



Board Agenda Item #	II G- Consent Item
Date:	September 13, 2018
To:	Magnolia Educational & Research Foundation dba Magnolia Public Schools (“ MPS ”) Board of Directors (“ MPS Board ”)
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead:	Patrick Ontiveros, General Counsel & Director of Facilities
RE:	Project Change Order Requests for MSA – Santa Ana Gymnasium Project (the “ Project ”)

I. Proposed Board Recommendation(s)

Staff recommends and moves that the MPS Board approve the change order requests (each, a “**COR**” and together, the “**CORs**”) described below in the aggregate amount of **\$87,964.07** for the Project.

Gafcon Inc.’s report on these CORs is attached as an exhibit.

II. Background

A. GENERAL

Board policy requires that all project change orders be brought to the Board for review and approval. General contractor “RC Construction Services, Inc.” has submitted CORs 12 through 26 for approval.

B. MSA-SANTA ANA CORs

All Project CORs are paid from the **\$114,107.92** contingency carried by the general contractor. The total amount of all previously MPS Board approved CORs 1 to 11 yielded a credit of **\$1,551.23**. With the cost of the current CORs presented for approval totaling **\$87,964.07**, there will be a positive net savings of **\$27,695.08** (that is, **\$114,107.92 plus \$1,551.23 minus \$87,964.07**) which per contract is to be split 50/50 with the contractor.

Each COR and its cost is summarized below. The “Agreed Amount” reflected in the table is the amount negotiated by Gafcon and RC Construction. In several cases the negotiated amount was less than amount originally requested by RC Construction.

COR	Description	Agreed Amount	Reason for COR*
12	Changes to the servery required by the Orange County Health Department (“OCHD”)	\$16,503.96	Plan check comments received from the OCHD necessitated changes to the plans, which made the servery more like a full-kitchen. Note that this change order included approximately \$9,500 in changes for other parts of the gym—for example, installing hot water to bathrooms. In other words, it was not all servery related changes.
13	Weld continuous plate at metal decking	\$0.00	Rejected due to subcontractor error
14	Intrusion Hardware – Main Entry to Gym	\$10,647.00	Design omission
15	Skirting of HVAC equipment on roof	\$2,304.00	Required to obtain roofing warranty; design omission
16	Fire Sprinkler Riser	\$4,167.34	Design omission
17	Premium Polyester 4000 UV Stable Binder	\$2,961.00	Owner requested to extend longevity of play surface. The change will increase the useful life of the playground surface and ultimately save more money
18	Upgrade to 8 mm Rubberized Flooring	\$2,747.00	Upgrade required in order to have project completed on time because previously selected 6mm product would be delayed in delivery
19	Additional Landscape	\$0.00	Owner requested; withdrawn/removed
20	Additional Clean Up Behind Gym	\$1,007.66	Performed on a T&M basis; Owner requested
21	Control Panel Enclosure	\$442.35	Owner requested

COR	Description	Agreed Amount	Reason for COR*
22	Power to Hand Dryers	\$2,149.95	Design omission
23	Add Catch Basins at Fire Lane	\$33,325.01	The elevations in the field were not as set forth in the drawings. To provide for adequate drainage additional work was required.
24	Add Fire Alarm (Heat Detectors at Drop Ceiling)	\$1,208.80	Design omission
25	Add concrete @ east side of gym	\$8,500.00	Landscaping was removed and without concrete add it will remain plain dirt; owner requested
26	Paint Exterior Doors and Frames at North Side of Gym	\$2,000.00	Design omission
Total CORs 12 to 26		\$87,964.07	
Total of Previously Approved CORs 1 to 11		(\$1,551.23)	
Total All CORs (1 to 26)		\$86,412.84	
Total Contingency		\$114,107.42	
Remaining Balance [Savings/(Deficit)] [Contingency minus Total of All CORs]		\$27,695.08	
50% of Savings to Owner		\$13,847.54	

The architect disputes that all the CORs described above as being caused by design error. They accept that there were some omissions. They also note, correctly, that the costs due to “Design Omission” would have borne by the Project anyway. Design errors would have resulted in cost increases. Architect has agreed to discount its fee by \$7,500.

III. Budget Impacts

The Board previously approved the revised project budget for MSA-Santa Ana (\$4,671,177) which included an inter-company/school loan to cover overages above the previously approved project budget (\$3,859,380). The current budget is as follows:

USES			
	BUDGET ⁽¹⁾	TO DATE EXPENSES	LEFT TO PAY
SOFT COSTS			
Construction Management	\$191,349.00	\$148,787.78	\$42,561.22
Architect	\$209,027.00	\$138,801.83	\$70,225.17
Inspections	\$150,000.00	\$91,228.75	\$58,771.25
Legal	\$30,134.90	\$30,134.90	\$0.00
Agency Fees ⁽²⁾	\$56,616.69	\$56,616.69	\$0.00
Subtotal	\$637,127.59	\$465,569.95	\$171,557.64
HARD COSTS			
Construction ⁽³⁾	\$3,864,000.00	\$1,328,629.91	\$2,535,370.09
TOTAL COSTS	\$4,501,127.59	\$2,259,769.81	\$2,706,927.73

SOURCES	
Bond Funds Available	\$3,859,380.00
Expected Savings ⁽⁴⁾	\$29,347.54
TOTAL SOURCES	\$3,888,727.54

Deficit (to be paid with 0% interest inter-school loan)	\$612,400.05
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Notes:

- (1) Current budget including change orders, both approved and in process;
- (2) Agency Fees include Division of State Architect Fees, certain environmental work, surveying, advertising of bid in paper of general circulation, and a portion of MERF employee Erdinc Acar's time spent on the project.
- (3) All Change Orders are paid from GC carried contingency of \$114,107.42
- (4) Inclusive of \$7,500 credit/discount from architect plus unused reimbursables of about \$8,000

The total Project cost may go down if the budgeted inspection fees are lower than expected.

IV. Exhibit (attachments):

Gafcon change orders and draw down report



Exhibit

Change Order Request

24

CHANGE ORDER REQUEST # 24



Furnish & Install Fire Alarm (Heat Detector) at Drop Ceiling - RFI #146

Project; Magnolia Santa Ana, New Gymnasium Santa Ana, California	Contractor; R.C. Construction Services Inc. 223 N. Locust Ave. Rialto, CA 92377	Change Order Date; July 19, 2018 Gafcon Review Date; July 30, 2018
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Change Order Cost Summary

Description	Contractors Total	Gafcon Total	Agreed Total
1. Direct Labor	\$ 1,102.00	\$ 1,102.00	\$ 1,102.00
2. Materials and Consumables	\$ -	\$ -	
3. Equipment / Rentals Fees	\$ -	\$ -	
4. Sales Tax Materials	\$ -	\$ -	\$ -
5. Subcontractor Overhead & Profit (15%)	\$ -	\$ -	
Total Direct Cost	\$ 1,102.00	\$ 1,102.00	\$ 1,102.00
	\$ -	\$ -	\$ -
Contractor's Fee @ (7%)	\$ 77.14	\$ 77.14	\$ 77.14
Contractor's Insurance @ (1.5%)	\$ 17.69	\$ 17.69	\$ 17.69
Contractor's Bond @ (1%)	\$ 11.97	\$ 11.97	\$ 11.97
Totals	\$ 1,208.80	\$ 1,208.80	\$ 1,208.80

Recommended: _____

 Contractor Representative Name/Title/Signature/Date

Date: 7-31-18

Recommended: _____

 Gafcon Representative Name/Title/Signature/Date

Date: July 30, 2018

CHANGE ORDER REQUEST # 23



Provide and Install 2 Catch Basins & Drain Lines at Fire Lane - RFI #140

Project; Magnolia Santa Ana, New Gymnasium Santa Ana, California	Contractor; R.C. Construction Services Inc. 223 N. Locust Ave. Rialto, CA 92377	Change Order Date; July 18, 2018 Gafcon Review Date; July 30, 2018
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Change Order Cost Summary

Description	Contractors Total	Gafcon Total	Agreed Total
1. Direct Labor	\$ 10,799.80	\$ 10,799.80	\$ 10,799.80
2. RCC Equipment	\$ 3,936.00	\$ 3,963.00	\$ 3,963.00
3. RCC Equipment Operator	\$ 2,752.00	\$ 2,752.00	\$ 2,752.00
4. RCC Truck w/Tools	\$ 1,000.00	\$ 408.00	\$ 408.00
5. Materials and Consumables	\$ 2,485.00	\$ 2,485.00	\$ 2,485.00
6. Equipment / Rentals Fees United	\$ 4,517.00	\$ 3,661.00	\$ 3,661.00
7. PG Cutting	\$ 680.00	\$ 680.00	\$ 680.00
8. Pro-Craft	\$ 8,386.26	\$ 8,386.26	\$ 8,386.26
Total Direct Cost	\$ 34,556.06	\$ 33,135.06	\$ 33,135.06
Contractor's Fee @ (7%)	\$ 2,419.90	\$ 2,319.45	\$ 137.20
Contractor's Insurance @ (1.5%)	\$ 554.68	\$ 497.03	\$ 31.46
Contractor's Bond @ (1%)	\$ 375.31	\$ 331.35	\$ 21.29
Totals	\$ 37,905.95	\$ 36,282.89	\$ 33,325.01

Recommended: _____ Date: _____
Contractor Representative Name/Title/Signature/Date

Recommended: Michael Lengyel Date: August 3, 2018
Gafcon Representative Name/Title/Signature/Date

CHANGE ORDER REQUEST # 22



Provide and Install Power for Hand Dryers In Restrooms - RFI #111

Project; Magnolia Santa Ana, New Gymnasium Santa Ana, California	Contractor; R.C. Construction Services Inc. 223 N. Locust Ave. Rialto, CA 92377	Change Order Date; July 18, 2018 Gafcon Review Date; July 30, 2018
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Change Order Cost Summary

Description	Contractors Total	Gafcon Total	Agreed Total
1. Direct Labor	\$ 1,960.00	\$ 1,960.00	\$ 1,960.00
2. Materials and Consumables	\$ -	\$ -	\$ -
3. Equipment / Rentals Fees	\$ -	\$ -	\$ -
4. Sales Tax Materials	\$ -	\$ -	\$ -
5. Subcontractor Overhead & Profit (15%)	\$ -	\$ -	\$ -
Total Direct Cost	\$ 1,960.00	\$ 1,960.00	\$ 1,960.00
	\$ -	\$ -	\$ -
Contractor's Fee @ (7%)	\$ 137.20	\$ 137.20	\$ 137.20
Contractor's Insurance @ (1.5%)	\$ 31.46	\$ 31.46	\$ 31.46
Contractor's Bond @ (1%)	\$ 21.29	\$ 21.29	\$ 21.29
Totals	\$ 2,149.95	\$ 2,149.95	\$ 2,149.95

Recommended: 
Contractor Representative Name/Title/Signature/Date

Date: 7-31-18

Recommended: 
Gafcon Representative Name/Title/Signature/Date

Date: July 30, 2018

CHANGE ORDER REQUEST # 21



Install Control Panel Enclosure In I.T. Room - RFI #138

Project; Magnolia Santa Ana, New Gymnasium Santa Ana, California	Contractor; R.C. Construction Services Inc. 223 N. Locust Ave. Rialto, CA 92377	Change Order Date; July 18, 2018 Gafcon Review Date; July 30, 2018
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Change Order Cost Summary

Description	Contractors Total	Gafcon Total	Agreed Total
1. Direct Labor	\$ 406.00	\$ 406.00	\$ 406.00
2. Materials and Consumables	\$ -	\$ -	
3. Equipment / Rentals Fees	\$ -	\$ -	
4. Sales Tax Materials	\$ -	\$ -	\$ -
5. Subcontractor Overhead & Profit (15%)	\$ -	\$ -	
Total Direct Cost	\$ 406.00	\$ 406.00	\$ 406.00
	\$ -	\$ -	\$ -
Contractor's Fee @ (7%)	\$ 28.42	\$ 28.42	\$ 26.42
Contractor's Insurance @ (1.5%)	\$ 6.52	\$ 6.52	\$ 5.52
Contractor's Bond @ (1%)	\$ 4.41	\$ 4.41	\$ 4.41
Totals	\$ 445.35	\$ 445.35	\$ 442.35

Recommended: 
Contractor Representative Name/Title/Signature/Date

Date: 7-31-18

Recommended: 
Gafcon Representative Name/Title/Signature/Date

Date: July 30, 2018

CHANGE ORDER REQUEST # 20



Clean-Up Behind South Side of Gym Building

Project; Magnolia Santa Ana, New Gymnasium Santa Ana, California	Contractor; R.C. Construction Services Inc. 223 N. Locust Ave. Rialto, CA 92377	Change Order Date; July 18, 2018 Gafcon Review Date; July 30, 2018
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Change Order Cost Summary

Description	Contractors Total	Gafcon Total	Agreed Total
1. Direct Labor	\$ 868.08	\$ 644.76	\$ 756.08
2. Materials and Consumables	\$ 40.00	\$ 40.00	\$ 40.00
3. Equipment / Rentals Fees	\$ -	\$ -	
4. Sales Tax Materials	\$ -	\$ -	\$ -
5. Subcontractor Overhead & Profit (15%)	\$ 159.92	\$ 102.72	119.41
Total Direct Cost	\$ 1,068.00	\$ 787.48	\$ 915.49
	\$ -	\$ -	\$ -
Contractor's Fee @ (7%)	\$ 74.76	\$ 55.12	\$ 64.08
Contractor's Insurance @ (1.5%)	\$ 17.14	\$ 12.64	\$ 16.75
Contractor's Bond @ (1%)	\$ 11.60	\$ 8.55	\$ 11.34
Totals	\$ 1,171.50	\$ 863.79	\$ 1,007.66

Recommended: _____
Contractor Representative Name/Title/Signature/Date

Date: _____

Recommended:  _____
Gafcon Representative Name/Title/Signature/Date

Date: **August 1, 2018**



Magnolia Public Schools

Magnolia Science Academy, Gymnasium Project - Santa Ana, CA

RECORD OF NEGOTIATION SUMMARY

Change Order Request Number and Title: COR #18 - Due to the long lead time for the 6mm rubberized gym flooring it was agreed, as noted in meeting minutes #24, under new issues item 10.1, to modify the flooring to 8mm. See attached meeting minutes #24 w/approval from Owner.

General Contractor Representatives (Name Jon Wollam, Project Manager

Magnolia Public School Representative (Name Mike Lengyel, Sr. Construction Manager

GC Submitted Cost: \$2,747.00

Representatives Proposed Cost: \$2,747.00

Final Price Agreed to: \$2,747.00

Date Negotiations Concluded: July 10, 2018

NEGOTIATION SUMMARY: (Note: Explain differences in CM estimate, proposal and final negotiated value)

- 1. It was agreed that the cost for the additional 2mm of rubberized flooring is fair and reasonable for the scope of work.
2. Subcontractor Overhead and Profit Fee of 15.0% is not included in the proposal.
3. It was agreed that RC Construction Contractor's Fee of 7.0% is acceptable.
4. It was agreed that RC Construction Contractor's Insurance Fee of 1.5% is acceptable.
5. It was agreed that RC Construction Contractor's Bond of 1.0% is acceptable.
6. It was agreed by RC Construction and Gafcon that the final proposed cost for COR #18 is \$2,747.00
7. Gafcon recommends that the MPS Board accept this COR in the amount of \$2,747.00

Agreed to Jon Wollman
General Contractors Representative signature, Name (Print)

Date

Prepare (Handwritten signature)
(CM signature)

Michael C. Lengyel
Name (Print)

July 11, 2018
Date

Approve
Director of Facilities & General Counsel signa

Patrick Anton C. Ontiveros, Esq.
Name (Print)

Date

CHANGE ORDER REQUEST # 16



Changes Made to Fire Sprinkler in Submittals and RFI #131

Project; Magnolia Santa Ana, New Gymnasium Santa Ana, California	Contractor; R.C. Construction Services Inc. 223 N. Locust Ave. Rialto, CA 92377	Change Order Date; July 18, 2018 Gafcon Review Date; July 30, 2018
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Change Order Cost Summary

Description	Contractors Total	Gafcon Total	Agreed Total
1. Direct Labor	\$ 2,800.00	\$ 2,400.00	\$ 2,400.00
2. Materials and Consumables	\$ 851.00	\$ 793.00	\$ 851.00
3. Equipment / Rentals Fees	\$ -		
4. Sales Tax Materials	\$ -	\$ -	\$ -
5. Subcontractor Overhead & Profit (15%)	547.3	478.95	554.81
Total Direct Cost	\$ 4,198.30	\$ 3,671.95	\$ 3,805.81
Subcontractor Overhead & Profit (15%)	\$ -	\$ -	\$ -
Contractor's Fee @ (7%)	\$ 294.00	\$ 197.47	\$ 266.39
Contractor's Insurance @ (1.5%)	\$ 67.00	\$ 45.00	\$ 57.08
Contractor's Bond @ (1%)	\$ 46.00	\$ 31.00	\$ 38.06
Totals	\$ 4,605.30	\$ 3,945.42	\$ 4,167.34

Recommended: _____
Contractor Representative Name/Title/Signature/Date

Date: _____

Recommended:  _____
Gafcon Representative Name/Title/Signature/Date

Date: 08/01/18

RECORD OF NEGOTIATION SUMMARY

Change Order Request Number and Title: COR #15 - Furnish and install skirting around the HVAC units per response to RFI #102. Skirting is required for roofing to receive warranty. Included in the scope of work is all labor and material.

General Contractor Representatives (Name & Title): Jon Wollam, Project Manager

Magnolia Public School Representative (Name & Title): Mike Lengyel, Sr. Construction Manager

GC Submitted Cost: \$2,304.00

Representatives Proposed Cost: \$2,304.00

Final Price Agreed to: \$2,304.00

Date Negotiations Concluded: July 03,2018

NEGOTIATION SUMMARY: *(Note: Explain differences in CM estimate, proposal and final negotiated value)*

1. It was agreed that the cost for labor hours, materials and consumables is fair and reasonable for the scope of work.
2. Subcontractor Overhead and Profit Fee of 15.0% is acceptable.
3. It was agreed that RC Construction Contractor's Fee of 7.0% is acceptable.
4. It was agreed that RC Construction Contractor's Insurance Fee of 1.5% is acceptable.
5. It was agreed that RC Construction Contractor's Bond of 1.0% is acceptable.
6. It was agreed by RC Construction and Gafcon that the final proposed cost for COR #15 is \$2,304.00
7. Gafcon recommends that the MPS Board accept this COR in the amount of \$2,304.00

Agreed to: _____
(General Contractors Representative signature)

Jon Wollman
Name (Print)

Date

Prepared by: 
(CM signature)

Michael C. Lengyel
Name (Print)

July 03,2018
Date

Approved: _____
(MSP Director of Facilities & General Counsel signature)

Patrick Anton C. Ontiveros, Esq.
Name (Print)

Date

CHANGE ORDER REQUEST # 12



Orange County Health Dept. Changes to Kitchen Servery

Project; Magnolia Santa Ana, New Gymnasium Santa Ana, California	Contractor; R.C. Construction Services Inc. 223 N. Locust Ave. Riaito, CA 92377	Change Order Date; July 18, 2018 Gafcon Review Date; July 30, 2018
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Canage Order Cost Summary

Description	Contractors Total	Gafcon Total	Agreed Total
1. Direct Labor	\$ 10,617.01	\$ 10,617.01	\$ 10,617.01
2. Materials and Consumables	\$ 3,956.87	\$ 3,956.87	\$ 3,956.87
3. Equipment / Rentals Fees	\$ 608.40	\$ 608.40	\$ 608.40
4. Sales Tax Materials	\$ 29.08	\$ 29.08	\$ 29.08
5. Credits	\$ (1,500.00)	\$ (2,757.00)	\$ (2,128.00)
6. Sub-Contractors Overhead & Profit (15%)	\$ 2,255.51	\$ 1,868.15	\$ 1,962.50
Total Direct Cost	\$ 15,966.87	\$ 14,322.51	\$ 15,045.86
	\$ -	\$ -	\$ -
Contractor's Fee @ (7%)	\$ 1,120.00	\$ 1,002.58	\$ 1,053.21
Contractor's Insurance @ (1.5%)	\$ 257.00	\$ 229.88	\$ 241.49
Contractor's Bond @ (1%)	\$ 174.00	\$ 155.54	\$ 163.40
Totals	\$ 17,517.87	\$ 15,710.51	\$ 16,503.96

Recommended: _____
Contractor Representative Name/Title/Signature/Date

Date: _____

Recommended: _____
Gafcon Representative Name/Title/Signature/Date

Date: **August 1, 2018**



To: Magnolia Public Schools
From: Patrick Ontiveros, MPS General Counsel
Date: August 8, 2018

RE: Project Change Order Requests for Magnolia Science Academy- Santa Ana in the amount of \$87,964

Magnolia Public Schools General Counsel acknowledges that he has read and reviewed the contract/memorandum pertaining to the above matter.

A handwritten signature in blue ink that reads "Patrick Ontiveros".

Patrick Ontiveros
MPS General Counsel

A handwritten date in blue ink that reads "8/08/2018".

Date

A handwritten signature in blue ink that reads "Alfredo Rubalcava".

Alfredo Rubalcava
MPS CEO & Superintendent

A handwritten date in blue ink that reads "8/8/2018".

Date