

**County of Santa Clara**  
**Facilities and Fleet Department**



24-4775

**DATE:** March 12, 2024 (Item No. 55)

**TO:** Board of Supervisors

**FROM:** Jeff Draper, Director, Facilities and Fleet Department

**SUBJECT:** Change Orders and Increase to SWA for the VMC at Bascom Seismic Improvement Project

**RECOMMENDED ACTION**

Consider recommendations relating to agreement with Stronghold Engineering, Inc. (LA-1)  
Possible action:

- a. Approve Contract Change Order No. 29 - Interim - VMC at Bascom Seismic Improvement Project (Project No. 263-CP19020). Contractor - Stronghold Engineering, Inc. Net increase of \$1,583,111 and no change in Contract Time.
- b. Approve an increase in the Supplemental Work Allowance (SWA) for the VMC at Bascom Seismic Improvement Project, Contract No. 20-07, awarded to Stronghold Engineering, Inc., increasing the SWA by \$8,800,000 from \$7,609,000 to \$16,409,000, for a new total contract encumbrance of \$84,240,009.83.

**FISCAL IMPLICATIONS**

Funding for the Change Order is available in Capital Project No. 263-CP19020 "VMC at Bascom Seismic Improvement Project."

**REASONS FOR RECOMMENDATION AND BACKGROUND**

**Change Order**

Change Order (CO) No. 29 is needed to compensate Stronghold Engineering, Inc., for subcontractor delay costs on Package 1 North Utility Loop Extension, Package 2 Old Main Demolition and Rebuild, and Package 3 Services Building Seismic Retrofit. All delays came from unforeseen site utility conditions and hospital make-ready projects requiring completion prior to the subcontractors executing their work.

Two make-ready projects necessary to complete the work—relocating the kitchen from the Services Building to the Receiving Support Center and relocating Branch/GI from Old Main to Women and Childrens—were delayed. Components of the seismic strengthening of the Services Building and soft demolition and abatement of Old Main could not be started until

after these departments were moved out. The Administration therefore recommends approving CO No. 29 to compensate for subcontractor delay costs.

### SWA Increase

Approval of the SWA will increase spending authority to address contractor and subcontractor extended general conditions costs resulting from hospital make-ready projects requiring completion prior to contractor and subcontractors executing their work and for unforeseen site and building conditions. An increase in the SWA will also allow the project to progress smoothly as unforeseen changes and other issues arise on the project.

### Background

The VMC at Bascom Seismic Improvement Project is a component of the hospital Seismic Safety Program (SSP) and is comprised of three packages.

- Package 1: SCVMC North Utility Loop Extension
- Package 2: SCVMC Old Main Hospital Demolition and Rebuild
- Package 3: SCVMC Services Building Seismic Retrofit

Package 1 completes the SCVMC campus utility infrastructure improvements by extending chilled water, steam, electrical, and telecommunication utilities from their current termination point adjacent to the Sobrato Pavilion south along the Bascom Avenue frontage and connecting to the Rehabilitation, Barbara Arons, and Central Mental Health buildings. This make-ready project is necessary as many of the utilities to support the Rehabilitation Building currently run through the Old Main building which will be demolished as part of Package 2.

Package 2 includes the demolition of an existing seven-story structure that was constructed in the 1950s. A new connecting corridor will be constructed in compliance with current seismic safety standards.

Package 3 includes renovating an existing two-story structure that was constructed in the 1930s and contains the hospital's cafeteria. It will be seismically retrofitted in compliance with current seismic safety standards.

### *Contract History*

On December 10, 2019, Item No. 77, the Board of Supervisors (Board) approved the project, adopted plans and specifications, and authorized advertisement of the Contract Documents for Capital Project No. 263-CP19020 "VMC at Bascom Seismic Improvements."

On March 24, 2020, Item No. 86, the Board awarded the contract in the amount of \$76,089,010 to Stronghold Engineering, Inc., with a construction time of 1,768 calendar days. The Board also approved an encumbrance of \$7,609,000 as Supplemental Work Allowance (SWA) for a total encumbered amount of \$83,698,010.

### **CHILD IMPACT**

The recommended action would have a positive impact on children and youth through the **Access to Health Care** indicator as the seismic improvement project improves the safety of

Santa Clara Valley Medical Center (SCVMC) facilities where parents and guardians seek health services for their children.

### **SENIOR IMPACT**

The recommended action would have a positive impact on seniors as the seismic improvement project improves the safety of SCVMC facilities where seniors seek health services.

### **SUSTAINABILITY IMPLICATIONS**

The recommended action would have positive sustainability implications by furthering the Board's goal for healthy environmental design in support of community health and well-being.

### **STEPS FOLLOWING APPROVAL**

Notify Doug Koenig, Marsh Mendez, and Jim Ikeda of FAF.

### **CONSEQUENCES OF NEGATIVE ACTION**

The Change Orders and an increase in the SWA will not be approved at this time.

### **ATTACHMENTS:**

- Tennyson Electric Levine Act Sub Form
- SEI Levine Act Contractor Sub Forms