

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # *B-4

Urgent Routine

AGENDA DATE February 4, 2014

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval of the Final Acceptance for the Renovations for the Psychiatric Health Facility with Simile Construction Service, Inc. of Modesto, California; and Related Actions

STAFF RECOMMENDATIONS:

1. Approve the final acceptance and completion of the Psychiatric Health Facility at 1904 Richland Avenue, Ceres, California with Simile Construction Service, Inc. of Modesto, California.
2. Approve the final contract with Simile Construction Service, Inc. of Modesto, California as follows:

Original Contract:	\$1,623,600
Change Orders:	\$ 113,481
Total Contract:	\$1,737,081

(Continued on Page 2)

FISCAL IMPACT:

Behavioral Health and Recovery Services currently contracts with Doctors Medical Center/Doctors Behavioral Health Center (DMC/DBHC) and hospitals in other Counties for acute inpatient psychiatric beds. At the current budgeted utilization level of 32.65 beds at DBHC along with the 7 out of county placements, the Department is estimating that the County cost for these beds for Fiscal Year 2013-2014 will be approximately \$11.4 million. This is consistent with the Fiscal Year 2012-2013 budget, but is an increase of \$5.6 million over Fiscal Year 2011-2012.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2014-43

On motion of Supervisor Withrow, Seconded by Supervisor Monteith,
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, Monteith, and Chairman De Martini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

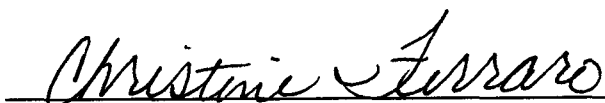
1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

STAFF RECOMMENDATIONS: (Continued)

3. Authorize the Project Manager, on behalf of the Board of Supervisors as the Awarding Authority, to sign the completion documents, record the Notice of Completion, release retention less withholdings, and process all remaining close out activities for the above contract and the Psychiatric Health Facility located at 1904 Richland Avenue, Ceres, California.
4. Authorize the Chairman of the Board to send a letter of appreciation to Simile Construction Service, Inc. and Pacific Design Associates, Inc. for the successful completion of the new facility.

FISCAL IMPACT: (Continued)

Several factors contribute to the substantial increase in psychiatric hospitalizations: a dramatic increase in bed usage, an increase in the rate paid to the hospitals, and a larger portion of uninsured patients for which the County has 100% responsibility.

The **24/7 Secure Mental Health Services Strategic Plan**, adopted by the Board of Supervisors on November 13, 2012 included an estimated project cost of \$2,166,000 to renovate the existing and vacant facility at the County's Recovery Center at 1904 Richland Avenue, Ceres, California for the Psychiatric Health Facility (PHF). On August 13, 2013, the Board of Supervisors approved an increase in the PHF Project Budget by \$265,000 from carryover funds previously allocated by the Board of Supervisors for the Behavioral Health and Recovery Services Final Budget for Fiscal Year 2012-2013, which were used to fully replace the heating, ventilation and air conditioning (HVAC) system at the PHF site. The Board of Supervisors approved the amended PHF project budget as outlined in the sources and uses below:

Psychiatric Health Facility - Sources	Amount
Proceeds from sale of SBHC	\$2,165,892
BHRS-Carry Over Funds/Mental Health Fund	\$265,000
Total Sources	\$2,430,892

Psychiatric Health Facility - Uses	Amount
Salaries & Wages (Administration, Construction Mgmt.)	\$34,635
Architectural and Engineering	\$216,145
Inspection, Legal, Supplies, Publications	\$197,990
Cost Applied Charges (Building Maintenance Fund)	\$5,922
Construction	\$1,976,200
Total Uses	\$2,430,892

Funding for the PHF project came from the proceeds previously set aside from the 2007 sale of the Stanislaus Behavioral Health Center back to Doctors Behavioral Health Center with no impact to the General Fund. The Recoupment Period for the PHF project is estimated between .58 years to 1.38 years depending on the alternative solutions to hospitalizations to reduce the overall number of hospitalization admissions, when appropriate.

The approved Board of Supervisors PHF project budget is \$2,430,892 including a construction only budget of \$1,633,000 and a construction contingency fund of \$193,200. On October 1, 2013, the Board of Supervisors to approve the award of a construction contract to Simile Construction Service, Incorporated of Modesto, California in the lump sum amount of \$1,623,600, which was well within the Board of Supervisors approved project budget. The lump sum amount included alternates, approved by the Board of Supervisors, to renovate the existing roofing system and complete construction of the facility within 103 days. Simile Construction Service, Inc. has assisted the County in completing the project within budget and within the previously anticipated schedule included in the Mental Health Strategic Plan.

At this time, staff is requesting the Board of Supervisors approve the final contract with Simile Construction Service, Inc. of Modesto, California for the final contract cost of \$1,737,081. During the course of construction, the Project Manager processed change order requests totaling \$113,481, consistent with the County's Change Order Policy, which increased the final contract cost from \$1,623,600 to \$1,737,081. As part of the closeout process, the County will withhold \$9,251 in payment from Simile Construction's contract until further minor work can be performed on the roofing system when ideal temperatures exist. As the awarding authority, the Board of Supervisors is also requested to authorize the Project Manager to sign the completion documents, record the Notice of Completion effective January 25, 2014, release retention less withholdings, and process all remaining closeout activities for the above contracts and the project.

A local PHF will increase the County's bed capacity and help mitigate the cost of hospitalizations, when appropriate. The recently agreed to bed rate for hospitalization at DMC/DBHC is \$1,060 per day for Medi-Cal patients and \$900 per day for uninsured patients. The rate for out of area hospitals averages \$907 per day. The County estimates that a PHF, operated by an outside entity, could be operated for less than the County currently pays for acute inpatient beds. On August 13, 2013, the Board of Supervisors approved an award of an Agreement with Telecare Corporation for operation of the PHF to commence March 1, 2014 through June 30, 2015, with clients receiving appropriate level of care services, when appropriate.

DISCUSSION:

During the past two years, Stanislaus County has experienced a dramatic increase in acute psychiatric inpatient admissions. This increase impacts capacity and creates financial burdens for the County. Behavioral Health and Recovery Services (BHRS)

holds the responsibility for the total costs for the Uninsured and Forensic patients. Thus, recent increases in uninsured admissions are of significant concern and have highlighted the lack of options for the appropriate level of care needed for the County's patients.

Strategic Planning Efforts

During 2012, the Chief Executive Office, BHRS, DMC and other stakeholders met and began a new working relationship that focused on the capacity issues and growing need for psychiatric inpatient services. This group identified both short and long-term issues related to the need for secure 24/7 mental health services and programs that surround such services. The result of this effort is a Strategic Plan that addresses inpatient needs and identifies systems issues surrounding 24/7 secure mental health services that could assist in avoiding hospitalization and reduce recidivism.

The Strategic Plan was approved by the Board of Supervisors on November 13, 2012 and identified three main goals:

- Develop recommendations for increased capacity to provide inpatient 24/7 care, including but not limited to, options that will provide less costly alternatives when appropriate;
- Assess opportunities for creating a community crisis stabilization service to avoid hospitalization when possible; and
- Develop aftercare strategies as an element of a behavioral health continuum of care around inpatient services.

As part of the first goal, a County-owned PHF will begin to address the current level of need for inpatient treatment facilities by supplementing the existing inpatient services, and potentially reducing the number of out-of-county placements being made today.

The PHF project made the highest and best use of an existing and vacant residential facility available at the County's Recovery Center - Ceres location at 1904 Richland Avenue. This Recovery Center location also will provide for co-location to other adjacent drug and alcohol programs. Simile Construction Service, Inc. has done an outstanding job and has met all schedule requirements of this critical County project. The PHF will be open on March 1, 2014. The County Behavioral Health Director will be returning to the Board of Supervisors prior to the PHF opening for authorization to designate the PHF facility as a Welfare and Institutions Code 5150 site.

Additional Board of Supervisors actions to further enhance the Strategic Plan include approving the relocation of the Crisis Intervention Program (CIP) and Crisis Emergency Response Team (CERT) to the Recovery Center Site from its temporary location across from Doctor's Medical Center Emergency Department at 1444 Florida Avenue, Modesto. The CIP/CERT team adjacent to the PHF site will allow County clients to be diverted from hospitalization beds by being a central intake point for the PHF and by

providing lower level of care treatment services. Additionally, the Board of Supervisors has authorized staff to seek further opportunities to create a Crisis Stabilization Unit (CSU) within a vacant wing of the Recovery Center using Investment in Mental Health Wellness Act of 2013 (SB 82) grant funding. If SB 82 Funds are awarded, staff will return to the Board of Supervisors for more detailed information about the potential CSU project. All matters approved by the Board of Supervisors in recent months have attributed to the potential to increase capacity, avoided client hospitalizations when appropriate and further advance the goals of the 24/7 Secure Mental Health Services Strategic Plan.

Psychiatric Health Facility

Pacific Design Associates, working with specialty consultants Behavioral Health Facility Consulting, LLC and Wikoff Design Studio, LLC, designed a project that provides an ideal level of safety for clients, staff and the general public. Given the budget constraints, safety and operational efficiencies became the design focus for the Project Team. PHF clients will receive clinical treatment within a secure, locked down facility that meets all needs and requirements for the involuntary commitment of clients. Simile Construction Service, Inc. has completed the renovation on time and within budget.

The PHF project comprises 16 client beds to be occupied at any one time. The existing restrooms have been reconfigured with new fixtures and finishes to meet the safety needs of the client, with two patient bathrooms designated as Americans with Disabilities Act (ADA) accessible. The client wing additionally includes space for one seclusion room and one quiet room to assist the operator in management of a client's severe psychiatric event. Support services for the clinical management of clients, including a nurse station, charting room, medications room, interview, and exam room were also constructed. This allows for the disbursement of medications and clinical services without the need for clients to leave the PHF, excluding the rare instance where there is a need for acute offsite emergency medical care.

The client wing includes a group room, activity room, dining and day room. These areas will be used for client dining, group and individual counseling, and general activities areas to provide treatment services. A small catering kitchen will allow the operator to provide pre-cooked meals for clients. An existing outdoor courtyard will allow clients to socialize outside of the confines of client housing and direct treatment areas. New secure courtyard fencing will assist with safety and security.

The administrative wing, located in the south wing of the existing facility, includes a new public, staff and client interface at the public lobby. The lobby allows seating for up to 16 persons, with property lockers and a public restroom. Clients will primarily be evaluated and committed to the PHF through a secure client intake and processing suite that will be served with a new client shower and intake interview space. A hearing conference room has been included in the administrative wing for evaluation of client's cases and probable cause hearings for involuntary psychiatric holds. The remaining

portion of the administrative space is dedicated to staff offices, break room, workstations, equipment rooms and client property storage.

Simile Construction Service, Inc. has met all requirements for completion of the project within the construction contract. The PHF will open on March 1, 2014. During the course of construction, the Project Manager issued contract change orders for work to improve and enhance the scope of the project. The Project Manager directed the Project Team and Simile Construction Service, Inc. to perform additional work including but not limited to painting the exterior of the building, electrical work for future connections to emergency electrical power and minor landscaping improvements. Change orders for the PHF totaled \$113,481, which brought the Simile Construction Service, Inc. construction contract to \$1,737,081, well within the Board approved project budget for construction. The only remaining item of work on the PHF project is a minor surfacing related item on the roofing system, which will occur when ideal temperatures exist for application. The Project Manager will be withholding \$9,251 until this minor roofing work can be performed, with no effect to County occupancy of the facility. The Project Manager seeks authorization, on behalf of the Board of Supervisors as the Awarding Authority, to sign the completion documents, record the Notice of Completion, release retention less withholdings, and process all remaining close out activities for the Simile Construction Service, Inc. construction contract and PHF capital project.

Furniture, fixtures and equipment (FFE) are being procured by the County outside of the general contractor's construction contract, with a total amount of FFE not to exceed \$150,000, as approved within the established Project Budget. On August 13, 2013, the Board of Supervisors authorized the Project Manager to take all necessary actions for the immediate purchase and acquisition of furniture, fixtures and equipment (FFE) for the project. This procurement includes patient beds, mattresses, nightstands, chairs, tables and other furniture and fixtures necessary to open the facility. Additional equipment has also been provided by other County Departments to help reduce project costs. A commercial grade refrigerator will be transferred from the Probation Departments former Juvenile Hall kitchen facility and surplus conference tables and chairs will be transferred from the Community Services Agency.

The PHF is critically needed in our community. A fully functioning PHF will be open on March 1, 2014 consistent with the Strategic Plan adopted by the Board of Supervisors. Overall, significant progress has been made to implement the Strategic Plan. One remaining and important element, the creation of a Crisis Stabilization Unit (CSU) is being pursued with the County and its hospital partners seeking State funding under Senate Bill 82 Investment in Mental Health Wellness Act of 2013, which is intended to fund programs needed at the County level for residents needing mental health care. The County submitted its SB 82 grant application on January 22, 2014.

Schedule

Simile Construction Service, Inc. has completed construction duration of 103 calendar days with Substantial Completion as of January 18, 2014. The Project Manager

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requests authorization from the Board of Supervisors to process Final Completion of construction for the PHF effective January 25, 2014. The Board of Supervisors will host a Dedication and Open House for the new PHF on February 25, 2014.

A fully functioning PHF is anticipated to be open by March 1, 2014 with Telecare Corporation providing psychiatric inpatient services as previously approved by the Board of Supervisors.

POLICY ISSUES:

Approval of the recommended actions supports the Board's priorities of A Safe Community, A Healthy Community, and Efficient Delivery of Public Services by ensuring County patients have access to the appropriate level of care as needed with regard to 24/7 secure mental health services.

STAFFING IMPACT:

Telecare Corporation will begin operation of the facility on March 1, 2014. Chief Executive Office, Behavioral Health and Recovery Services and Telecare Corporation are coordinating the transition into the facility to meeting the scheduled opening date.

Existing Capital Projects staff will continue to manage the closeout activities of the Psychiatric Health Facility Project with assistance from Behavioral Health and Recovery Services staff.

CONTACT:

Patricia Hill Thomas, Chief Operations Officer, 209 525-6333.

ATTACHMENTS AVAILABLE
FROM YOUR CLERK



Stanislaus, County Recorder
 Lee Lundrigan Co Recorder Office
DOC- 2014-0007529-00
 Wednesday, FEB 05, 2014 13:00:47
 Rcpt # 0003485407

RC1/R2/1-1

RECORDING REQUESTED BY
 AND RETURN TO:

Stanislaus County
 Chief Executive Office
 Attn: Patricia Hill Thomas
 1010 10th Street, Suite 6800
 Modesto, California 95354

NOTICE OF COMPLETION

Psychiatric Health Facility: Simile Construction Service, Inc.

NOTICE IS HEREBY GIVEN:

- 1) That Stanislaus County is the owner of real property ("Property") in paragraph 3, below.
- 2) That Stanislaus County awarded a construction contract to Simile Construction Service, Inc. for a work of improvement on the Property described in Paragraph 3, below.
- 3) That the Property herein referred to is situated in the State of California, County of Stanislaus, City of Ceres and is described as follows:

APN 040-008-016 1904 Richland Avenue, Ceres, California 95307

- 4) That the full name and address of the Owner of said Property is as follows: Stanislaus County c/o Chief Executive Office, Attn: Patricia Hill Thomas, 1010 10th Street, Suite 6800, Modesto, CA 95354.
- 5) That the nature of the title of the stated Owner is: in fee.
- 6) The name of the original contractor for said work of improvement is Simile Construction Service, Inc. of Modesto, California.
- 7) That on January 25, 2014 a work of improvement on the real property herein is described was completed.

VERIFICATION

I, Patricia Hill Thomas, declare that I am the Chief Operations Officer/Assistant Executive Officer of Stanislaus County, and that the County is the owner of the property described above. I have read the foregoing notice and know the contents thereof, and the same is true of my knowledge. I declare under penalty of perjury that the foregoing is true and correct. Executed on February 4, 2014 at Modesto, California.

Patricia Hill Thomas
 Chief Operations Officer/Assistant Executive Officer
 of Stanislaus County

1/2c

DOCUMENT 00 6530

AGREEMENT AND RELEASE OF ANY AND ALL CLAIMS

THIS AGREEMENT AND RELEASE OF ANY AND ALL CLAIMS ("Agreement and Release"), made and entered into this 4th day of February, 2014, by and between County of Stanislaus ("Owner"), and Simile Construction Services, Inc. ("Contractor"), whose place of business is at 4725 Enterprise Way, Suite 1, Modesto, California 95356.

RECITALS

- A. Owner and Contractor entered into Contract (the "Contract") for construction of Owner Psychiatric Health Facility located at 1904 Richland Avenue, Ceres, California 95307.
- B. The Work under the Contract has been completed with the exception of certain work on the Project's roofing system that Owner and Contractor have agreed will be finalized as temperatures permit.

AGREEMENT

NOW THEREFORE, it is mutually agreed between Owner and Contractor as follows:

- 1. Contractor will not be assessed liquidated damages, Owner and Contractor agree the following is an accurate accounting of the status of payment of the contract sum:

Original Contract Sum	\$ 1,623,600
Modified Contract Sum	\$ 1,737,081
Payment to Date	\$ 1,414,526.52
Liquidated Damages	\$ 0
Progress Payment Due Contractor	\$ 226,449.36
Withhold for Future Roofing Work	\$ 9,251
Retention Payment Due Contractor	\$ 86,854.12

- 2. A. Subject to the provisions of this Agreement and Release, Owner will forthwith pay to Contractor the sum of Two Hundred Twenty-Six Thousand, Four Hundred Forty-Nine Dollars and 36/100 Cents (\$226,449.36) under the Contract, less any amounts withheld under the Contract or represented by any Notice to Withhold Funds on file with Owner as of the date of such payment.
B. Contractor acknowledges and agrees that the County will withhold \$9,251 in payment from Contractor's final Progress Payment until work on the Project roofing system can be finalized as temperatures permit.
C. Subject to the provisions of this Agreement and Release, Owner will pay to Contractor within sixty (60) days of the Notice of Completion the sum of Eighty Six Thousand, Eight Hundred Fifty-Four Dollars and 12/100 Cents (\$86,854.12) representing the Contractor's retention, less any amounts withheld under the Contract or represented by any Notice to Withhold Funds on file with Owner as of the date of such payment.
- 3. Contractor acknowledges and hereby agrees that with the exception of the roofing work that Owner and Contractor have agreed will be finalized as temperatures permit, there are presently no unresolved or outstanding claims in dispute against Owner arising from the Contract, except

for the claims described in Paragraph 4 of this Document 00 6530. It is the intention of the parties in executing this Agreement and Release that this Agreement and Release shall be effective as a full, final and general release of all claims, demands, actions, causes of action, obligations, costs, expenses, damages, losses and liabilities of Contractor against Owner, and all if its agents, employees, consultants, inspectors, representatives, assignees and transferees, except for the Disputed Claims set forth in Paragraph 4 of this Document 00 6530 or Claims received subsequent to the date of this Agreement. Nothing in this Agreement and Release shall limit or modify Contractor's continuing obligations described in this Document 00 6530.

4. The following claims submitted under Document 00 7200 (General Conditions), Article 12, are disputed (hereinafter, the "Disputed Claims") and are specifically excluded from the operation of this Agreement and Release.

CLAIM NO.	DATE SUBMITTED	DESCRIPTION OF CLAIM	AMOUNT OF CLAIM
None	None	None	None

5. Consistent with California Public Contract Code §7100, Contractor hereby agrees that, in consideration of the payments set forth in Paragraph 2 of this Document 00 6530, Contractor hereby releases and forever discharges Owner, and all of its agents, employees, consultants, inspectors, assignees and transferees from any and all liability, claims, demands, actions or causes of action of whatever kind or nature arising out of or in any way concerned with the Work under the Contract.
6. Guarantees and warranties for the Work, and any other continuing obligation of Contractor, shall remain in full force and effect as specified in the Contract Documents.
7. Contractor shall immediately defend, indemnify and hold harmless Owner, any of the Owner's Representatives, Project Manager, and all of their agents, employees, consultants, inspectors, assignees and transferees, from any and all claims, demands, actions, causes of action, obligations, costs, expenses, damages, losses and liabilities that may be asserted against them by any of Contractor's suppliers and/or Subcontractors of any tier and/or any suppliers to them for any and all labor, materials, supplies and equipment used, or contemplated to be used in the performance of the Contract, except for the Disputed Claims set forth in Paragraph 4 of this Document 00 6530.
8. Contractor hereby waives the provisions of California Civil Code §1542, which provide as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

9. The provisions of this Agreement and Release are contractual in nature and not mere recitals and shall be considered independent and severable, and if any such provision or any part thereof shall be at any time held invalid in whole or in part under any federal, state, county, municipal or other law, ruling, or regulation, then such provision, or part thereof shall remain in force and effect only to the extent permitted by law, and the remaining provisions of this Agreement and Release shall also remain in full force and effect, and shall be enforceable.
10. Contractor represents and warrants that it is the true and lawful owner of all claims and other matters released pursuant to this Agreement and Release, and that it has full right, title and

authority to enter into this instrument. Each party represents and warrants that it has been represented by counsel of its own choosing in connection with this Agreement and Release.

11. All rights of Owner shall survive completion of the Work or termination of the Contract, and execution of this Agreement and Release.

***** CAUTION: THIS IS A RELEASE - READ BEFORE EXECUTING *****

COUNTY OF STANISLAUS

By: Patricia Hill Thomas
Signature

Name: Patricia Hill Thomas
Print

Its: Chief Operations Officer/Assistant Executive Officer
Title

SIMILE CONSTRUCTION SERVICE, INC.

By: Juan Magallon Jr.
Signature

Name: JUAN MAGALLON JR.
Print

Its: PROJECT MANAGER
Title

REVIEWED AS TO FORM:

Dated: 1/31/14, 2014

By: John P. Doering
John P. Doering, County Counsel

END OF DOCUMENT