

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

November 18, 2025

FROM

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

SUBJECT

Budget Adjustment and Construction Contract with ACCO Engineered Systems, Inc., for the Arrowhead Regional Medical Center Cooling Tower Replacement Project

RECOMMENDATION(S)

1. Approve the following addenda to the bid documents for the Arrowhead Regional Medical Center Cooling Tower Replacement Project:
 - a. Addendum No. 1, dated July 31, 2025, to the bid documents, which revised the bid opening date.
 - b. Addendum No. 2, dated August 5, 2025, to the bid documents, which provided answers to pre-bid questions, and modified plans and specification documents.
 2. Award Construction **Contract No. 25-929**, in the amount of \$10,641,888, to ACCO Engineered Systems, Inc., for a contract period of 450 calendar days from the date of the issuance of the Notice to Proceed, for the Arrowhead Regional Medical Center Cooling Tower Replacement Project in Colton.
 3. Authorize the Director of the 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 \$210,000, pursuant to Public Contract Code Section 20142.
 4. Authorize the Director of Project and Facilities Management Department to accept the work when 100% complete and execute and file the Notice of Completion.
 5. Approve a budget increase in the amount of \$2,272,425 to Capital Improvement Program Project No. 21-047, increasing the total project budget from \$11,256,150 to \$13,528,575, for the Arrowhead Regional Medical Center Cooling Tower Replacement Project.
 6. Authorize the Auditor-Controller/Treasure/Tax Collector to post 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

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 budget adjustment of \$2,272,425 will increase the Arrowhead Regional Medical Center (ARMC) Cooling Tower Replacement Project (Project) (WBSE 10.10.1054) budget from \$11,256,150 to \$13,528,575. The adjustment will be funded by additional revenue associated

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with the California Quality Incentive Program. Approval of this item will allow the Auditor-Controller/Treasurer/Tax Collector to post the following revenue adjustments to the 2025-26 Capital Improvement Program (CIP) Project No. 21-047 budget:

Funds Center	Commitment Item	Description	Action	Amount	WBSE
9110004200	40449625	ARMC – Managed Care Internal Governmental Transfer	Increase	\$2,272,425	-
9186104200	55305030	Operating Transfers Out	Increase	\$2,272,425	-
7700004204	54304030	Structures and Improvements to Structures	Increase	\$2,272,425	10.10.1054
7700004204	40909975	Operating Transfers In	Increase	\$2,272,425	10.10.1054

The revised Project budget of \$13,528,575 is comprised of the following components:

Description	Amount
Project Contingency	\$212,457
Project Design	\$660,241
Construction Contingency	\$1,064,189
Project Management, Inspection and Testing	\$949,800
Construction	\$10,641,888
Total Project Budget	\$13,528,575

BACKGROUND INFORMATION

Approval of this item will award a construction contract to ACCO Engineered Systems Inc., for the Project located in Colton. The Project will remove and replace the existing cooling tower, structural steel, and roof system, all of which have reached the end of their useful life. The replacement equipment and infrastructure will ensure continued utility service capacity, which is critical to hospital operations.

The budget increase will allow ARMC to revise the project scope to include unforeseen work identified during the bidding process, including extensive equipment deterioration and corrosion. The supporting structural beams were deteriorated to the point that replacement was advised in lieu of patching for the longevity of the equipment and to further support hospital operations. The cost of repairing would be prohibitive and costly, negating any benefit versus replacement.

On September 26, 2023 (Item No. 42), the Board of Supervisors (Board) determined the Project to be categorically exempt under Section 15302, Class 2, subsections (b) and (c) of the California Environmental Quality Act (CEQA) Guidelines (Title 14, California Code of Regulations). No further environmental review is required at this time. The Board also authorized the Director of the Project and Facilities Management Department (PFMD) to advertise for competitive bids for the Project.

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On September 29, 2023, PFMD initially advertised the Project; however, the solicitation was cancelled on November 29, 2023, prior to the receipt of any bids, to allow comprehensive revisions to the scope and design in response to Request for Information (RFI) feedback. The Project was sent back to the design stage in order to incorporate all the necessary structural changes and extensive California Department of Health Care Access and Information approval. The Project was subsequently re-advertised on July 3, 2025, with additional clarifying drawings through Amended Construction Document 0001 (ACD 0001), pursuant to County Policy 11-15.

On March 11, 2025 (Item No. 31), the Board approved a budget increase of \$5,924,660, increasing the total project budget from \$5,331,490 to \$11,256,150, to support the incorporation of ACD 0001 and provide sufficient appropriation authority for the revised scope, which changed from refurbishing to fully replacing the cooling towers and roof due to severe corrosion and structural deterioration and added temporary cooling towers to maintain hospital operations during construction.

A further budget increase is now recommended to accommodate additional unforeseen work due to structural issues identified in ACD 0001, including extensive equipment deterioration and corrosion not previously captured in the initial scope. To address these conditions, additional equipment and structural modifications were incorporated through Amended Construction Document 0002 (ACD 0002).

This Project is consistent with the County Administrative Office–approved CIP Project No. 21-047.

PROCUREMENT

On September 26, 2023 (Item No. 42), the Board authorized PFMD to advertise for competitive bids. PFMD first advertised on September 29, 2023; the solicitation was cancelled on November 29, 2023 to incorporate RFI-driven scope and design revisions.

The Project was re-advertised on July 3, 2025, via Daily Press and County Electronic Procurement Network (ePro) via Competitive Bid No. ANE223-ANE2C-5946. The following addenda were issued:

1. Addendum No. 1, dated July 31, 2025, revised the bid opening date to August 13, 2025.
2. Addendum No. 2, dated August 5, 2025, provided responses to bidder inquiries and issued ACD 0002 which modified plans and specifications for the Project.

On August 13, 2025, the following two bids were received:

Name	Location	Bid
ACCO Engineered Systems, Inc.	Pasadena, CA	\$10,641,888
Mesa Energy Systems, Inc.	Irvine, CA	\$11,489,522

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

REVIEW BY OTHERS

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This item has been reviewed by County Counsel (Daniel Pasek, Deputy County Counsel, 387-5455) September 10, 2025; Arrowhead Regional Medical Center (Andrew Goldfrach, ARMC Chief Executive Officer, 580-6170) on September 10, 2025; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on September 10, 2025; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on September 16, 2025; Project and Facilities Management (Robert Gilliam, Chief of Project Management, 387-5000) on September 17, 2025; and County Finance and Administration (Jenny Yang, Administrative Analyst, 387-4884, and Yael Verduzco, Principal Administrative Analyst, 387-5285) on November 2, 2025.

(GL: 387-5000)

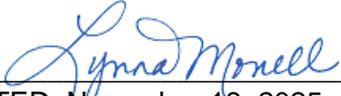
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: November 18, 2025



cc: PFMD - Gilliam w/agree
 Contractor - c/o PFMD w/agree
 File - w/agree
CCM 11/26/2025