

**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**

**SUBJECT**

Change Order to Contract with Alliance Building Solutions, Inc. for the Energy Efficiency Solutions Project in San Bernardino

**RECOMMENDATION(S)**

1. Approve **Change Order No. 1 to Contract No. 23-1177** with Alliance Building Solutions, Inc., increasing the contract amount by \$196,779, from \$7,880,230 to \$8,077,009, for additional work on the Energy Efficiency Solution Project at 385 North Arrowhead Avenue and 268 West Hospitality Lane in San Bernardino (Four votes required).
2. Approve a budget increase in the amount of \$216,457, from \$9,092,408 to \$9,308,865, to the Energy Efficiency Solution Project budget, located at 385 North Arrowhead Avenue and 268 West Hospitality Lane in San Bernardino.
3. Authorize the Auditor-Controller/Treasurer/Tax Collector to post the necessary budget adjustments as detailed in the Financial Impact section (Four votes required).  
(Presenter: Don Day, Director, 387-5000)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Promote the Countywide Vision.**

**Ensure Development of a Well-Planned, Balanced, and Sustainable County.**

**FINANCIAL IMPACT**

Approval of this item will result in the use of additional Discretionary General Funding (Net County Cost). The increase in the Energy Efficiency Solutions Project (Project) budget of \$216,457 is funded from Discretionary General Funding. The Department requests the Auditor-Controller/Treasurer/Tax Collector to post the following adjustments to the 2024-25 budget:

<b>Fund Center</b>	<b>Commitment Item</b>	<b>Description</b>	<b>Action</b>	<b>Amount</b>	<b>WBSE</b>
1161161000	55305030	Operating Transfer Out	Increase	\$216,457	-
1280001000	56006000	Appropriation Contingencies	Decrease	\$216,457	-
7700003100	54304030	Structures and Improvements to Structures	Increase	\$216,457	10.10.1687
7700003100	40909975	Operating Transfers In	Increase	\$216,457	10.10.1687

The budget of \$9,308,865 is comprised of:

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<b>Description</b>	<b>Amount</b>
Labor Compliance	\$ 10,852
Commissioning	\$ 58,880
Allowance For Structural Roof Framing Members	\$ 80,000
Construction Management	\$ 175,500
Change Order No. 1	\$ 196,779
Project Management and Inspection	\$ 448,539
Service Agreement	\$ 458,085
Construction	\$7,880,230
<b>Total Project Budget</b>	<b>\$9,308,865</b>

**BACKGROUND INFORMATION**

As part of its commitment to sustainability and in support of California's State-wide sustainability efforts, San Bernardino County (County) strives to reduce its environmental footprint by adopting sustainable practices in County operations and in line with its goals and objectives. Amidst the volatility in the utility market, Project and Facilities Management (PFMD) is seeking opportunities to incorporate environmentally preferable products, energy-efficient County building design, construction, and substantially reduce the costs and environmental impacts associated with operating County-owned and leased facilities over 20 years.

On October 24, 2023 (Item No. 90), the Board of Supervisors (Board) awarded Agreement No. 23-1177 to Alliance Building Solutions, Inc. (ABS) for the Project. The Board also found the Project to be categorically exempt from the California Environmental Quality Act Guidelines under Section 15301 (Title 14, California Code of Regulations).

Energy service agreements are authorized by California Government Code Sections 4217.10 through 4217.18, which provide that a public agency may enter into an energy services contract on such terms as the Board determines are in the best interests of the County if the anticipated cost to the public agency for thermal or electrical energy or conversation services provided by the energy conversation facility under contract will be less than the anticipated marginal cost to the public agency of thermal, electrical, or other energy that would have been consumed in the absence of these purchase. This simply means that the energy savings will be equal to or greater than the Project costs.

The unanticipated additional cost items in the Change Order are related to the discovery of non-functioning Variable Air Volume (VAV) units. VAV's are an integral component of the mechanical system responsible for regulating air temperature and circulation which directly impacts the system's overall energy efficiency. The discovery took place after Contract No. 23-1177 was awarded to ABS.

Approval of Change Order No. 1 will compensate ABS, in the amount of \$196,799, for the additional scope of work required to replace an additional 11 VAV units at 268 W Hospitality Lane and 385 N. Arrowhead Avenue, in San Bernardino, which were not specified in the original contract documents.

Public Contract Code section 20136 requires Board approval by four votes for the change order and construction agreement.

**PROCUREMENT**

**Change Order to Contract with Alliance Building Solutions, Inc. for the  
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Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Daniel Pasek, Deputy County Counsel, 387-5455) on July 24, 2024; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor Controller Manager, 382-7022) on August 9, 2024; Purchasing (Leo Gomez, Supervising Buyer, 387-2148) on August 9, 2024; Project and Facilities Management (Robert Gilliam, Chief of Project Management, 387-5000) on August 15, 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.

(BR: 771-1168)

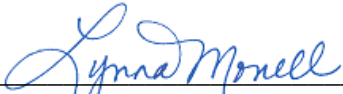
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Record of Action of the Board of Supervisors  
San Bernardino County

**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 - Day w/agree  
         Contractor - c/o PFMD w/agree  
         File - w/agree  
MBA    09/26/2024