



Monterey County

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Budget Committee

Legistar File Number: BC 18-093

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Current Status: Agenda Ready

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Matter Type: Budget Committee

- a. Support approving the issuance of Proposed Change Order No. 80 for the Jail Housing Addition Project, Project No. 8819 to add labor and materials, in the amount of \$1,400,000, to complete the removal and replacement of two underground fuel tanks and a generator to S.J. Amoroso Construction Co., Inc.'s construction contract.
- b. Support authorizing the Acting Deputy Director of Public Works, Parks & Facilities to execute Proposed Change Order No. 80 to Amoroso Construction's construction contract for the Jail Housing Addition Project, Project No. 8819.

RECOMMENDATION:

It is recommended that the Budget Committee:

- a. Support approving the issuance of Proposed Change Order No. 80 for the Jail Housing Addition Project, Project No. 8819 to add labor and materials, in the amount of \$1,400,000, to complete the removal and replacement of two underground fuel tanks and a generator to S.J. Amoroso Construction Co., Inc.'s construction contract.
- b. Support authorizing the Acting Deputy Director of Public Works, Parks & Facilities to execute Proposed Change Order No. 80 to Amoroso Construction's construction contract for the Jail Housing Addition Project, Project No. 8819.

SUMMARY:

One June 6, 2017, the Board of Supervisors approved the award of the Jail Housing Addition, Project 8819, Bid Package No. 10568 to S.J. Amoroso Construction, Co, Inc. ("Amoroso Construction") in the amount of \$66,277,000 pending State of California Department of Finance approval to proceed to construction.

On July 21, 2017, the State Public Works Board approved the AB-900 Lease Revenue Bonds (\$80,000,000) and issued official State approval to the County to proceed to construction on Jail Housing Addition, Project 8819 (the "Project").

On July 20, 2018, the project team inspected the Project site near the area where the new electrical switchgear will be located. The project team observed an underground fuel storage tank ("UST") and a 600KW generator in close proximity to the new electrical switchgear location. Subsequently, additional investigations revealed a second undisclosed UST in the immediate vicinity. These conditions were not known when the plans were drawn or when the Project was bid. Further inspection revealed that the USTs and generator pose a risk to the excavation and construction of the

electrical switchgear and need to be replaced to provide a reliable life safety back-up system for the Jail operation in the event of a power outage. The cost to abate this condition is \$1,400,000 that, if approved, would leave a Project contingency balance of \$4,000,076.

DISCUSSION:

The Project requires the installation of new electrical switchgear, which will be placed between the existing switchgear and an UST that is currently serving the generator for the kitchen and half the existing jail facility. The cost to abate this condition is \$1,400,000 and change orders exceeding \$150,000 require Board approval.

The initially discovered UST is over 20 years old and failed its most recent May 2018 inspection. The subsequently discovered UST has a known primary fuel tank leak appears to have been contained in the secondary fuel tank vessel. Additionally, investigations into the area have failed to locate the fuel line serving the second UST. The age and condition of both USTs, as well as the inability to locate the fuel line, elevate the risk of contamination and the corresponding need for soil remediation and abatement.

The existing 600KW generator emergency backup generator is over 30 years old and has exceeded its useful life expectancy. Mechanical failures and limited parts availability make the existing 600KW generator an unreliable emergency backup.

This scope of work for the proposed Change Order No. 80 includes the following:

- a. Architectural & Engineering Services
- b. CM Support Costs
- c. Inspection Services
- d. Environmental Consultant
- e. Design Contingency
- f. Removal of Fuel Tank and area restoration
- g. Removal & Replacement of 600 KW
- h. Generator Set w/ 2000gallon belly tank
- i. Additional tank & fuel issue removal
- j. Additional site remediation and interior abatement

The emergency generator and its corresponding UST will be replaced with a 600 KW Generator with a 2000-gallon belly tank, which will eliminate the need for an UST. There is no plan to replace the second, subsequently discovered UST.

OTHER AGENCY INVOLVEMENT:

RMA-Public Works and the Sheriff's Department continue to work jointly with Board of State and Community Corrections (BSCC) to meet all State requirements to maintain the conditional award by helping the project move forward during construction. This report was presented to the Capital Improvement Committee on September 10, 2018 and was approved unanimously to move forward for approval.

FINANCING:

Project financing consists of Lease Revenue Bonds from the State AB 900 in the amount of \$80,000,000 with a local match of \$8,900,000. The Jail Housing Addition Project No. 8819 was awarded to Amoroso Construction Co., Inc in the amount of \$66,277,000 with a contingency amount of \$6,627,700 for a total construction budget of \$72,904,700. Presently the project has issued change orders in the amount of \$1,227,624.00, with the addition of Change Order No. 80 the amount increases to \$2,627,624 leaving a contingency balance of \$4,000,076.

The FY 2018-19 adopted budget includes \$39,812,078 in appropriations in the Facilities Master Plan Projects Fund 404, Appropriation Unit RMA015, for the Jail Housing Addition Project. If additional appropriation are needed as the project progresses through the year, staff will return to the Board of Supervisors through the Budget Committee to request appropriations.

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Reviewed by: Neville Pereira, Interim RMA Deputy Director of Public Works, Parks & Facilities

Approved by: Carl Holm, AICP, Director Resource Management Agency

Attachments:

Attachment A - Kitchell Estimate for Proposed Change Order