



Board Item #	II D – Consent Item
Date:	October 11, 2018
To:	Board Meeting
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 and recommend approval of the same to the full MPS Board.

Gafcon Inc.’s report on these CORs was previously provided to the Facilities Committee and the MPS Board. It is not re-attached here.

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 <u>and the restrooms</u> required by the Orange County Health Department (“OCHD”)	\$16,503.96	Plan check comments received from the OCHD This change order included approximately \$9,500 in changes for other parts of the gym—for example, installing hot water to bathrooms.
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
22	Power to Hand Dryers	\$2,149.95	Design omission

COR	Description	Agreed Amount	Reason for COR*
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 or omission. They draw a distinction between “errors” and “omissions”, a distinction that CM Gafcon recognized in their reporting. They accept that there were some omissions. They also note, correctly according to MPS Staff’s opinion, 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

The total

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

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

IV. Exhibit (attachments)

None