Clark Design/Build of California, Inc. to revise terms associated with the Design Builder Construction Facilities for the Highland ATR Project.	\$0
12/3/10	Change Order No. 3 to Design/Build Agreement with Clark Design/Build of California, Inc. to re-sequence Satellite Link from Phase 1 to Phase 3; additional design services to evaluate alternative program configurations at the Satellite and Acute Tower; resolution of schedule impacts associated with design development; and revision of medical gas scope of work at the Satellite.	\$130,723
4/7/11	Change Order No. 4 to Design/Build Agreement with Clark Design/Build of California, Inc. for expanded scope items identified during program refinement in preparation for Design Development; additional design services to evaluate alternative exterior building skin systems; revision of Satellite Building from Type 2B to Type 1B; allocation of costs for added scope and design revision impacts for Change Order Nos. 3 and 4 from Allowance 3 (Phase 3); and revision of Section 012600 Contract Modification Procedures of the Contract Documents.	\$0
4/7/11	Change Order No. 5 to Design/Build Agreement with Clark Design/Build of California, Inc. for the removal of additional unforeseeable hazardous materials required prior to construction of the Satellite and Acute Tower; and revision of Section 012110 Escalation Allowance of the Contract Documents.	\$61,486
6/9/11	Change Order No. 6 to Design/Build Agreement with Clark Design/Build of California, Inc. for the removal of additional unforeseeable hazardous materials required for demolition of C, D & F Buildings; and providing a feasibility study for meeting water and wastewater NPC 5 requirements for Building K necessary for coordinating Phase 3 design and planning.	\$77,786
10/3/11	Change Order No. 7 to Design/Build Agreement with Clark Design/Build of California, Inc. for the removal and salvage of terracotta roof tiles, historical ornamentation and miscellaneous historical iron building elements identified for future repairs of remaining historical buildings by the County	\$89,967
11/16/11	Change Order No. 9 to Design/Build Agreement with Clark Design/Build of California, Inc. for unforeseeable fire sprinkler modification at H-V Wall as necessary for code compliance.	\$21,622
11/16/11	Change Order No. 10 to Design/Build Agreement with Clark Design/Build of California, Inc. for unforeseeable additional H-V Wall Construction	\$127,121
Aggregate of GSA Director approved change orders up to \$150,000		\$508,705