

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

September 24, 2024

FROM

DON DAY, Director, Project and Facilities Management Department
ANDREW GOLDFRACH, ARMC Chief Executive Officer, Arrowhead Regional Medical Center

SUBJECT

Construction Contract with Mesa Energy Systems, Inc., for the Arrowhead Regional Medical Center Deaerator Replacement Project in Colton

RECOMMENDATION(S)

1. Approve Addendum No. 1 dated June 11, 2024, to the bid documents, which changed the online site where the opening of bids could be viewed for the Arrowhead Regional Medical Center Deaerator Replacement Project.
2. Approve a budget increase in the amount of \$400,000 to Capital Improvement Program Project No. 20-011, increasing the total project budget from \$1,610,483 to \$2,010,483, for the Arrowhead Regional Medical Center Deaerator Replacement Project.
3. Authorize the Auditor-Controller/Treasure/Tax Collector to post necessary budget adjustments within the Capital Improvement Program, as detailed in the Financial Impact section (Four votes required).
4. Award a construction **Contract No. 24-944** to Mesa Energy Systems, Inc., in the amount of \$1,522,000, for the Arrowhead Regional Medical Center Deaerator Replacement Project in Colton.
5. Authorize the Director of Project and Facilities Management Department to order any necessary changes or additions in the work being performed under the contract, for a total not to exceed \$88,600 pursuant to Public Contract Code Section 20142.
6. Authorize the Director of Project and Facilities Management Department to accept the work when 100% complete and execute and file the Notice of Completion.

(Presenter: Don Day, Director, 387-5000)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Improve ARMC County Hospital Operations.

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The recommended budget reallocation is necessary to provide the Arrowhead Regional Medical Center (ARMC) Capital Improvement Program (CIP) budget with sufficient appropriation authority in 2024-25 for various costs associated with the ARMC Deaerator Replacement Project (Project) (WBSE 10.10.0847). The revised Project budget of \$2,010,483 is funded with ARMC Enterprise Funds. Any potential additional costs will be funded by State Medi-Cal, Federal Medicare, private insurances, and other department revenue. Funding

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sources may change in the future pending any legislative activity related to the repeal and/or replacement of the Affordable Care Act.

Approval of this item will allow the Auditor-Controller/Treasurer/Tax Collector to post the following revenue adjustments to the 2024-24 CIP budget:

Funds Center	Commitment Item	Description	Action	Amount	WBSE
7700004204	40909995	Residual Equity Transfers In	Increase	\$400,000	10.10.0847
7700004204	54304030	Structures and Improvements to Structures	Increase	\$400,000	10.10.0847
7701004204	40909999	Residual Equity Transfers Out	Increase	\$400,000	-
7701004204	54304030	Structures and Improvements to Structures	Decrease	\$400,000	-

The revised Project budget of \$2,010,483 is comprised of the following components:

Description	Amount
Project Contingency	\$40,230
Project Design	\$74,491
Construction Contingency	\$152,200
Project Management, Inspection and Testing	\$221,562
Construction	\$1,522,000
Total Project Budget	\$2,010,483

BACKGROUND INFORMATION

The recommended action will award a construction contract to Mesa Energy Systems, Inc. for the ARMC Project located in Colton, which will remove and replace an existing deaerator tank. The initial project estimate no longer reflects current material and labor costs, due to supply chain disruptions and inflation. Additionally, scope adjustments made during planning and permitting further contributed to the higher cost. The final bid came in at \$1,522,000, approximately \$400,000 higher than the engineer's estimate. The revised budget ensures the project can be completed without additional funding needs. The new deaerator tank will provide cleaner steam to the hospital improving patient care.

On November 14, 2023 (Item No. 51), the Board of Supervisors (Board) found the Project to be categorically exempt from further review under Section 15302, Class 2, subsection (b) and (c), Replacement or Reconstruction of the California Environmental Quality Act (CEQA) Guidelines (Title 14, California Code of Regulations). No additional CEQA review is required at this time.

This project is consistent with the County Administrative Office approved CIP Project No. 20-011.

PROCUREMENT

**Construction Contract with Mesa Energy Systems, Inc., for the
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On November 14, 2023 (Item No. 51), the Board authorized the Project and Facilities Management Department (PFMD), Project Management, to advertise for competitive bids via Request for Proposals (RFP) No. ANE223-ANE2C-5179.

PFMD advertised for bids in the Daily Press on November 17, 2023, and on the County Electronic Procurement Network (ePro). On January 4, 2024, at 8:00 am, contractors attended a mandatory job walk. On January 25, 2024, no bids were received, and no contractors attended the bid opening.

On April 23, 2024, (Item No. 39) PFMD went to the Board to request for readvertisement of the Project for bid. On April 26, 2024, PFMD readvertised for competitive bids via RPF No. ANE223-ANE2C-5381. On May 9, 2024, at 9:00 am, contractors attended a mandatory job walk.

On June 27, 2024, the following four bids were received:

Name	Location	Bid
Mesa Energy Systems, Inc.	Irvine, CA	\$1,522,000
MIK Construction	Artesia, CA	\$2,306,418
Wakeco Inc.	Temecula, CA	\$2,402,000
Angeles Contractors	City of Industry, CA	\$2,895,000

Addendum No. 1 was issued on June 11, 2024, to provide bidders the revised bid opening meeting link.

PFMD recommends the Board award the construction contract to Mesa Energy Systems, Inc., the lowest responsive and responsible bidder.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Daniel Pasek, Deputy County Counsel, 387-5455) July 31, 2024; Arrowhead Regional Medical Center (Andrew Goldfrach, ARMC Chief Executive Officer, 580-6170) on July 31, 2024; Purchasing (Dylan Newton, Buyer II, 387-2148) on August 6, 2024; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on September 5, 2024; Project and Facilities Management (Robert Gilliam, Chief of Project Management, 387-5000) on August 14, 2024; Finance (Yael Verduzco, Principal Administrative Analyst, 387-5285) on September 9, 2024; and County Finance and Administration (Valerie Clay Deputy Executive Officer, 387-5423) on September 9, 2024.

(NH: 387-5000)


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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Joe Baca, Jr.
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Curt Hagman, Joe Baca, Jr.
Absent: Dawn Rowe

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: September 24, 2024



cc: PFMD - Gilliam w/agree
 Contractor - c/o PFMD w/agree
 File - w/agree
CCM 09/30/2024