



Monterey County

Item No.12

Board Report

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

Legistar File Number: 20-744

October 27, 2020

Introduced: 9/11/2020

Current Status: Scheduled PM

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Matter Type: General Agenda Item

- a. Receive a status update on the Jail Housing Addition Project 8819
- b. Approve the use of up to \$1,614,318 of the unassigned New Juvenile Hall Project 8811 project budget, to be reassigned to the Jail Housing Addition Project 8819 project budget, as needed.
- c. Authorize the Auditor-Controller to amend the Fiscal Year 2020-21 Adopted Budget to increase appropriations by \$1,614,318 for Facility Master Plan Projects, Fund 404, Appropriation Unit RMA015, financed by the recognition of unassigned fund balance revenues in the amount of \$1,614,318 from the Facility Master Plan Projects, Fund 404 (4/5ths vote required).

It is recommended that the Board of Supervisors:

- a. Receive a status update on the Jail Housing Addition Project 8819
- b. Approve the use of up to \$1,614,318 of the unassigned New Juvenile Hall Project 8811 project budget, to be reassigned to the Jail Housing Addition Project 8819 project budget, as needed.
- c. Authorize the Auditor-Controller to amend the Fiscal Year 2020-21 Adopted Budget to increase appropriations by \$1,614,318 for Facility Master Plan Projects, Fund 404, Appropriation Unit RMA015, financed by the recognition of unassigned fund balance revenues in the amount of \$1,614,318 from the Facility Master Plan Projects, Fund 404 (4/5ths vote required).

SUMMARY

The Monterey County Jail Housing Addition AB 900 Phase II Project (JHA Project) 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. Over the past year, California State Fire Marshall (CSFM) field changes to the Project design have resulted in significant impacts to the Project budget and schedule. The most recent critical path impact is a new CSFM requirement for a horn strobe alarm system in the mechanical chases. Although not currently identified as a critical path impact, the beneficial occupancy as part of the County's COVID-19 response will likely have a time and cost impact. Staff hours related to the beneficial occupancy are being tracked for possible Federal Emergency Management Agency (FEMA) or Coronavirus Aid, Relief, and Economic Security (CARES) Act reimbursement. The current estimated Project costs through January 2021 is \$90,508,822, which results in a funding shortfall of \$1,608,822. Using this current projection, the Project would be completed at 1.8% over budget.

Following the descope of New Juvenile Hall Project 8811 in June/July 2020, \$1,614,318 in approved Project 8811 County match funding was no longer needed to complete the revised scope. At the start of Fiscal Year (FY) 2020/21 these funds became part of the Fund 404 unassigned fund balance. Staff recommends the \$1,614,318 be reassigned to the JHA Project as needed to fund the change orders required to complete the JHA Project in a timely manner.

DISCUSSION

On December 6, 2016, the Chair of the Board of Supervisors executed the Board of State and Community Corrections Jail Construction Agreement (Agreement) for the hereafter, “JHA Project” or “Project”. The Project 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.

Project History

The current RMA project team assumed responsibility for the project in December of 2019. The following sections highlight some of the JHA Project’s significant added costs and history of delays over the past year and projected budget impacts as reported to the Budget Committee by the current Project team. Projections fluctuate based on the projected timeline, known issues, and actual costs at the time of reporting. A more detailed narrative for each section is included as **Attachment A**. The Contractor has filed Time Impact Analysis (TIA) claims for the schedule delay period with the County which are under review. The information below is for historical context only and should not be considered schedule analysis or admission of responsibility by the County for any Project delay or cost.

Capital Improvement Committee: September 13, 2019

Critical Impacts:

- PG&E Switchgear Scheduling Delays
- CSFM Requirements Based on Field Inspections
 - CMU fire ratings certifications
 - Add firestopping to head of wall support brackets
 - Fire dampers in air ducts

Project Budget:

- Original Project budget: \$88,900,000
- Projected Costs: \$ 88,163,954
- Projected Budget Shortfall Over/Short: \$736,046

- Remaining Contingency: \$395,266
- Remaining Soft Costs Funding: \$340,780
- Projected Completion Date: January 31, 2020

Budget Committee: February 26, 2020

Critical Impacts:

- CSFM New Requirements Based on Field Inspections including:
 - Extensive reconstruction to create fire rated penetrations in the floors
 - Installation of Underwriters Laborites (UL) fire rated listings for wall expansion joints, mechanical duct shaft
 - Expansion joint fire ratings
 - Ongoing work to smoke exhaust shafts
 - Ongoing previously approved construction change order work

Project Budget:

- Original Project budget: \$88,900,000
- Projected Costs: \$ 89,038,958 (including CFSM estimated change orders)
- Remaining Budget Over/Short: -\$138,958
- Projected Remaining Construction Contingency: -\$182,668
- Projected Remaining Soft Costs Funding: \$43,710 (Not including new CFSM related soft costs)
- Projected Completion Date: March 31, 2020 (Not including un-resolved new CFSM Issues. Report narrative notified the Budget Committee of possible time extension into Summer 2020).

Budget Committee: April 29, 2020

Critical Impacts:

- Implement California State Fire Marshall (CSFM) approved revisions
 - Mechanical Shaft Wall
 - Floor penetrations
 - Duct penetrations at exhaust HVAC
- Obtain Engineering Judgements (EJs) for outstanding CSFM issues
- CSFM New Requirements Based on Field Inspections
 - Added sprinklers to gun ports
- HVAC fan motor commissioning issues

Project Budget:

- Original Project budget: \$88,900,000
- Projected Costs: \$ 88,745,912
- Remaining Budget Over/Short: \$154,088 (Reflects actual Contractor proposals received)

- Projected Remaining Construction Contingency: \$208,961
- Projected Remaining Soft Costs Funding: -\$54,873
- Projected Completion Date: June 30, 2020

Budget Committee Report June 24, 2020

Critical Impacts:

- CSFM new requirements based on field inspections: No new requirements identified
- Ongoing implementation of approved CFSM revisions
- Ongoing resolution of outstanding Engineering Judgements
- Ongoing resolution HVAC fan motor commissioning issues
- COVID-19 Beneficial Occupancy

Project Budget:

- Original Project budget: \$88,900,000
- Projected Costs: \$89,065,961 (Not including un-resolved HVAC/Plumbing/Mechanical

commissioning issues)

- Projected Budget Over/Short: -\$165,961 (Not including 15 pending change orders and potential HVAC changes and associated added soft costs)

- Projected Remaining Contingency: \$246,747
- Projected Remaining Soft Costs Funding: -\$412,708 (includes updated staff costs and consultant costs through September)
- Projected Completion Date: September 30, 2020

Budget Committee October 7, 2020

Critical Impacts:

- CSFM New Requirements Based on Field Inspections
 - New requirement for added horn strobe alarm in mechanical chases requiring additional design, CSFM design approvals, additional lead time for equipment order and installation
- COVID-19 Beneficial Occupancy
- Finish HVAC balancing and sound testing
- New Sprinkler head issue in cells

Project Budget:

- Original Project budget: \$88,900,000
- Projected Costs: \$90,508,822
- Projected Budget Over/Short: -\$1,608,822

- Projected Remaining Contingency: -\$680,955 (This includes estimate for addressing Horn Strobes and replacement of sprinkler heads)
- Projected Remaining Soft Costs Funding: -\$927,867 (This includes updated staff costs and consultant costs through January)
- Projected Completion Date: January 31, 2021

Funding Shortfall

Staff continues to explore options that will reduce or limit the budget shortfall. Approving the use of up to \$1,614,318 in Fund 404 unassigned fund balance will allow the JHA Project to continue without creating an additional burden on the County General Fund. Staff is closely monitoring and reviewing all JHA Project costs to reduce overruns wherever possible. This projected funding shortfall does not include approximately \$150,000 in potential change request claims, and approximately \$5,000,000 in TIA claims which are under review by the County and construction manager.

OTHER AGENCY INVOLVEMENT:

A status report was presented to the Budget Committee on October 7, 2020. No actions were taken by the Budget Committee during the meeting. The RMA was directed to present the report before the full Board. Resource Management Agency (RMA) and the Sheriff's Department continue to work jointly with the JHA Project team (construction manager, architect and staff augmentation engineer consultant) 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. RMA will work closely with the County Administrative Office

(CAO) on estimating additional JHA Project funding needs and financing sources.

FINANCING:

The current Board of Supervisors approved budget is \$88,900,000 which consists of \$80,000,000 in State AB-900 Lease Revenue Bonds and a County match of \$8,900,000. If approved with this report, staff would use up to \$1,614,318 in existing Fund 404 balance to cover construction and soft cost overruns.

Until early August the anticipated JHA Project schedule and budget estimates projected costs through September 2020. With the addition of the mechanical chase horn strobe issue, the JHA Project budget has been updated to reflect potential staff time and consultant costs through January 31, 2020. This results in a Project budget of \$90,508,822 and a funding shortfall of \$1,608,822

The JHA Project construction contingency budget is \$6,627,700. Projected change order costs of \$7,308,655 include \$6,765,695 in approved change orders, including \$1,307,936 for fuel tank and generator replacement approved by the Board on October 16, 2018, and \$542,960 in pending Contractor change order requests. The \$519,751 includes a \$200,000 estimate for the horn strobe alarm system as well as added safety railings, CSFM requirements for sealing floor penetrations, and sliding gate card reader controls.


Total expenditures recorded to date are \$88,200,583 including \$72,864,866 in construction costs and \$15,335,717 in soft costs.

To date, the County has claimed \$76,000,000 of the \$80,000,000 AB-900 Lease Revenue Bonds grant. Per the grant agreement, five percent (5%) (\$4,000,000) of funding is held by the State until the JHA Project is complete.

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Reviewed by: Lindsay Lerable, Chief of Facilities

Shawne E. Ellerbee, RMA Assistant Director

Approved by: Carl P. Holm, AICP, RMA Director 

The following attachments are on file with the Clerk of the Board:

Attachment A - Project Narrative

Attachment B - Budget Summary