



Monterey County

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Board Report

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Matter Type: BoS Resolution

Adopt a Resolution:

- a. Approving an increase to the New Juvenile Hall project cost from \$52,791,824 to \$58,671,291 with increase to the County match from \$17,791,824 to \$23,671,291;
- b. Authorizing the transfer of \$5,879,467 from the General Capital Assignment within the fund balance of the General Fund to the General Fund Balance Sheet Assignment 3127 - New Juvenile Hall Project to cover increased project costs for the sole use towards the Monterey County SB81 project and to cover all County matching funds whether it be cash, in-kind match, and other participating County funding for the purpose of increased project costs;
- c. Approving the award of the New Juvenile Hall Project, Project 8811, Bid Package No. 10590 to the lowest responsible and responsive bidder, Zovich & Sons Inc. dba Zovich Construction, in the amount of \$43,175,000;
- d. Approving the Performance and Payment Bonds executed and provided by Zovich & Sons Inc. dba Zovich Construction, and Fidelity and Deposit Company of Maryland;
- e. Authorizing the Interim RMA Deputy Director of Public Works and Facilities to execute the contract and approve contract change orders in the amounts provided for in the August 28, 2001 Board Order. The granted authority shall not exceed \$2,171,250 in total and no single change or alteration shall exceed \$150,000. The Interim RMA Deputy Director of Public Works and Facilities upon reaching the not-to-exceed amount of \$2,171,250 shall return to the Board for further authorization; and
- f. Authorizing and directing the Interim RMA Deputy Director of Public Works and Facilities to return to the Board for further authorization to execute a Certificate of Completion, and to execute and record with the County Recorder a Notice of Completion, when it is determined that the contract for construction of the New Juvenile Hall, Project 8811, Bid Package No. 10590, is complete in all respects in accordance with the Plans and Special Provisions.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve an increase to the New Juvenile Hall project cost from \$52,791,824 to \$58,671,291 with increase to the County match from \$17,791,824 to \$23,671,291;
- b. Authorize the transfer of \$5,879,467 from the General Capital Assignment within the fund balance of the General Fund to the General Fund Balance Sheet Assignment 3127 - New Juvenile Hall Project to cover increased project costs for the sole use towards the Monterey County SB81 project and to cover all County matching funds whether it be cash, in-kind match, and other participating County funding for the purpose of increased project costs;
- c. Approve the award of the New Juvenile Hall Project, Project 8811, Bid Package No. 10590

to the lowest responsible and responsive bidder, Zovich & Sons Inc. dba Zovich Construction, in the amount of \$43,175,000;

d. Approve the Performance and Payment Bonds executed and provided by Zovich & Sons Inc. dba Zovich Construction, and Fidelity and Deposit Company of Maryland;

e. Authorize the Interim RMA Deputy Director of Public Works and Facilities to execute the contract and approve contract change orders in the amounts provided for in the August 28, 2001 Board Order. The granted authority shall not exceed \$2,171,250 in total and no single change or alteration shall exceed \$150,000. The Interim RMA Deputy Director of Public Works and Facilities upon reaching the not-to-exceed amount of \$2,171,250 shall return to the Board for further authorization; and

f. Authorize and direct the Interim RMA Deputy Director of Public Works and Facilities to return to the Board for further authorization to execute a Certificate of Completion, and to execute and record with the County Recorder a Notice of Completion, when it is determined that the contract for construction of the New Juvenile Hall, Project 8811, Bid Package No. 10590, is complete in all respects in accordance with the Plans and Special Provisions.

SUMMARY:

The current project is a rebid of the same program of space that was previously bid on May 19, 2016. At that time, all bids exceeded the construction estimate and were rejected. To reduce construction costs, the project's foundation was redesigned while preserving the original capacity and program space. On October 4, 2016, the Board approved (Adopted Resolution No. 16-259/Board Order No. 16-054) the Plans and Specifications for the re-bid of the New Juvenile Hall, Project 8811, Bid Package No. 10590 (Project). The Project was advertised and bids were opened on February 9, 2017.

The Resource Management Agency received five (5) bids from eleven (11) eligible bidders. The lowest responsible and responsive base bid of \$43,175,000 was from Zovich & Sons Inc. dba Zovich Construction, Antioch, CA. This bid exceeded Project's construction estimate by \$5,082,409, but represents a reduction the original bid cost overage by \$3,502,000. Further redesign of the project is unlikely to result in additional cost savings. Additional County provided funding, in the amount of \$5,879,467, is needed to offset the increased cost of the New Juvenile Hall Project. Additionally, if approved by the BOS, the funds covering the cost increase must be properly identified to the satisfaction of the State for the project to continue.

The Project's milestone schedule currently has the Work scheduled to begin April 2017, with completion anticipated by July 2019.

Work to be done for the base bid elements consist of: existing building demolition, renovation of an existing housing unit, and addition of three new 30-bed housing buildings, vehicle sally port, recreation yard, and essential program space. The Project will be constructed in phases with existing building demolition making way for the new recreation yard and support buildings. Upon completion, the Project will provide approximately 68,896 square feet (sf) of total building area and 100,108 sf of site improvements on 9.217± acres of the greater 38.407± acres of county-owned land in the City of Salinas.

The Project will also include, but not be limited to, site utilities, water distribution and infrastructure; security fencing; electrical; plumbing; mechanical; computerized heating, ventilation, and air conditioning; security; low voltage; emergency power; staff and visitor parking; and fire protection systems.

DISCUSSION:

On April 22, 2014, Board Order and Resolution 14-106 the Board of Supervisors approved the change in Scope, Cost, and Schedule for the New Juvenile Hall Project, Project 8811 (Project), to reduce the Project from a 150 medium-security-bed Juvenile Hall complex to a 120 medium-security-bed facility with essential administrative and support space improvements based on the State of California conditional award of \$35 million, total project cost of \$52,791,824, and project completion date of September 2019;

On January 27, 2015 Board Order No. 15-00 Adopted Resolution No. 150009 confirming that the Board has \$16,992,638 set aside in the General Fund Balance Sheet Assignment 3127 - New Juvenile Hall Project for the sole use towards the Monterey County SB 81 project and to cover all County matching funds whether it be cash, in-kind match, and additional matching funds, where all of the funds in the General Fund Balance Sheet Assignment 3127 are discretionary funds and allotted at the sole discretion of the Monterey County Board of Supervisors towards the New Juvenile Hall Project. Board action resulted in the full transfer of \$16,992,638 to the General Fund Balance Sheet Assignment 3127 for the New Juvenile Hall

On July 7, 2015, Board Order and Resolution No. 15-202 the Board of Supervisors authorized a total cash match consisting of expenditures for FYs 2013 and 2014 in the amount of \$799,186 from General Fund Capital Projects Fund 404 for the Project along with the \$16,992,638 set aside in the General Fund Balance Sheet Assignment 3127 for the Project, which represents the County's Total Cash Match of \$17,791,824. Additionally, the Board of Supervisors confirmed that the \$799,186 in expenditures along with the \$16,992,638 set aside in the General Fund Balance Sheet Assignment 3127 represents the County's total cash match of \$17,791,824.

The Project originally received bids on May 19, 2016 (Board Resolution No. 14-106). At that time, the lowest responsible base bid was \$46,677,000. It was \$8.2 million (22%) over the architect's construction estimate. The Project's foundation was redesigned while preserving the original capacity and program space to reduce construction costs.

On October 4, 2016, the Board approved (Adopted Resolution No. 16-259/Board Order No. 16-054) the Plans and Specifications for the re-bid of the Project, Bid Package No. 10590. The Project was advertised and bids were opened on February 9, 2017. The Resource Management Agency received five (5) bids from eleven (11) eligible bidders. The lowest responsible and responsive base bid of \$43,175,000 was from Zovich & Sons Inc. dba Zovich Construction, Antioch, CA. This bid exceeds the architect's design estimate of \$38,092,591 by \$5,082,409. It is not possible to render any other changes to reduce the cost of construction without jeopardizing the State funding. Additional County funding approval is necessary to continue the project.

If the Project is approved by the Board of Supervisors, the California State Public Works Board

(SPWB), Pooled Money Investment Board (PMIB) of the State Treasurer's Office, and the State of California Department of Finance (DOF), work is scheduled to begin 2017 with completion anticipated by September 2019. Work to be done consists of demolition to the existing building, renovations to an existing housing unit, three new 30-bed housing buildings, new vehicle sally port, new recreation yard, and essential program spaces. The Project will be constructed in phases with existing building demolition making way for the new recreation yard and support buildings. The Project will also include, but not be limited to, site utilities, water distribution and infrastructure; security fencing; electrical; plumbing; mechanical; computerized heating, ventilation, and air conditioning; security; low voltage; emergency power; staff and visitor parking; and fire protection systems.

Upon completion, the Project will provide approximately 68,896 square feet (sf) of total building area and 100,108 sf of site improvements on 9.217± acres of the greater 38.407± acres of county-owned land in the City of Salinas.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel and Contracts/Purchasing attended the bid opening and reviewed all bids for conformance with applicable regulations. The RMA-Department of Public Works and Facilities reviewed the bids for responsiveness. The Office of the County Counsel, Auditor-Controller, and Risk Management have reviewed and approved the contract documents as to form and legality, fiscal terms, and insurance provisions, respectively. The Capital Improvement Committee (CIC) received bid result information as part of the New Juvenile Hall project quarterly report on February 13, 2017. The Budget Committee (BC) received bid result information as part of the New Juvenile Hall project quarterly report on February 22, 2017. BC directed staff to propose additional funding in support of continuing the project.

FINANCING:

The Project will need additional funding of \$5,879,467 for Architectural and Engineering Design Services necessary for the rebid (\$194,338), allocation of testing and special inspections to the Construction Manager (\$94,479), higher construction costs than estimated (\$5,082,409), and an increase to the mandatory State 10% construction contingency (\$508,241). The revised total Project cost therefore will increase from \$52,791,824 to \$58,671,291. The subsequent change to the County Match will increase from \$17,791,824 to \$23,671,291.

Staff is requesting the Board of Supervisors authorize the transfer of \$5,879,467 from the General Capital Assignment to the General Fund Balance Sheet Assignment 3127 - New Juvenile Hall Project to cover increased project costs for the sole use towards the Monterey County SB81 project and to cover all County matching funds whether it be cash, in-kind match.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Project corresponds to the Public Safety Initiative to reduce violent crime and homicides, create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow. Further, the Project meets a Public Safety Key Objective to attain safe and appropriate facilities to house adult and juvenile offenders that prepare them for successful re-entry to society.

Check the related Board of Supervisors Strategic Initiatives:

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

Prepared by: Donald D. Searle, Chief of Public Works and Facilities, (831) 755-5061

Approved by: Benny J. Young, P.E., Interim RMA Deputy Director of Public Works and Facilities

Approved by: Carl Holm, RMA Director

Dated: February 24, 2017

Attachments:

- Attachment A - Draft Board Resolution
- Attachment B - Agreement with Zovich & Sons Inc. dba Zovich Construction
- Attachment C - Certificates of Insurance
- Attachment D - Performance & Payment Bonds
- Attachment E - New Juvenile Hall Bid Analysis
- Attachment F - New Juvenile Hall Budget
- Attachment G - New Juvenile Hall Project Milestone Schedule
- Attachment H - Location Map

(Attachments on file with the Clerk of the Board)

cc: Manuel T. Gonzalez, Assistant CAO; Marcia Parsons, Chief Probation Officer