

ATTACHMENT A						
Pleasant Hill Recreation and Park District						
Expenditures Charges to Bond Measure E						
Key	Contractor/Consultant	Inception to 11/30/10		12/1/10 to 5/31/11		Total Amount
		No. of Invoices	Amount	No. of Invoices	Amount	
A	Harriman & Assoc	11	389,183.77	5	291,227.24	680,411.01
B	Critical Solutions Inc	8	125,190.16	6	185,578.68	310,768.84
C	Dahlin Group	6	102,058.47	3	54,258.00	156,316.47
D	Jerry Haag	9	78,657.28	2	2,000.00	80,657.28
E	Mark Cornelius	13	30,106.50	6	15,876.50	45,983.00
F	PRA	8	22,138.93	3	7,600.00	29,738.93
G	TEECOM	3	20,038.38	3	16,232.00	36,270.38
H	Abey Arnold	2	2,100.00			2,100.00
J	Paige-Moris	2	5,238.68	2	9,969.00	15,207.68
K	PERMCO	1	3,000.00			3,000.00
L	Omni	1	959.00			959.00
M	Antai Solutions	1	900.00	2	1,550.00	2,450.00
N-1	RGA Environmental			2	7,480.00	7,480.00
N-2	Millenium			3	7,750.00	7,750.00
N-3	Chandler Tree Removal			1	11,620.00	11,620.00
N-4	Hamilton Tree Service			1	3,499.00	3,499.00
P	Small Pymts Under \$250	30	2,261.49	42	3,974.10	6,235.59
Q	Pymts/Fees \$250 & more	10	60,767.29	27	70,294.49	131,061.78
R	Relocating except ADP			9	20,452.33	20,452.33
S	Relocating ADP			9	26,949.00	26,949.00
T	Trench to SC- eq rent-mtls			28	14,243.35	14,243.35
U	Assoc Right of Way			1	1,867.50	1,867.50
	<b>Total</b>	105	842,599.95	155	752,421.19	1,595,021.14

## ATTACHMENT B

### Memorandum

June 14, 2011  
Norm Vanhole, Chair  
Bond Oversight Committee  
For Bond Measure E of the  
Pleasant Hill Recreation & Park District

**Subj:** Transmittal of BOC Bond Expenditures Subcommittee summaries

**Norm:**

Leo Vardis and I reported verbally at the March 17, 2011 BOC meeting about our interim examination of Measure E contractor invoices. In May 2011 we extended the review into a look at approved contractor change orders. The extended work required more work and Leo stated at that time he had other commitments to address and would be unavailable for several weeks. I requested assistance and you arranged for Erin Hirst to temporarily join the Bond Expenditures Subcommittee to finish this work.

Attached to this memo are two summaries of matters for discussion at the June 2011 BOC public meeting. Leo Vardis prepared the first summary of his work and mine regarding CSI change order #2 which, I understand, he has already shared with you. CO # 2 in the amount of \$10,236 operates as an after-the-fact approval of theater and child care feasibility studies by CSI that was paid from Bond funds. Erin Hirst prepared the second summary of her work and mine that continues a deeper look into CSI documents on “pending change order work” related to the theater/child care studies as well as some newer issues:

- a) CSI subtask provides for contract project management of a fund raising consultant.
- b) CSI contract Exhibit B provides for an unnamed inspector with an unidentified role in the Senior/Teen Center project about to be constructed.
- c) CSI contract Exhibits B and C provide for an estimated \$475,000 and a 15 month time-frame for construction management services for the Senior/Teen Center project. The CSI contract Exhibit B specifies several construction management subtasks to be performed but does not breakout services by hours or other means of measurement that can be used to validate expected monthly invoices.

Another matter noted in Erin’s summary is that the Harriman work is now in the Bidding/Construction phase. We are concerned that two large addenda issued during the bid period may require drawing changes that may have occurred in part through his own error.

## ATTACHMENT B

Last, at the June 2011 BOC public meeting I plan to pass out an update to the spreadsheet we gave the Committee at our December 9, 2010 meeting. The spreadsheet shows by Contractor and major feature the original agreed amounts for work to be done, approved change orders and the accumulated payments to May 31, 2011 made from bond funds. Also, I would like to bring before the BOC a discussion of developing some guides for Committee members to use in fulfilling our responsibilities to the PHRPD Board for determining that bond funds are spent according to Measure E.

Let me know if I can answer questions about the foregoing.

Harold Jeffrey

ATTACHMENT C

**Change Order Review** (as of May 20, 2011)  
Prepared By Leo Vardas

As part of our on-going review of Measure E expenditures we included a review of 26 Change Orders as of May 17, 2011. One Change Order, #15 in the original numbering system, #02 in CSI numbering, especially caught our attention. It describes the work to be performed as new Tasks 9.3 and 9.4, Initial Theater Study and Subsequent Feasibility Analysis. The actual Change Order is attached to this review. The Change Order amount is for \$11,052.

In our November, 2010 review (See Excerpt below) we concluded that the Theater Study billing was for \$6096 – all from the Dahlin Group. This Change Order indicates a contradiction to our initial conclusion.

While the date of the Change Order approval is dated January 11, 2011, the actual work was performed as “Pending Change Order Work” in November and December, 2010 and as such, not billable until CO approval. Since the invoicing occurred in January, it was not revealed until this review.

Task 9.3 appears to be strictly for the Theater Study effort. Task 9.4 is somewhat ambiguous as it implies theater study but also child care studies which we infer to be related to District’s consideration of a permanent move of some activities from the CC to the Winslow Center.

We interpret Task 9.4 as related to the Theater Study since the objective was to relocate child care from the new CC to Winslow expressly for theater space. If this is a valid conclusion, then all of the invoiced activity in CO #02 is legitimately billable to Measure E.

In reviewing CSI’s hourly records however, we were able to account for at least \$10,236.78 but not \$11,052 as stated in the Change Order.

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Excerpt from BOC November Review:

The Dahlin Group (re CC) invoiced \$4,941 for feasibility study of a theater in the new CC. While this effort was controversial to some, we did not feel it was outside the purview of legitimate pursuit of maximum utilization of the new building. Our understanding was that the \$4,941 was authorized – as an owner option. However, we later encountered a subsequent invoice from the Dahlin Group for an additional \$1,155 for specific labor for Theater study. We do not know if this was also part of the original authorization.

CSI Change Order #02 – Image Attachment

# ATTACHMENT C

## CHANGE ORDER NO. 02

PROJECT TITLE: Pleasant Hill Recreation and Park District Bond Program  
CONSULTANT: Critical Solutions, Inc.

Date: January 11, 2011  
SHEET 1 of 1

The Consultant hereby agrees to make the following changes, or to perform the following work not included in the Agreement. All new work herein described shall be done in accordance with the applicable provisions of the Agreement, except as specifically modified by this Change Order (CO). Unless specifically noted otherwise in this document, the agreed upon amount shown herein includes consideration for all costs associated with the changed work, including but not limited to claims for lost profit, overhead of any kind, impacts of any kind, overtime, delay and/or extra time.

### DESCRIPTION OF WORK TO BE PERFORMED:

Add new Task 9.3 and 9.4, Initial Theater Study and Subsequent Feasibility Analysis: CSI prepared an initial theater study as requested by the District. This task included an initial investigation, site visit, and rough cost estimate to include a theater within the new Community Center. CSI worked with District personnel, SWG and the Dahlin Group to determine the approximate square footage and cost differential to include a theater. The next phase of the scope of work (Task 9.4) included identifying and contacting possible consultants with the expertise in preparing feasibility studies for theaters and child care facilities. CSI also prepared interview questions and participated in the consultant interviews. Task 9.3 and 9.4 were performed on a time and material basis. The combined total cost for Task 9.3 and 9.4 equals \$11,052.

Task 8.0 PM Contingency: Decrease the amount of this task from \$61,653 to \$50,601.

By reason of this change, the Agreement completion date is hereby increased/decreased by 0 calendar days, which changes the completion date from August 13, 2010 to August 13, 2010.

Original Contract Agreement Amount	<u>\$ 1,697,901.00</u>
Change Orders authorized to date (excluding this CO)	<u>\$ 00.00</u>
Change Order Number 2	<u>\$ 00.00</u>
Current Contract Agreement Amount (including this CO)	<u>\$ 1,697,901.00</u>

### SIGNATURES

We, the undersigned Consultant, have given careful consideration to all aspects of the change proposed and hereby agree.

Not applicable for this change order  
CRITICAL SOLUTIONS, INC. — Recommended      Date  
Ronald K. Johnson

PLEASANT HILL RECREATION AND PARK DISTRICT

ACCEPTANCE DATE: January 11, 2011  
Ronald K. Johnson  
By: Consultant — Critical Solutions, Inc.

Robert Berggren      1-11-11  
General Manager, Bob Berggren (Under \$35,000)      Date  
  
\_\_\_\_\_  
President, Board of Directors (Over \$35,000)      Date

#15

ATTACHMENT D

MEMORANDUM

**TO: NORMAN VAN HOLE**  
**FROM: ERIN HIRST**  
**DATE: JUNE 13, 2011**  
**RE: PLEASANT HILL PARKS & RECREATION DISTRICT – BOND OVERSIGHT  
COMMITTEE – REVIEW OF INVOICES**

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Norm – on Friday, May 27, 2011, Harold Jeffrey and I spent the better part of the day at the PHRPD (District) administrative office reviewing invoices paid from Bond funds to consultants engaged to design and construct projects identified in Measure E approved by voters in August 2009 as well as other documents. Below are our observations and recommendations:

1. At the June 10, 2010 PHRPD Board meeting, the Theater Feasibility study was first discussed, but no action was taken. At the June 24, 2010 Board meeting, the Board approved a Theater Feasibility study without specifying an amount. At the July 22, 2010 Board meeting, members of the public spoke to express concern about approximately \$26,000 that was to be spent on such a study. At the July 27, 2010 Board meeting, members of the public expressed concern again about the possible Bond funds being spent on the study. Board chair Sterrett noted that one proposal was for \$20,000 and the second for \$25,000. On August 3, 2010, the District General Manager approved an \$8,000 change order for the Community Center architect, Dahlin Group. At the August 12, 2010 Board meeting, members of the public spoke in support of and against the Theater study. At the August 19, 2010 Board meeting, the motion to authorize \$9,000 for a Theater Feasibility study did not pass.

At the December 9, 2010 meeting of the BOC, the Bond Expenditure subcommittee acknowledged approximately \$6,100 had been paid to the Dahlin Group as a reasonable Measure E expenditure for a Theater study. The subcommittee noted the study effort, while controversial to some, was not outside the purview of legitimate pursuit of maximum utilization of the new CC building.

On January 11, 2011, the District General Manager approved Critical Solutions, Inc. (CSI) Change Order #2 describing new (sub) tasks 9.3 and 9.4 for Theater Study and Subsequent Feasibility Analysis. CO #2 decreased CSI's contract contingency by \$11,052. On January 24, 2011, CSI corresponded with the District General Manager noting that work related to the Winslow Center (WC) to date was \$19,958 of which \$4,363 had been paid in May 2010, and of the remaining \$15,595, CSI reduced the amount by \$5,595 to \$10,000. CSI's letter noted that the reason for the adjustment for the work at WC and other miscellaneous tasks was prompted by the Board's decision at the December 16, 2010 Board meeting to abandon the (WC) project and focus on Measure E projects. An invoice for this amount was submitted to the District. Both the \$4,343 and \$10,000 invoices were paid for by District funds and not Measure E funds.

#### ATTACHMENT D

On January 24, 2011, CSI sent invoice #9 in the amount of \$55,567.87 to the District for services rendered from November 29 through December 26, 2010. CSI's supporting summary data included \$10,236.78 in charges for sub tasks 9.3 and 9.4 (Theater Study and Feasibility Analysis). The District paid invoice #9 on February 9, 2011 with Measure E funds. We examined the time sheets prepared by CSI included with the invoice #9 documentation and found that the largest number of hours for one employee was worked June 6 to August 1, 2010.

In light of the Board's previous decision not to authorize the Theater and Child Care studies in August 2010 and CSI's decision to reduce their billing by \$5,595, we desire clarification from the District relative to CSI's participation on the Theater Study and what work was performed and what documents were produced during the June to August 2010 time period.

2. On an invoice for work performed by CSI during the month of August, there were a small number of hours billed by two employees for a task described as "9.5 Fundraising Consultant" with a handwritten note at the bottom of the invoice stating "9.5 billed to task 1.4". Task 1.4 is Prepare/Manage Contracts, and costs have been paid from Bond funds. The BOC Expenditure subcommittee deems fundraising costs as an inappropriate charge to Measure E expenditures. We desire clarification from the District about the nature of the CSI services provided under this sub-task.

3. CSI's contract identifies that during construction there will be a full time inspector. This person is not identified by name nor is it clear what role the inspector will play in the process. Given that the start of construction is imminent, the BOC subcommittee recommends that the District clarify the role of inspector.

4. Task 1.7 Project Committee and Board meetings includes a total of 40 meetings at two hours each. CSI's CO #6 decreased the amount of Contingency by \$15,000 for additional meetings. Task 2.1 Design Meetings includes a total of 21 meetings. CSI's CO #7 decreased the amount of Contingency by \$12,000 for additional meetings. BOC Expenditure subcommittee recommends that the District clarify who is tracking these meetings and identify why the quantity of meetings for these Tasks has gone so far beyond the contractually planned quantity.

5. Exhibit C, Task 4 of the CSI contract describes a series of services (subtasks) to be performed during the course of construction of the Senior/Teen Center project (14 month – 470 calendar days). BOC Expenditure subcommittee desires the District clarify how periodic (monthly) CSI billings for Task 4 time/dollars will be presented for payment and validated.

6. In reviewing architect Steve Harriman's contract, the Bidding/Construction Phase references "time & materials" provisions for a NTE value. We understand that during the Bid period, two large addenda were issued. Typically addenda are issued to provide additional/more complete design details. The BOC Expenditure subcommittee is concerned that the District will have to pay T & M for the architect to correct design drawings for issues that may have occurred through his own error. The subcommittee desires clarification on validation of the billings from the architect during this Phase of their contract and whether they may bill for time spent on errors and omissions.

**ATTACHMENT D**

Please let us know if you have any questions regarding the above information.

## ATTACHMENT E

Frank  
Gorham/D04/Caltra  
ns/CAGov

To

06/23/2011 11:13  
PM

cc

Mark Blair  
<MBlair@PleasantHillRec.com>

"Steve Ganguet  
(Steven.Ganguet@sbcglobal.net)"  
<Steven.Ganguet@sbcglobal.net>,  
"Norman Vanhole  
(vanholerealty@comcast.net)"  
<vanholerealty@comcast.net>

Subject

Re: BOC meeting Jun 23, 2011  
(Document link: Frank Gorham)

I hope this is clear and to the point. I'm a bit tired and still have to pack for my vacation. The following is in regard to your request for me to summarize my comments from the BOC meeting of 6/23/11 and send them via email.

Comments:

1. It is recommended that the board adopt procedures and/or a process to control design support costs during construction contract administration. There will be times when the Architect will need to be consulted in regard to certain change orders. Other contract changes can be implemented directly by consulting with the owner, contractor and the contract administration firm.

As such, it should be made clear to all Design Firms that prior District approval and authorization for construction phase support tasks shall be required for reimbursement. (Contract Admin firm can not authorize Design billables)

## ATTACHMENT E

2. I would also like to caution the board in regard to future construction change orders that involve adding additional days. These change orders should be reviewed carefully to determine if additional time is actually warranted. Time not only benefits the contractor but also the contract administration firm. Each day added will add 16 hours of billable inspection, Office administration, and overhead time.

3. My final recommendation would be to consider having an independent estimator review the 12 bid results against the engineers estimate and develop a risk management plan for awarding these projects with low contingencies.

I am only sending these comments to Mark, Steve and Norman. If you feel they are appropriate you can forward to the other members. Thanks again

Frank

**ATTACHMENT F**  
**RE:BOC Request with District Staff Responses**

**From:** "Bob Berggren" <BBerggren@PleasantHillRec.com>  
**To:** "Norm Vanhole" <vanholerealty@comcast.net>  
**Cc:** "Mark Blair" <MBlair@PleasantHillRec.com>  
**Sent:** Friday, August 5, 2011 1:06:49 PM  
**Subject:** Bond Oversight Committee

Norm,

The following are responses to your questions concerning the Bond projects:

1. The Theater Feasibility Study, invoices are still being found and leads to the question. Are any of these paid from bonds funds?

Theatre costs qualify as legitimate expenses utilizing Measure E funds. At this point, there will be no additional expenses attributed to the theatre at the Community Center.

2. Invoice for work performed by CSI in the month of August regarding task described as 9.5, Fund raising Consultant Task 1.4. Need clarification as to CSI's role in fund raising activities.

CSI assisted the District in finding fund raising consultants and it is part of their contract. Some hours were utilized from CSI that the Board of Directors will need to determine if they are a bond vs. non-bond expense. If they are a non-bond expenses, those monies would need to be transferred to the District's general budget.

3. Under Task 1.7, Meetings. explanation of why these meetings have gone beyond the contractually planned quantity?

In the original proposal, CSI was basing the number of meetings to attend on past experience with public projects. The District's projects have required CSI to attend additional Board meetings as well as much longer meetings. In the original scope, CSI was to attend a Board meeting once every two months...that has not occurred as Board meetings have taken place more frequently and much longer in total hours. Additional time was also spent by CSI in preparation for these meetings based on Board Member requests for additional information.

4. Exhibit C, Task 4 of the CSI contract alludes to services performed during the Senior / Teen Centers course of construction. Please clarify how these services will be presented for validation and payment.

**ATTACHMENT F**  
**RE:BOC Request with District Staff Responses**

CSI provides individual employee time sheets, reports as indicated in Section 4, constant communication between General Manager and Project Manager as well as other District Staff, construction meeting minutes, RFI log, change order log, use of EADOC (program to track all communication & correspondence between District, CSI, Contractor, and architect).

5. Item under Steve Harriman's contract. the Bidding / Construction Phase has a time and materials provision for a NTE amount. The BOC desires clarification of billings from Harriman's phase of the contract due to errors or omissions on his part.

CSI has negotiated with Steve Harriman for a "lump" sum amount instead of the "time and material" provision in the original contract. SHA's original contract was for 12 months and we had to add two months for the construction period.

6. CSI Contract Exhibit B provides for an unnamed inspector with an unidentified role with regard to construction of the S / T Centers. Exhibits B and C estimates of \$475,000.00 and a 15 month time frame for Construction management, but does not breakout services by hours or other means of measurement that can be used to validate monthly invoices. Please advise how these services will be tracked.

CSI will have two employees on site during construction of the Senior and Teen Centers. They handle all tasks in Section 4 Construction and Administration. As in above item #4, CSI will provide individual time sheets, reports and tracking and inspecting all construction activities.

7. With regard to the status report submitted by Ron Johnson dated June 3, 2011. Whereas the Senior and Teen Centers construction bid came in approx. \$612,000.00 over the budget estimate and his report further states. CSI will be working with the District staff, SHA and the Construction Contractor to implement cost reductions and maintain sufficient contingencies. The BOC request assurances that the Constituents of the District will receive all that was promised with regard to Measure E Bond funds.

The Senior Center and Teen Center will be built as planned. The reductions will take away some of the amenities that were part of the buildings such as composition roof instead of metal roof at the Teen Center, elimination of exterior stone and replaced with stucco at the Teen Center, elimination of wood ceiling at Senior Center, elimination

**ATTACHMENT F**  
**RE:BOC Request with District Staff Responses**

of two skylights at Senior Center, and other finishes at the two sites. The Senior Center and Teen Center square footage has remained the same as planned and more importantly, program requirements have remained as planned and desired by the District.

8. The BOC wishes to inquire as to the causes of why various costs exceeded the budget estimates. Were there design changes, government required conditions, missed estimates, etc. For the Report I would like to have a review of Design and Consultants costs and cost in general in order to be able to use percentages of the total of Measure E funds as breakdowns. Example design was ?% of the total project, what factors, as a percentage contributed to this or that, etc. Other words a financial summary of passed events and develop a "template" to track future expenditures.

The main cause was the cost estimator used a 20% discount on the bid estimate, we ended up receiving at 14.5% reduction...on a \$10 million project that is approximately \$550,000. The bid climate has changed since last year and CSI had warned the District especially with rising oil prices at the beginning of this year. We have adjusted the Community Center down to a 10% discount due to the continued uncertainty of the bidding climate. We can work on a report on the cost breakdowns and I would like to further discuss this with the Bond Oversight Committee. Another factor is the final estimate was prepared based on the original permit set and various agencies (City, Flood Control District, Health, Fire District, Water District) required additional changes to the documents before the Permit could be issued. It was decided not to expend funds to update the estimate, but rather let the "market" tell us what the cost of the project would be. The original schedule slipped by about 4 months for a variety of reasons (e.g. redesign of the Teen Center, SHA needing more time for design, City taking longer to review permit plans, etc.). As this slippage occurred, the market received the spike as noted above, which impacted all construction activities.

9. When will the Contractor provide a "Schedule of Values", per the payment process spelled out in Section 1200, Measurement of Payment?

McFadden Construction has already submitted their initial "Schedule of Values" and will continually update as the construction is starting to mobilize.

10. Would it be possible to obtain Organizational charts for CSI's project

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**RE:BOC Request with District Staff Responses**

team and the Contractor?

We can provide Organizational charts for CSI and McFadden Construction.

11. Along the lines with number 10, has the contractor submitted a schedule of events and or a "man power" loading schedule?

McFadden Construction has submitted a preliminary schedule as required by Specification Section 1320, and they will be submitting shortly its schedule for the entire construction duration using a Notice to Proceed of July 12, 2011. CSI will be reviewing the schedule and providing comments to McFadden.

12. Some suggestions from the Committee Members: it is hoped the District adopt procedures and or a process to control design support cost during construction contract administration and at which time the Architect will need to be consulted in regard to change orders and other contract clarification or revisions. It also should be noted that change orders should be reviewed to determine if additional time is warranted. "What is considered to be a legitimate change order, any unforeseen circumstance, something brought forward that is not in the initial bidding process".

All Change orders will be reviewed as indicated in CSI's contract "For each project, review and respond to request by the Contractor for additional compensation and/or time. Provide recommendations to the PHR&PD regarding entitlement, cost and time. Prepare change order documents for approval by the Contractor, PHR&PD and PHR&PD Board of Directors." The Board of Directors also adopted a "Decision Making Authority" in order to handle change orders on a timely basis.

Let me know if you have any further questions.

Bob Berggren  
General Manager  
bberggren@pleasanthillrec.com  
(925) 687-8610

<http://www.pleasanthillrec.com>

Forward... ▼	Move to... ▼	More Actions... ▼
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**ATTACHMENT F**  
**RE:BOC Request with District Staff Responses**