



# County of Monterey

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

## Board Report

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**File #:** RES 20-083, **Version:** 1

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- a. Receive a status report on the New Juvenile Hall, Project 8811
- b. Adopt a resolution to:
  1. Approve the change in Scope, Cost and Schedule for the New Juvenile Hall, Project 8811 (Project), to reduce the Project from a 120-medium-security-bed facility to an 80-medium-security-bed facility with essential administrative space improvements based on the State of California conditional award of \$35 million, total project cost of up to \$62,886,350, and project completion date of June 2021;
  2. Authorize the Resource Management Agency (RMA) Director or designee to submit the revised Project Scope, Cost and Schedule to the Board of State and Community Corrections (BSCC) for approval;
  3. Authorize the Resource Management Agency (RMA) Director or designee to submit the revised Project Scope, Cost and Schedule to the California Department of Corrections and Rehabilitation (CDCR) for approval; and
  4. Contingent upon approval of the change in scope by BSCC and CDCR, authorize and direct the County Administrative Officer, RMA Director, and/or Chief of Probation to take such other further actions as authorized by the Board of Supervisors, as may be necessary or appropriate to move the Project forward to meet State milestone requirements as defined under the SB81 2007 Youthful Offender Rehabilitative Facility Construction Funding Program.
- c. Ratify approval of New Juvenile Hall, Project 8811 construction change orders #246, #251-A & B, and #248-A & B per Section 3 of August 28, 2001 Board Order, "Revised Contract Change Order Procedure for Construction Contracts Administered by the Public Works Department" (August 28, 2001 Board Order)

**RECOMMENDATION:**

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  4. Contingent upon approval of the change in scope by BSCC and CDCR, authorize and direct the County Administrative Officer, RMA Director, and/or Chief of Probation to take such other further actions as authorized by the Board of Supervisors, as may be necessary or appropriate to move the Project forward to meet State milestone requirements as defined under the SB81 2007 Youthful Offender Rehabilitative Facility Construction Funding Program.
- c. Ratify approval of construction Change Orders #246, #251-A & B, and #248-A & B per Section 3 of August 28, 2001 Board Order, "Revised Contract Change Order Procedure for Construction Contracts Administered by the Public Works Department" (August 28, 2001 Board Order)

**SUMMARY:**

In March 2017, the Board of Supervisors awarded contracts for construction and professional services (Architectural and Engineering Design, Construction Management, and Project Management). The initial Project budget was about \$58.6 million with a projected completion date of July 2019. Current estimates, presuming no additional changes beyond what is known to date, is about \$68.3 million (hard and soft costs) with an end date of June 2021.

Due to the 3-year construction completion requirements to sell the State bonds and the changes required to complete Phase I, the County staff has been working with the California State Department of Finance (DOF), Board of State and Community Corrections (BSCC) and California Department of Corrections and Rehabilitation (CDCR) to revise the project scope. RMA formally submitted proposals to BSCC and CDCR to revise the project scope, which would generally remove Building 2 (30 high security beds) and Building 5 (kitchen, laundry, storage) from the scope. Operations would be adjusted accordingly.

Adoption of a resolution (**Attachment A**) is required by BSCC and CDCR prior to consideration and final approval of scope revisions by BSCC and CDCR. BSCC and CDCR are presenting the proposed scope revision to their boards on June 11, 2020 and June 12, 2020, respectively. Included with the report are the scope revision documents provided to BSCC (**Attachment B**) and CDCR (**Attachment C**). Projected cost for the revised Project scope is \$61,272,032 and is within the existing County approved Project funding of \$62,886,350.

A separate action included in the report ratifies staff's approval of Project construction change orders #246, #251-A & B, and #248-A & B (**Attachment D**). The RMA Project team negotiated these change orders with the construction contractor which individually exceed the \$150,000 threshold for change order approval authority; however, delay in approval to first obtain Board authorization would delay the project completion date and; therefore, said delay would adversely affect the County's interest in the progress of the work. Construction and occupancy cannot move forward until this work is authorized. A construction delay contributable to the County may also result in claims against the County by the construction contractor. Therefore, per Section 3 of the "Revised Contract Change Order Procedure for Construction Contracts Administered by the Public Works Department" adopted on August 28, 2001 (**Attachment E**), the RMA Director designee (as authorized by the Board on March 17, 2020) has signed these change orders to provide prior approval to said change order work. If the revised Phase II scope discussed in this report is approved by the Board, BSCC and CDCR, existing funding will be sufficient to cover these change order costs. If scope revisions are not feasible, a funding request to make up the project difference would be submitted at a later date.

#### DISCUSSION:

##### **Project Scope**

New Juvenile Hall, Project 8811 (Project) included demolition of the existing Juvenile Hall and construction of a 120-medium-security-bed facility with standard and high security housing, administration building, gymnasium, classrooms, kitchen, dining and laundry services. The Project was bid as a single construction project. In order to accommodate Probation operations during construction, the scope of work has been implemented in two (2) construction phases. Phase I is nearing completion; however, a significant amount of change orders resulting from site conditions and changes from the approved plans has resulted in substantial cost increase and time delays. In addition, County has been advised by the State Fire Marshall that a significant redesign is required for Phase II.

Proposed scope revisions are designed to align the Project with current fiscal and timeline constraints and meet

operational standards (Titles 15 and 24), without jeopardizing SB81 funding managed by BSCC and CDCR. The revised facility provides a total of 80 beds and includes: demolition of all existing buildings, construction of Buildings 1A, 1B, 4, 6, 7 (Buildings to be completed by July 2020), all new site work including outdoor recreation and the addition of a modular/portable building for institutional storage. Building 2 (30 high security beds) and Building 5 (kitchen, laundry, storage) will be removed from this Project.

High security beds would be provided within one of the other dormitories (Building 1A, 1B or 7). The current (pre-COVID) youth population is 50 (average)/70 (high). Depending on the need for high security beds, all or part (wing) of one of the dorms may be used to provide up to 30 beds for that purpose.

Operationally, kitchen and laundry services will continue as they have in the past (outside services through the Youth Center) or through a third-party contractor. Dining will be provided within the day use areas of the housing units which have enough tables and chairs to provide individual seating for 80 youth. Recreation areas (indoor and outdoor) meet Title 24 requirements.

The revised project scope as proposed to BSCC and CDCR is estimated to cost \$61,272,032 (hard and soft costs). This includes estimated remaining Phase II costs of \$6,527,327 (\$3,218,590 hard costs and \$3,308,737 soft costs) plus a recommended additional twenty percent (20%) construction contingency for Phase II (\$643,718).

Initial Phase II redesign projections included a twenty percent (20%) contingency (\$1,794,739) for remaining work based on projected Phase II costs at the time (\$8,973,694). As the scope was revised down, projected Phase II construction costs were reduced to the current \$3,218,590. The revised twenty percent (20%) contingency is \$643,718; however, staff recommends the total \$1,794,739 be included in the project budget for unknown costs which may arise as the Phase II redesign is finalized.

As currently approved, the Project budget is \$62,886,350, leaving \$1,614,318 in approved funding available. Per CDCR guidelines, the recommended construction contingency is not counted in their project budget forms, resulting in a State reported Project budget of \$59,477,293.

Staff is working with an architect on a revised plan and construction documents. The revised baseline construction scope estimate is \$45,148,400, plus \$1,794,739 recommended contingency for a total construction cost of \$46,943,139. Costs are based on bid pricing for site work and demolition, as well as staff estimates for a modular/portable storage building and additional fencing needed to fill in areas where Buildings 2 and 5 were incorporated into perimeter and interior barriers. Estimated remaining soft costs through June 30, 2021 are \$3,308,737 using existing construction manager, staff augmentation, architect and staff time projections. The total Project soft cost budget is \$14,328,893.

### **Project History and Timeline of Project Scope and Budget Changes**

On October 8, 2015, the County issued and advertised RFQ #10550 Request for Contractor Prequalification for the Project. The County received three (3) bids and two (2) no bid responses. All three (3) of the submitted bids exceeded the Project's construction budget of \$38,092,591 with the lowest bid amount approximately twenty two percent (22%) over budget at \$46,677,000. After review of contractor bid documentation by County and its consultants (Kitchell), all bids were rejected.

To reduce construction costs the project scope was revised for re-bid, including but not limited to the following: remove contractor pre-qualification requirements, modify earthwork scope, remove LEED requirements, remove new dorm building and mechanical upgrades for existing dorm and redesign the project's foundation

while preserving the original capacity and program space. The lowest redesigned Project bid exceeded Project's construction estimate by \$5,082,409.

On March 22, 2017, the Board of Supervisors awarded the re-bid scope construction contract and approved additional funding of \$5,879,467 for Architectural and Engineering Design Services necessary for the re-bid, allocation of testing and special inspections to the Construction Manager and higher construction costs than estimated. The Project budget was increased from \$52,791,824 to \$58,671,291. The subsequent change to the County funding contribution increased from \$17,791,824 to \$23,671,291.

At the time of the construction contract award in March 2017, Phase I was to be completed by July 12, 2018 with Phase II completed by July 5, 2019. By October 2017, delays due to unforeseen site conditions (unknown utilities and soil conditions) during the excavation and grading phase of the Project started to impact the schedule and in December 2017 delays were significant enough to require a review of the entire Project schedule. Since the start of construction, the estimated completion for the original project scope has been delayed multiple times and is currently estimated as June 2021.

Project scope changes in response to BSCC and California State Fire Marshall (CSFM) field inspections have significantly impacted the Project cost and schedule. Most recently, CSFM inspectors are requiring a redesign of the Phase II building roofs, which will likely lead to additional change order(s) and soft costs to redesign the Project and extend work beyond the estimated completion date of June 2021.

The project budget has increased from \$58,671,291 (hard and soft costs) to a projected \$68,300,000, presuming no further changes/delays. With the expected reductions in revenues due to COVID-19, it is likely the County will not have additional the additional funding needed to complete the Project under the current scope.

#### OTHER AGENCY INVOLVEMENT:

The Resource Management Agency (RMA) and the Probation Department continue to work jointly with BSCC and CDCR to meet all State requirements to maintain the conditional award for the grant funding. State Water Resources Control Board and CSFM inspections will continue as needed throughout the construction phase. RMA continues to work closely with the County Administrative Office (CAO) to review additional project funding needs.

#### FINANCING:

The current Board of Supervisors approved project budget is \$62,886,350 which consists of a State lease revenue bond of \$35,000,000, State required minimum match of \$3,500,000, and additional County funding of \$24,386,350 for a total County funding commitment of \$27,886,350. Previously approved increases for overruns of \$320,681, \$590,963, \$2,577,580 and \$725,835 are included in this budget amount. The County funding is financed by \$26,750,032 from General Capital Assignment and \$1,136,318 from the Facility Master Plan Projects, Fund 404.

Total expenditures through May 2020 are \$50,232,637, including \$39,973,857 in construction costs and \$10,258,780 in soft costs. To date, the County has claimed \$34,485,812 of the \$35,000,000 State SB81 Local Youthful Offender Rehabilitative Facilities Construction grant. A claim for the remaining \$514,188 will be processed for submittal to the State as eligible construction costs are incurred. Per the grant agreement, five percent (5%) (\$1,750,000) of SB 81 funding is held by the State until the Project is complete.

**Attachments B and C** include information for comparing budgets of the original project with the proposed revised scope. Without this scope revision, staff estimates that the Project will cost up to \$68,300,000,

presuming no significant changes beyond what is currently known.

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

X Administration

Health & Human Services

X Infrastructure

X Public Safety

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Reviewed by: Lindsay Lerable, Chief of Facilities  
Shawne E. Ellerbee, Deputy Director of Administrative Services

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

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

Attachment A - Resolution

Attachment B - BSCC Proposal

Attachment C - CDCR Proposal

Attachment D - Change Orders for Approval

Attachment E - Change Order Policy