



Legislation Details (With Board Report)

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| 10/14/2019 | 1 | Capital Improvement Committee | | |

Receive a Status Report on the New Juvenile Hall, Project 8811.

RECOMMENDATION:

It is recommended that the Capital Improvement Committee receive a status report on the New Juvenile Hall, Project 8811.

SUMMARY:

The New Juvenile Hall, Project 8811 (Project) has begun project close out of Phase I prior to transitioning the youth out of the existing facility to the newly constructed buildings. Once Phase I is completed and occupied, two original buildings will be demolished and replaced with new facilities (Phase II). Phase II is expected to be completed one year from the time it begins.

The project had an overall construction budget of \$47,492,500, including a contingency budget of \$4,317,500. There has been a total of \$36,576,639 in construction costs to date, and the contingency has been exhausted with Phase I. This project was bid as a whole (Phase I and Phase II) so while it is technically within the overall construction budget, Phase II has not started. Also, it has been determined occupancy of Building 7 (original building retained within the boundaries of Phase I) requires work that was not included in the scope of the project.

Phase 1 has seen an extensive number of challenges with multiple change orders that include requests for additional time (Time Impact Analysis), which equates to cost both for construction and soft costs (project management). Phase I was initially scheduled to be completed in July 2018; however, it is now anticipated to be completed by December 31, 2019. Changes to scope and time are subject to negotiations, but we also need to comply with terms of the State funding (scope and timing). Even in these last stages, the Project is subject to ongoing change orders resulting in increased costs and requests for time.

County staff and our consultants (Project Team) are working diligently to keep changes to the project scope and legal requirements, knowing that this project is already overextended on time and budget. Resource Management Agency (RMA) has dedicated resources to this project to ensure the County is able to react

quickly to change requests to keep the project moving and even recover schedule delays if possible. This report includes a summary of recent construction progress and a discussion on critical timeline negotiations between the County and Zovich Construction.

DISCUSSION:

Project Team:

RMA manages construction of the Project for the Probation Department, and we are working closely with the County Administrative Office and County Counsel. The Contractor is Zovich & Sons Inc. dba Zovich Construction. Construction management services are currently contracted with APSI/Sixth Dimension, and project management services are contracted with Kitchell CEM. The project architect is DLR, Inc. The County is transitioning Phase II project management to RMA staff and construction management to Kitchell CEM.

Project:

The Project consists of replacing the Juvenile Hall campus at 1420 Natividad (38,949 s.f., three (3) buildings) with a new campus consisting of six (6) new buildings plus one (1) remodeled existing building (78,441 s.f.). The project is being implemented in two phases so that operations could continue through construction.

Phase I consists of demolishing a 2,633 s.f. modular building and a 3,621 s.f. gymnasium and constructing four new buildings (50,385 s.f.): Administration (Bldg. 4), Housing (Bldgs. 1A & 1B), and Education (Bldg. 6) plus the site work around the existing Juvenile Hall. One existing Dormitory (Bldg. 7) was planned to remain.

Phase II consists of constructing two additional buildings (22,985 s.f.): High Security Housing (Bldg. 2) and Cafeteria/Service Building (Bldg. 5). Phase II will commence only after Phase I is complete, the occupants are transitioned to the new buildings, and the remaining Juvenile Hall buildings are demolished. The existing Administration and Housing building will remain in operation until Phase 1 is completed and occupied, and then will be demolished as part of Phase II.

Project Schedule and Time Impact Analysis:

Change orders and construction delays can be attributed to multiple factors. Delays are considered either compensable or non-compensable. Compensable days are accepted by the County as outside the Contractor's control and extend the construction contract term, precluding the Contractor from paying liquidated damages to the County. Delays determined to be the Contractor's fault are non-compensable. The Project Team reviews each delay with the Contractor to determine which party or parties are responsible. If the parties cannot come to an agreement, contract guidelines provide a process to resolve the dispute through claims.

In August 2018 the Project Team issued a unilateral Change Order #60, agreeing to a project delay of seventy-four (74) days, forty-eight (48) days compensable and twenty-six (26) days non-compensable. This effectively extended the contract end date from July 4, 2019 to October 17, 2019 (74 days). At the time, the Contractor did not agree to this change order and refused to sign the documentation. However, the Contractor recently submitted a pay application for August 2019 which included the unilaterally approved charges for Change Order #60.

At the end of August 2019, the Contractor submitted Time Impact Analysis #3 (TIA #3), which requests 294 compensable days that occurred between November 1, 2017 and July 1, 2019. The County's construction management consultant, APSI-Sixth Dimension, is reviewing TIA #3 and will provide the County an analysis of which days are eligible as compensable delays. The impact of TIA #3 on the contract term is pending analysis and negotiations.

The Project Team continues to work with the Contractor to provide a recovery schedule, and responsibilities for the cause of delays are subject to ongoing evaluation. The Contractor has been notified that these delays may result in the assessment of liquidated damages as provided for in the contract.

Construction Progress:

Phase I tasks remaining:

- Building 1A & 1B - Carpet flooring tiles, Office furniture delivery, television monitors and misc. storage furniture, programming and testing of cameras and security electronics.
 - Building 4 - Office furniture delivery, television monitors and misc. storage bags/bins, Fire sprinkler inspection, patch painting, carpet flooring and finish flooring furniture installation, programming and testing of cameras and security electronics.
 - Building 6 - Classroom furniture and equipment from MCOE, Office furniture, Exterior sprinkler head installation, State Fire Marshall approval, flooring seal and installation, programming and testing of cameras and security electronics.
 - Building 7 - Detention fixture and furniture installation, construction of revised roof overhang between buildings 4 and 7.
 - Site - Finished grading, shaping and planting of landscape and drainage detention basins, hydroseeding and formation of drive and pedestrian pathways.
- Closeout and Transition - Final punchlist items, fine-tuning of security cameras, training and commissioning.
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Budget

Contractor was issued a Notice to Proceed on April 24, 2017, for construction of the Juvenile Hall at a cost of \$43,175,000 plus a 10% contingency budget of \$4,317,500, for a total construction budget of \$47,492,500. The total Project budget, including contracts with Kitchell CEM for project management services and APSI/Sixth Dimension for project management and architectural services, was \$58,671,291.

On June 25, 2019, the Board of Supervisors approved an increase in the amount of \$320,681 in the project budget for costs incurred above the established project contingency during Fiscal Year (FY) 2018-19. On July 23, 2019, an additional increase of \$590,963 was approved by the Board of Supervisors to fund known change orders in FY 2019-20, resulting in a revised Project budget of \$59,582,935.

Total expenditures through June 2019 are \$45,429,479, including \$36,576,639 in construction costs and \$8,672,840 in soft costs. The remaining project budget, including the additional funding that was approved, is \$14,153,456 for tasks consisting of Phase I close out, Phase II, and project management.

Funding Request

At the time of this report, there is an additional estimated funding need of \$640,000 that includes approximately \$340,000 in change orders and \$300,000 for remedial repairs to the Dormitory from existing Juvenile Hall. Additional funding requests for consultants services, internal project manager costs and security fencing around staff parking, as well as change orders, are being verified by RMA staff and the County Administrative Office (CAO), and will be presented once actual costs and funding sources are determined.

Change order requests are a result of project scope changes, unanticipated field conditions, and errors and omissions on the construction documents. Some identified changes have been based on inspections from the State Fire Marshal or Bureau of State and Community Corrections (BSCC) which identified changes necessary

to comply with Title 15 and/or Title 24 requirements. Other changes are based on Probation Department's assessment of items that may create a safety issue for staff and/or youth. All change orders are reviewed by staff and either rejected, revised or validated and accepted. Only change requests that have been fully vetted, negotiated and signed off by the County are brought to the Board of Supervisors to request necessary funding. Staff is reviewing additional change orders and project costs and will present an additional funding request to the Budget Committee for recommendation to the Board of Supervisors.

The existing Dormitory (Building 7) was retained as part of the value engineering to save construction costs for the entire project. An estimate of \$292,617 was provided to the County through the County's Job Order Contracting (JOC) program for a new roof, new rooftop HVAC equipment and a missing boiler for this building. RMA staff have also proposed to take on full-time project management of this project through to completion of Phase II, thereby transitioning Kitchell CEM to the Construction Manager role and releasing APSI/6D as the Construction Manager. Total soft costs for consultants are being evaluated and verified.

OTHER AGENCY INVOLVEMENT:

RMA and the Probation Department continue to work jointly with the BSCC to meet all State requirements to maintain the conditional award by helping the Project move forward during construction. State Water Resources Control Board and State Fire Marshal construction phase inspection will continue throughout the construction duration. RMA continues to work closely with the County Administrative Office (CAO) on estimating additional project funding needs and financing sources.

FINANCING:

The current project budget is \$59,582,935 which consists of the State lease revenue bond of \$35,000,000 and County match of \$24,582,935, of which \$13,232,386 was required as a minimum match for this State funding. The County match was financed by \$332,927 from the Facility Master Plan Projects, Fund 404, along with \$24,250,008 from General Capital Assignment. Previous increases of \$320,681 and \$590,963 are included in this budget amount and were financed by Unused Discretionary Funds from the tenant improvement project for the East/West Wing from FY 2018-19. To date, the County has claimed \$34,485,812 from the State.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Provision of a New Juvenile Hall facility supports the Board of Supervisors Administration, Infrastructure, and Public Safety Strategic Initiatives by enhancing the safety of County staff, facility occupants, and the public.

Economic Development

Administration

Health & Human Services

Infrastructure

Public Safety

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Attachments:

Attachment A-New Juvenile Hall Milestone Schedule

cc: Marcia Parsons, Chief Probation Officer