

THE INFORMATION IN THIS BOX IS NOT A PART OF THE CONTRACT AND IS FOR COUNTY USE ONLY



**Contract Number**

21-300 A-1

**SAP Number**

## County Administrative Office

**Department Contract Representative  
Telephone Number**

Leonard X. Hernandez  
(909) 387-5425

**Contractor  
Contractor Representative  
Telephone Number  
Contract Term  
Original Contract Amount  
Amendment Amount  
Total Contract Amount  
Cost Center**

Hood Design Studio Inc.  
Walter J. Hood  
315 Days  
Not to Exceed \$1,022,120.44  
\$49,936.75  
Not to Exceed \$1,072,057.19  
10.10.0984

### IT IS HEREBY AGREED AS FOLLOWS:

**WHEREAS**, on May 4, 2021, Hood Design Studio Inc. (Artist) and San Bernardino County (County) entered into Contract No. 21-300 (Contract) for the Artist to fabricate the Artwork and deliver the Artwork to the Site for the December 2<sup>nd</sup> Memorial;

**WHEREAS**, Sections A.7, A.9, A.20, F.1 and Attachment C of the Contract authorize the County's Chief Executive Officer or Chief Operating Officer to approve increases to the Artist Budget, Capital Improvements Budget or Project Budget, in a total amount not to exceed \$102,212.04, for required changes to the Project and unforeseen conditions;

**WHEREAS**, Artist has submitted documentation (see Exhibit 1 to this Amendment, which is incorporated by reference into this Amendment) to the County of increased metal costs due to supply issues associated with the COVID-19 pandemic;

**WHEREAS**, County has reviewed the documentation and finds the increased costs are an unforeseen condition; and

**WHEREAS**, the parties desire to amend the Contract to include the increased metal costs.

**NOW, THEREFORE**, the County and Artist mutually agree to the following amendments to the Contract:

1. The recitals are incorporated by reference into the Contract.

2. The Artist Budget is increased by \$49,936.75 to a not to exceed amount of \$1,072,057.19.
3. Due to the increase in the Artist Budget, the Project Budget is increased to \$1,522,759.89 plus promenade paving removal and replacement costs.
4. The payment amounts in Attachment C will be adjusted to include the increased Contract Amount of \$1,072,057.19.
5. This Amendment may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Amendment. The parties shall be entitled to sign and transmit an electronic signature of this Amendment (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Amendment upon request.
6. All other terms and conditions of Contract No. 21-300 remain in full force and effect.

**IN WITNESS WHEREOF**, San Bernardino County and the Artist have each caused this Contract to be subscribed by its respective duly authorized officers, on its behalf.

**SAN BERNARDINO COUNTY**

►   
 Leonard X. Hernandez, Chief Executive Officer

Dated: 7/16/2021

Hood Design Studio Inc  
 (Print or type name of corporation, company, contractor, etc.)

By ► Walter Hood  
 (Authorized signature - sign in blue ink)

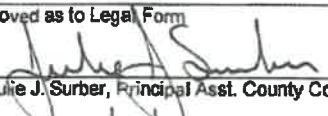
Name Walter Hood  
 (Print or type name of person signing contract)

Title Creative Director  
 (Print or Type)

Dated: 7/12/21

Address 3016 Filbert Street Studio 2  
Oakland Ca 94608

**FOR COUNTY USE ONLY**

Approved as to Legal Form  
 ►   
 Julie J. Surber, Principal Asst. County Counsel  
 Date 7/8/21

Reviewed for Contract Compliance  
 ► \_\_\_\_\_  
 Date \_\_\_\_\_

Reviewed/Approved by Department  
 ► \_\_\_\_\_  
 Date \_\_\_\_\_

## EXHIBIT 1



June 30, 2021

Sarita Flor-Zed Schreiber  
Project Manager  
Hood Design Studio, Inc.,  
3016 Filbert Street, Suite #2,  
Oakland, CA 94708

*RE: Production Cost Escalations, December 2<sup>nd</sup> Memorial Artwork Fabrication*

Dear Sarita,

Cinnabar is the Los Angeles-based fabricator contracted by Hood Design Studio (Agreement effective May 04, 2021) to build the December 2<sup>nd</sup> Memorial for the County of San Bernardino. We are honored to be working on such an important commission for the County and have been enjoying a productive and collaborative working relationship with Hood Design. We look forward to the first in-person mock-up review at our shop on July 9.

This letter is to describe how the recent disruptions in the construction material supply chains in the US have impacted our ability to deliver the artwork at the budget that was last finalized with Hood Design Studio (HDS) on April 27, 2021. It provides the background and support to account for a Change Order Request in the amount of \$49,936.75 (\$47,483.44 plus \$2,453.31 tax).

The rapid reopening of the economy following the COVID-19 pandemic has caused all manner of disruptions and instabilities in several commodities, including notably in the price and availability of steel. By most accounts, this instability and sudden spike of inflation is temporary, but it has certainly been operative in the weeks leading up to the start of this project and will likely continue, at minimum, for the coming weeks of procurement and production of the artwork.

Here are two articles that describe this moment in time:

<https://fortune.com/2021/06/14/steel-prices-going-up-surge-2022/>

<https://www.nytimes.com/2021/05/21/business/steel-prices-boom.html>

The principal materials that constitute the Dec. 2<sup>nd</sup> artwork are 2 ½" tube steel and ½" steel sheet and plate. After Cinnabar procures these materials, they will then be cut and formed to Cinnabar specifications by specialty vendors prior to assembly at our shop. These materials have doubled in price since early May, and the specialty vendors have also increased their prices.

Prior to signing our agreement to fabricate the artwork, Cinnabar has been working with HDS since October 2020 to provide multiple rounds of cost estimations as the design for the artwork has progressed and evolved.

## CINNABAR

The version of the budget that was incorporated into our Agreement is dated 4-27-2021. In preparation for ordering mock-up and production materials, Cinnabar contacted our metal vendors to confirm pricing on 5-20-2021 at which point we discovered the increases noted in our supporting documentation.

Cinnabar has diligently contacted a half-dozen metal suppliers in Southern California who all confirm the same pricing volatility. Industrial Metal Supply Co., one of the largest metal distributors in the western US, has provided Cinnabar with a detailed chart showing the increase in metal material pricing. Their quotes now specify that pricing is only valid for 48 hours, which adds yet another degree of uncertainty as we make large material purchases on projects such as this one.

Cinnabar sincerely appreciates the opportunity to present the County with this information. We believe great partnerships and good work are borne out of trust and transparency and in that spirit, we are happy to share any back-up information, Purchase Orders or supplier quotes/estimates the County may request as it considers our Change Order and associated documentation.

Enclosed is the following supporting documentation:

- Metal Cost Increase Matrix (6-17-21), which details increases in metal costs by material
- Itemized Cost Comparison (6-17-21), which details budget impacts by estimate line item

Thank you for considering this request.

Please let us know if you have any questions at any time.

Sincerely,

  
Basil Katz, CEO  
CINNABAR

## PRODUCTION

Element	CMR Estimated Cost**	Estimated Quantity	Estimate	Current Cost***	Current Quantity	Current Cost Est.	Est-CHY A	Δ CMR EST to Current Quote
HSS 2-1/2" sq. x 1/4" wall	\$	8.00 165.0 linear ft	\$ 14,400.00	\$	12.10 165.0 linear ft	\$ 20,007.50	\$ 19,633.95	\$ 3,143.95
1/4" steel plate (pilot holes)	\$	307.50 14 plates	\$ 4,305.00	\$	514.58 14 plates	\$ 7,204.18	\$ 7,204.18	\$ 2,899.18
1/4" steel 4x8 sheets	\$	248.00 70 sheets	\$ 16,800.00	\$	514.58 70 sheets	\$ 36,020.88	\$ 36,020.88	\$ 19,220.88
1/4" steel 3x8 sheets	\$	375.00 70 sheets	\$ 26,250.00	\$	645.28 70 sheets	\$ 43,026.10	\$ 43,026.10	\$ 16,776.10
1/2" steel plate*	\$	307.50 7 plates	\$ 615.00	\$	1,029.17 7 plates	\$ 7,284.17	\$ 2,056.33	\$ 1,443.33
<b>TOTAL (excluding sales tax)</b>			<b>\$ 62,460.00</b>			<b>\$ 115,943.82</b>	<b>\$ 109,943.44</b>	<b>\$ 47,485.44</b>

\*Originally estimated as 1/4" plate, updated to 1/2" plate per Structural comments

\*\* As of December 2020

\*\*\*As of May 2021

**ITEMIZED COST COMPARISON**

December 2nd Memorial  
13559  
6.17.21

Line Item	Cost per 4.17 Estimate	Cost per 5.26 Estimate	% Change	\$ Change	Description
Alcove Framework and Rigging	\$ 850,272.88	\$ 417,694.34	32%	\$ 432,578.54	Increase in steel pricing affecting tube steel framework and hex panel costs.
Horizontal Coil Curtain	\$ 177,382.74	\$ 177,382.74	0%	\$ 0	No Change
Bench Lighting and Support	\$ 5,451.65	\$ 6,940.68	27%	\$ 1,489.03	Increase in steel pricing affecting bench support legs and lighting channel costs.
Glass Fabrication	\$ 11,650.15	\$ 11,650.15	0%	\$ 0	No Change
Councils Bench Fabrication	\$ 97,639.94	\$ 97,639.94	0%	\$ 0	No Change
Narrative Plaque Fabrication (Alkawasico)	\$ 17,000.00	\$ 17,000.00	0%	\$ 0	No Change
Narrative Plaque Mock-Up	\$ 1,107.25	\$ 1,107.25	0%	\$ 0	No Change
Narrative Plaque Sample	\$ 2,036.83	\$ 2,036.83	0%	\$ 0	No Change
Alcove Mock-Up	\$ 2,216.05	\$ 2,216.05	0%	\$ 0	No Change
Alcove Panel Prototype*	\$ 16,822.45	\$ 16,815.70	0%	\$ 6.75	Increase in steel pricing affecting tube steel framework hex panel, bench support legs, and lighting channel costs.
Install Template	\$ 1,343.50	\$ 1,343.50	0%	\$ 0	No Change
Estimated Sales Tax	\$ 4,757.22	\$ 7,210.53	51%	\$ 2,453.31	Estimated sales tax increase corresponding with increased material costs
<b>TOTAL</b>	<b>\$ 721,448.31</b>	<b>\$ 771,886.71</b>	<b>7%</b>	<b>\$ 50,438.40</b>	

\*Excluded from request for additional budgetary support



## County of San Bernardino DELEGATED AUTHORITY – DOCUMENT REVIEW FORM

This form is for use by any department or other entity that has been authorized by Board of Supervisors/Directors action to execute grant applications, awards, amendments or other agreements on their behalf. All documents to be executed under such delegated authority must be routed for County Counsel and County Administrative Office review prior to signature by designee.

**Note: This process should NOT be used to execute documents under a master agreement or template, or for construction contract change orders. Contact your County Counsel for instructions related to review of these documents.**

Complete and submit this form, along with required documents proposed for signature, via email to the department's County Counsel representative and Finance Analyst. If the documents proposed for signature are within the delegated authority, the department will submit the requisite hard copies for signature to the County Counsel representative. Once County Counsel has signed, the department will submit the signed documents in hard copy, as well as by email, to CAO Special Projects Team for review. If approved, the department will be provided routing instructions as well as direction to submit one set of the executed documents to the Clerk of the Board within 30 days.

**For detailed instructions on submission requirements, reference Section 7.3 of the Board Agenda Item Guidelines as the Delegation of Authority does not eliminate the document submission requirements.**

Department/Agency/Entity: County Administrative Office

Contact Name: Stephenie Shea

Telephone: 387-4919

Agreement No.: 21-300 Amendment No.: 1 Date of Board Item 5/4/21 Board Item No.: 32

Name of Contract Entity/Project Name: Contract with Hood Design Studios for Phase C of 12/2 Memorial Project

**Explanation of request/Special Instructions:**

The fabricator for the 12/2 Memorial, Cinnabar, has advised Hood Design Studios that disruptions in construction material supply chains have resulted in an increase in price and availability of construction materials used to fabricate the 12/2 Memorial, including steel. The estimated increase in materials cost is \$49,936.75. Under the authority delegated to the CEO on 5/4/21 (Item No. 32), the CEO may approve increases to the project budget or CIP budget in a total amount not to exceed \$102,212.04 for required changes to the project and unforeseen conditions. This increase is due to the latter, and documents are attached for CEO signature.

**Insert check mark that the following required documents are attached to this request:**

- ☒ Documents proposed for signature (Note: For contracts, include a signed non-standard contract coversheet for contracts not submitted on a standard contract form).
- ☒ Board Agenda item that delegated the authority

Department Routed to County Counsel	County Counsel Name: Julie Surber	Date Sent:
Reviewing County Counsel Use Only	Review Date <u>7/8/21</u>  Signature	Determination: <input checked="" type="checkbox"/> Within Scope of Delegated Authority <input type="checkbox"/> Outside Scope of Delegated Authority
CAO-Special Projects Use Only	Review Date <u>7/16/2021</u>  Signature	Disposition: <input checked="" type="checkbox"/> Route for signature to: ____ Chair <input checked="" type="checkbox"/> CEO ____ Department ____ Return to Department for preparation of agenda item