



Monterey County

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: RES 21-158

September 14, 2021

Introduced: 8/24/2021

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

Adopt a resolution to:

- a. Receive a status update on the Jail Housing Addition Project 8819 (Project):
- b. Authorize a Project budget increase of \$277,057 for additional Project costs related to California State Fire Marshall (CSFM) requirements.
- c. Authorize and direct the Auditor-Controller to amend the FY 2021-22 Adopted Budget by increasing appropriations in the General Fund, Fund 001, Other Financing Uses Budget Unit 8038, Appropriation Unit CAO017, by \$277,057, funded by a decrease in General Fund, Fund 001, Contingencies, Appropriation Unit CAO020 (4/5ths vote required); and
- d. Authorize and direct the Auditor-Controller to amend the FY 2021-22 Adopted Budget by increasing appropriations and operating transfers in by \$277,057 for Facility Master Plan Projects, Fund 404, Appropriation Unit PFP057, financed by an operating transfer out from General Fund, Fund 001, Other Financing Uses Budget Unit 8038, Appropriation Unit CAO017 (4/5ths vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution to:

- a. Receive a status update on the Jail Housing Addition Project 8819 (Project):
- b. Authorize a Project budget increase of \$277,057 for additional Project costs related to California State Fire Marshall (CSFM) requirements.
- c. Authorize and direct the Auditor-Controller to amend the FY 2021-22 Adopted Budget by increasing appropriations in the General Fund, Fund 001, Other Financing Uses Budget Unit 8038, Appropriation Unit CAO017, by \$277,057, funded by a decrease in General Fund, Fund 001, Contingencies, Appropriation Unit CAO020 (4/5ths vote required); and
- d. Authorize and direct the Auditor-Controller to amend the FY 2021-22 Adopted Budget by increasing appropriations and operating transfers in by \$277,057 for Facility Master Plan Projects, Fund 404, Appropriation Unit PFP057, financed by an operating transfer out from General Fund, Fund 001, Other Financing Uses Budget Unit 8038, Appropriation Unit CAO017 (4/5ths vote required).

SUMMARY:

The Monterey County Jail Housing Addition AB 900 Phase II Project (hereafter, "JHA Project" or "Project") is 133,673 gross square feet and provides 576 new beds in eight (8) housing units distributed on two (2) floors, program spaces for inmates, administration and staff support spaces, and a public entrance with video visitation.

Several issues have resulted in significant impacts to the JHA Project budget and schedule. These included field changes required by the California State Fire Marshall (CSFM) and unplanned early partial occupancy needed as part of the Sheriff's Office COVID-19 response. Current issues impacting the JHA Project are listed under Discussion. Currently, the construction is 99% complete. Staff recommends the Board authorize additional funding required to complete the Project.

DISCUSSION:

Project Status and Impacts

As noted above, project construction is nearly complete. Staff projects the County will receive the Certificate of Occupancy from CSFM in October 2021 based on the current construction schedule. Ongoing work and recently completed tasks are as follows:

Smoke Control Submittal and Installation

- Revised Smoke Control Report has been approved by CSFM and added to submittal.
- Smoke Control System redesign has been approved by CSFM.
- Smoke control panel has been received and installation is complete.
- Final programming of entire building is in progress to be completed during the first week of August.
- Pre-testing of first half of units (un-occupied) will commence during the week of August 30th, followed by final testing and inspections starting the week of September 6th.
- Pre-testing of remaining units will commence during the week of September 20th followed by final testing and inspections by mid-October 2021.
- Third-party smoke control system testing and commissioning to be completed by mid- October.

Fire Sprinkler Submittal and Corrections

- CSFM approved sprinkler submittals for added flow switches and select piping corrections near Station Watch Areas.
- Installation is complete and has been inspected and approved by CSFM.

Fire Alarm System

- Submitted to CSFM and approved by CSFM.

Other Project Items

- Commissioning is ongoing.
- Final Certificate of Occupancy.
- Door Closure adjustments at eight (8) Egress doors: The CSFM is requiring adjustments to door opening mechanism at (8) locations. These adjustments may require replacing existing door hardware closures.

The extended CSFM review time has impacted the projected completion date.

Funding Request Summary

Starting in February 2021, staff began regular reporting to the Budget Committee (BC) and Capital Improvement Committee (CIC) on additional CSFM requirements related to smoke control and fire alarm systems which have led to an extended Project schedule and increased costs (excluding

Contractor Time Impact Analysis [TIAs] and Claims). The funding request included with this Board Report is detailed below.

- CSFM Change Orders (CO) Contingency:	\$50,258
- Architect costs from July to September 2021:	\$100,000
- Commissioning and Smoke Control Testing:	\$62,059
- Additional CSFM Site Visits:	\$10,000
- Staff Time from July to September 2021:	<u>\$54,740</u>
- Total Request:	\$277,057

Funding Request Details

CSFM Change Orders Contingency - \$50,258

Historically, the CSFM field inspectors have routinely identified additional requirements during site inspections. Many of these additional requirements are smaller items compared to the smoke control and horn strobe revisions, such as adding thresholds to doors (estimated at \$20,000), smoke rating labels on doors (estimated at \$10,000) or additional fire water system testing (estimated at \$7,000). A small contingency would allow staff to issue change orders to address any additional CSFM or commissioning issues that arise without further delay to the Project.

Architect costs from July to September 2021 - \$100,000

Staff estimates Architect costs from July through September 2021 at \$100,000 based on one (1) full-time architect. Architect construction management support is critical to completion of this Project. Support includes reviewing Requests for Information (RFIs) from the contractor, preparing design solutions in response to CSFM requirements, and reviewing change order requests for validity.

Commissioning and Smoke Control Testing - \$62,059

Additional commissioning hours are needed to address outstanding punch list items. HVAC and plumbing systems required retesting after various system corrections. The CSFM required additional smoke control testing as part of the most recent added requirements.

Additional CSFM Site Visits - \$10,000

CSFM bills the County for plan review and field inspections at a rate of approximately \$240/hour. This line item would cover approximately 41 hours of CSFM time (for four [4] site visits and some plan review time).

Staff Time from July to September 2021 - \$54,740

Staff time is calculated based on the average monthly staff time allocated to the Project over the past Fiscal Year (FY). Any additional staff time due to extension of the Project schedule will need to be absorbed by the Project budget.

Comparison of Approved Funding versus Projected Budget

- Original Project budget/funding:	\$88,900,000
- Funding approved by BOS on 10/27/20:	<u>\$1,614,318</u>
- Revised Approved Project Funding:	\$90,514,318

- Projected Costs (Excluding Contractor TIAs and Claims):	
- Funded Construction Costs (Approved and In-Progress COs):	\$73,790,118
- Funded Soft Costs:	\$16,724,200
- Additional Costs in FY 21/22:	<u>\$277,057</u>
	\$90,791,375
- Funding Shortfall/Funding Request:	-\$277,057
- Difference between Original Project budget and revised budget:	-\$1,891,375 (2%)
- Other Potential Costs:	
- TIAs through April 2021 (Under Review):	\$5,000,000
- TIAs from May 2021 to Project Closeout:	\$ TBD

Project costs do not include Project delay claims from the Contractor in the form of TIA claims or potential costs to address additional CSFM fire sprinkler/smoke control requirements. TIAs submitted to date (delays through April 2021) total approximately \$5,000,000. Staff recommends negotiating any delay days from May 2021 through the end of the Project construction phase as part of a global settlement. TIAs are under review by staff, Construction Manager and the Project Architect.

Any additional construction work not in the Contractor scope of work that is determined to be valid added scope must be incorporated into the contract by means of a Change Order at a negotiated cost to the County. If the County believes another party is responsible for the circumstances that led to the additional work, the County may seek reimbursement for the Change Order cost.

OTHER AGENCY INVOLVEMENT:

Staff informed the Capital Improvement Committee of the Project budget shortfall on July 12, 2021. The funding recommendation was presented to the Budget Committee (BC) on July 27, 2021. The BC supported taking the funding request to the Board. PWWP and the Monterey County Sheriff's Office (MCSO) continue to work jointly with the Project team to meet all State requirements to maintain the conditional award for the grant funding. State Water Resources Control Board and CSFM construction phase inspections will continue throughout the duration of construction.

FINANCING:

PWWP worked with the County Administrative Office Budget and Analysis Division (CAO) to identify potential funding sources. In consultation with the CAO's Office, staff recommends that the Project cost overrun be funded by General Fund Contingencies (001-8034-CAO020). If approved, General Fund Contingencies funds would be reduced from \$1,945,703 to \$1,668,646.

The current Board of Supervisors approved budget is \$90,514,318 which consists of \$80,000,000 in State AB-900 Lease Revenue Bonds, a minimum required County match of 8,000,000 and County overmatch of \$2,514,318.

To date, the County has claimed \$76,000,000 of the \$80,000,000 AB-900 Lease Revenue Bonds

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grant. Per the Grant Funding Agreement, five percent (5%) (\$4,000,000) of funding is held by the State until the Project is complete.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Project will provide a larger detention facility which is critically needed as the current high occupancy count exceeds the existing facility's capacity and assists the County with State-mandated milestones. The recommended action supports the Board of Supervisors Strategic Initiatives as indicated below:

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Director of Public Works, Facilities & Parks

DocuSigned by:

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Attachments:

Attachment A - Resolution