



Board Report

File #: 19-0610, **Version:** 1

- a. Approve an increase to the New Juvenile Hall Project 8811 in the amount \$590,963 for FY 2019-20 from Facilities Master Plan Projects Fund 404-3000-8174-RMA015, where the total project cost increases to \$59,582,935 comprised of \$35,000,000 in SB81 Lease Revenue Bonds and \$24,582,935 in matching County funds, where the financing source is unused discretionary funds from the tenant improvement project for the East/West Wing from FY 2018-19.
- b. Authorize the County Administrative Officer to act on behalf of the Board during the Board's Summer Recess, if the need arises, to increase funding to keep the project moving.
- c. Authorize the Auditor-Controller to increase appropriations in the amount of \$590,963 in the FY 2019-20 Adopted Budget for the Facilities Master Plan Projects Fund 404, Appropriation Unit RMA015, where the financing source is fund balance (404-3101) (4/5ths vote required). (ADDED VIA ADDENDUM)

RECOMMENDATION:

- a. Approve an increase to the New Juvenile Hall Project 8811 in the amount \$590,963 for FY 2019-20 from Facilities Master Plan Projects Fund 404-3000-8174-RMA015, where the total project cost increases to \$59,582,935 comprised of \$35,000,000 in SB81 Lease Revenue Bonds and \$24,582,935 in matching County funds, where the financing source is unused discretionary funds from the tenant improvement project for the East/West Wing from FY 2018-19.
- b. Authorize the County Administrative Officer to act on behalf of the Board during the Board's Summer Recess, if the need arises, to increase funding to keep the project moving.
- c. Authorize the Auditor-Controller to increase appropriations in the amount of \$590,963 in the FY 2019-20 Adopted Budget for the Facilities Master Plan Projects Fund 404, Appropriation Unit RMA015, where the financing source is fund balance (404-3101) (4/5ths vote required).

SUMMARY:

The New Juvenile Hall construction project is nearing completion with Phase I anticipated to be completed by November 2019, and then Phase II will begin. On June 25, 2019, the Board of Supervisors (BOS) approved an increase to the Fiscal Year (FY) 2018-19 budget for the New Juvenile Hall Project 8811 in the amount of \$320,681 bringing the total project budget to \$58,991,972. This request was submitted to process change orders through the end of FY 2018-19; however, moving forward, additional expenses are expected for FY 2019-20 that will require funding to prevent the project from further delay prior to completion.

There is funding reserved for Phase II, however, this does not include funds for any additional change orders. Since this is an active construction project, changes are inevitable, even though the project team is diligent in mitigating further impacts to scope, schedule, and budget. As change requests from the Contractor are received, staff reviews every request to determine the validity of the request. Once each request has been fully vetted, negotiated, and accepted by the County, staff will bring additional funding needs forward to the Board for funding consideration. The amount requested, \$590,963, only represents those change requests that have been fully vetted, negotiated, and signed off by the County as of the date of this report.

DISCUSSION:

Zovich Construction, contractor, was issued a Notice to Proceed on April 24, 2017, for construction of the Juvenile Hall at a cost of \$43,175,000. The project is being constructed in two phases with Phase I constructing

four new buildings: Administration (Bldg. 4), Housing (Bldgs. 1A & 1B), Education (Bldg. 6) around the existing Juvenile Hall, and Remodeling one existing Dormitory (Bldg. 7). Phase II will commence only after Phase I is complete, the occupants transitioned to the new buildings, and the existing Juvenile Hall building demolished. Phase II will construct two additional buildings: High Security Housing (Bldg. 2) and Cafeteria/Service Building (Bldg. 5).

Phase I was anticipated to be completed by July 2018; however, due to unforeseen conditions and issues during construction, the Phase I project completion date was extended to November 2019. Phase II is expected to be completed one year following completion of Phase I.

Currently, the contractor is in the process of developing a Time Impact Analysis (TIA), which as of the writing of this report, has not been submitted. This analysis will allow staff to identify a more accurate estimate of costs for the project as well as determine if a revised project completion date is probable. The project team continues to work with the Contractor to provide a recovery schedule and responsibilities for such delays are continuing to be evaluated. The contractor has been put on notice that these delays may result in the assessment of liquidated damages as provided for in the contract.

Some identified changes have been based on inspections from BSCC (Bureau of State and Community Corrections) in which Title 15 and/or Title 24 require these changes. In addition, other changes included in this request are based on Probation's assessment of items that may create a safety issue for staff and/or youth.

OTHER AGENCY INVOLVEMENT:

RMA and Probation continue to work jointly with the 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.

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:

RMA, working closely with CAO's office, developed a process for requesting Board of Supervisors' approval for additional funds towards the New Juvenile Hall project. Once Contractor-submitted change requests have been fully vetted, negotiated, and signed off by the County, the RMA will bring forward a report to the Board requesting additional funding for those increased project costs. At this time, the County has signed off on change requests/orders that total \$590,963. Staff is recommending that the financing source to fund this \$590,963 be sourced from the unassigned fund balance in Fund 404-3101, where the fund balance source was from unused discretionary funds previously assigned to the tenant improvement project for East/West Wing project.

The revised total project budget for the New Juvenile Hall will increase by \$590,963 to \$59,582,935, where the financing sources comprise of \$35,000,000 in SB81 Lease Revenue Bonds and \$24,582,935 in matching discretionary County funds.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Actions resulting from the recommendation support the Board of Supervisors' Administration, Infrastructure

and Public Safety Strategic Initiatives by providing effective management of construction projects, and the new County facility would provide an improved environment for residents and enhanced safety for staff and the public.

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

Prepared by: Neville Pereira, PE, CBO, Chief of Building Services

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

Attachment:

Attachment A-Listing of Additional Hard Costs

(Attachment on file with the Clerk of the Board)

cc: Marcia Parsons, Chief Probation Officer