



Washington Township Health Care District

2000 Mowry Avenue, Fremont, California 94538-1716 | 510.797.1111

Kimberly Hartz, Chief Executive Officer

Board of Directors

Jacob Eapen, MD
William F. Nicholson, MD
Bernard Stewart, DDS
Michael J. Wallace
Jeannie Yee

BOARD OF DIRECTORS MEETING

Wednesday, September 25, 2024 – 6:00 P.M.

Board Room of Washington Hospital, 2000 Mowry Avenue, Fremont and via Zoom

<https://zoom.us/j/93449369712?pwd=FK8MfSXaakHO1HHBACvCIg6trbKmo0.1>

Passcode: 954376

Board Agenda and Packet can be found at:

[September 2024 | Washington Hospital Healthcare System \(whhs.com\)](#)

AGENDA

PRESENTED BY:

I. **CALL TO ORDER &
PLEDGE OF ALLEGIANCE**

William Nicholson, MD
Second Vice President

II. **ROLL CALL**

Cheryl Renaud
District Clerk

III. **COMMUNICATIONS**

A. Oral

This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not on the agenda and within the subject matter of jurisdiction of the Board. "Request to Speak" cards should be filled out in advance and presented to the District Clerk. For the record, please state your name.

B. Written

IV. **CONSENT CALENDAR**

Items listed under the Consent Calendar include reviewed reports and recommendations and are acted upon by one motion of the Board. Any Board Member or member of the public may remove an item for discussion before a motion is made.

William Nicholson, MD
Second Vice President

V. **ACTION**

A. Consideration of Resolution No. 1267: Roof Replacement Project at 2500 Mowry Avenue

Motion Required

VI. **ANNOUNCEMENTS**

VII. **ADJOURN TO CLOSED SESSION**

A. Consideration of Closed Session Minutes of the Meetings of the District Board: August 14, 19 & 28, 2024 *Motion Required*

B. Reports regarding Medical Audit & Quality Assurance Matters pursuant to Health & Safety Code Section 32155 *Motion Required*

- Medical Staff Committee Report

C. Conference Involving Trade Secrets pursuant to Health & Safety Code Section 32106

- Strategic Planning

D. Conference with Labor Negotiators pursuant to Government Code Section 54957.6

VIII. **RECONVENE TO OPEN SESSION & REPORT ON PERMISSIBLE ACTIONS TAKEN DURING CLOSED SESSION** William Nicholson, MD
Second Vice President

IX. **ADJOURNMENT** William Nicholson, MD
Second Vice President

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the District Clerk at (510) 818-6500. Notification two working days prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.



Memorandum

DATE: September 20, 2024

TO: Washington Township Health Care District Board of Directors

FROM: Kimberly Hartz, Chief Executive Officer

SUBJECT: Roof Replacement Project at 2500 Mowry Avenue

The lower tar and gravel roof at Washington West, 2500 Mowry Avenue, is approximately 30 years old and urgently needs to be replaced. The project area covers approximately 55,700 sq. ft. The entire project will take approximately 4 months.

The District’s Facilities Department recommends using roofing materials manufactured by Tremco because (a) the District has a long history of using Tremco products for District buildings, (b) Tremco’s 20 year warranty for roofing supplies have performed well for the District, (c) Tremco’s representatives have provided valuable inspections and consultations about the District’s roofing needs, (d) Tremco’s representative are familiar with the District’s campus, and (e) Tremco will offer a Warranty that will include, among other things, coverage for the workmanship of the installer’s work. In order to obtain the warranty, the installer must be a Tremco authorized installer of Tremco products.

We have received three quotes from authorized installers of Tremco products for the required work. Based on the quotes, I recommend proceeding with State Roofing Systems for this project. Additionally, forty percent of the total cost was budgeted for in the Cancer Center Project and will be allocated to the project. The cost for this project was budgeted in the capital budget and in the approved Cancer Center project budget.

State Roofing Systems
Existing Conditions/Demo - \$439,600
Construction - \$1,375,660
Total: \$1,815,260

Western Roofing Services
Existing Conditions/Demo - \$667,187
Construction - \$2,266,302
Total: \$2,933,489

SF Roofing Services
Existing Conditions/Demo - \$766,277
Construction - \$2,308,723
Total: \$3,075,000

The District used an informal solicitation process to obtains these bids. A formal solicitation process would require undertaking imprudent risks because a formal solicitation process would, among other things, entail considering suppliers of roofing products with unproven track records at the District’s campus. Furthermore, a formal solicitation process would offer no advantage because (a) the District will receive the Tremco warranty, (b) the lowest price bid is being recommended, (c) the recommended bid includes performance and payment bonds, and (d) the recommended bid also includes liability insurance.

The District’s construction law counsel recommends that the Board adopt a so-called *Graydon* resolution justifying the selection of Tremco products and the use of an informal selection process. Counsel has prepared the resolution for consideration by the Board.

RESOLUTION NO. 1267
APPROVING AWARD OF CONTRACTS FOR THE ROOF REPLACEMENT
PROJECT AT THE WASHINGTON WEST OFFICE BUILDING

WHEREAS, the WASHINGTON TOWNSHIP HEALTH CARE DISTRICT (“DISTRICT”) owns and operates the Washington West medical office building (“West MOB”) located at 2500 Mowry Avenue, Fremont, California 94538. The lower tar and gravel roof of the West MOB is more than 30 years old. The DISTRICT has determined that the West MOB’s roof urgently needs to be replaced.

WHEREAS, the Project’s duration is estimated to be four months. The DISTRICT has determined that the most cost-effective delivery approach for the Project involves contracting directly with a roofing contractor instead of a general contractor. The DISTRICT anticipates engaging Stahl Companies to act as the DISTRICT’S representative under supervision of the DISTRICT’S Construction Management Department.

WHEREAS, the DISTRICT has determined that specifying the TPA fleece-backed adhered roofing system offered by Tremco, Incorporated, an RPM Company (“Tremco”) represents a cost-effective, high-value solution for the Project. Tremco is one of the leading roofing product companies in the United States of America. The DISTRICT has a long history using Tremco roofing products. The DISTRICT has determined that Tremco’s warranty has performed well on multiple buildings on the DISTRICT’S campus. The DISTRICT has determined that Tremco’s representatives are familiar with the DISTRICT’S campus. The DISTRICT has determined that it is not prudent to consider using products from other suppliers of roofing materials in light of (a) the age of the West MOB’s roof, (b) the demonstrated performance of Tremco and its warranties on the DISTRICT’S campus, and (c)

the risks posed by using unknown suppliers that are unfamiliar with the DISTRICT'S facilities.

WHEREAS, Tremco has offered for this Project a manufacturer's special 20-year warranty that includes (among other benefits) repairs of failures (including leaks) arising from workmanship or materials or both ("Warranty"). The Warranty comes with a standard maintenance agreement that includes maintenance services in years 2, 5, 10, and 15 of the warranty period. Tremco will not offer the Warranty unless an authorized installer of its products performs the installation work. The DISTRICT has determined that limiting the pool of installers to authorized Tremco installers is reasonable because Tremco's Warranty covers defects in workmanship.

WHEREAS, the DISTRICT received proposals from three authorized Tremco roofing installers through an informal solicitation process. The roofing scope of work covers all elements of the Project except the final plumbing connections inside the West MOB for the new roof drains. State Roofing Systems, Inc. offered to perform the roofing scope of work for a total, lump sum price of \$1,815,260.00. Western Roofing Services offered to perform the roofing scope of work for a total, lump price of \$2,933,489.00. SF Roofing Service offered to perform the roofing scope of work for a total, lump sum price of \$3,075,000.00.

WHEREAS, the DISTRICT has determined that awarding the roofing contract to State Roofing Systems, Inc. for a total contract value of \$1,815,260.00 will advance the DISTRICT'S public service mission. The contract sum covers performance and payment bonds for the State Roofing System, Inc.'s work on the Project. The contract sum also covers liability insurance for State Roofing System, Inc.

WHEREAS, the DISTRICT’S Board of Directors must exercise prudent stewardship over the DISTRICT’S resources, including, but not limited to, the DISTRICT’S financial and real property resources.

WHEREAS, costs for the Project have been budgeted in the DISTRICT’S capital budget and in the approved Cancer Center Project budget. \$726,000.00 of the total cost of the roofing contract will be allocated to the Cancer Center Project.

WHEREAS, in the judgment of the DISTRICT’S Board of Directors, the value of the Warranty together with the need to select exclusively from Tremco approved installers justify using an informal solicitation process for the roofing contract. Awarding the Project’s roofing contract through a formal procurement process offers no advantage to the DISTRICT’S public service mission over the informal solicitation because (a) the DISTRICT will receive the Warranty, (b) the DISTRICT received proposals from three qualified contractors, (c) the recommended bid is the lowest priced bid, and (d) the recommended bid includes liability insurance, a performance bond, and a payment bond.

NOW, THEREFORE, BE IT RESOLVED, that:

1. Based on the foregoing facts, the Board finds that the selection of Tremco roofing products was fair and competitive; guarded against favoritism, improvidence, extravagance, fraud and corruption; prevented the waste of public funds; and obtained the best economic result for the public.

2. Based on the foregoing facts, the Board finds that the use of an informal solicitation process for award of the roofing contract was fair and competitive; guarded against favoritism, improvidence, extravagance, fraud, and corruption; prevented the waste of public funds; and obtained the best economic result for the public.

3. Based on the foregoing facts, the Board also finds that awarding the roofing contract to the lowest responsible bidder using formal procedures would harm the public interest by working an incongruity and traditional competitive procedures would not produce any advantage over the informal solicitation method used for award of the roofing contract.

4. The Board authorizes the DISTRICT'S Chief Executive Officer to enter a contract with State Roofing Systems, Inc. in the amount of \$1,815,260 for the Project.

5. The Board also authorizes the DISTRICT'S Chief Executive Office to enter into other necessary contracts for the Project and take any and all further actions which, in the determination of the Chief Executive Officer, are necessary and proper to effectuate the intent of this Resolution.

6. The Board approves allocating \$726,000.00 for the roofing contract to the budget for the Cancer Center Project.

PASSED AND ADOPTED by the Board of Directors of WASHINGTON TOWNSHIP HEALTH CARE DISTRICT this 25th day of September, 2024, by the following vote:

AYES:

NOES:

ABSENT:

William Nicholson, M.D.
Second Vice President of the Washington
Township Health Care District Board of
Directors

Bernard Stewart, DDS
Secretary of the Washington Township
Health Care District Board of Directors