



Board Report

File #: A 20-339, **Version:** 1

- a. Authorize the Chair of the Board of Supervisors to execute the “Second Amendment to Board of State and Community Corrections AB 900 II Construction Agreement for Monterey County” in a form substantially similar to the “Execution Copy” of said amendment. which amends the project milestone schedule and allows the Jail Housing Addition Project to proceed under the terms of the AB 900 Jail Financing Program Phase II;
- b. Authorize and direct the County Administrative Officer, Resource Management Agency Director, and the Monterey County Sheriff, and/or their respective designees to take such other further actions as may be necessary or appropriate to meet State requirements as defined under the AB 900 Jail Financing Program to amend and update the project milestone schedule as approved by the Board of State and Community Corrections (BSCC); and
- c. Appoint the Resource Management Agency (RMA) Director as the “Participating County Construction Administrator” and authorize the RMA Director to execute future amendments to the “BSCC AB 900 II Construction Agreement for Monterey County” to amend, update and extend the project milestone schedule as necessary and subject to the approval of the BSCC and the Office of the County Counsel.

RECOMMENDATION:

- a. Authorize the Chair of the Board of Supervisors to execute the “Second Amendment to Board of State and Community Corrections AB 900 II Construction Agreement for Monterey County”, in a form substantially similar to the “Execution Copy” of said amendment. which amends the project milestone schedule and allows the Jail Housing Addition Project to proceed under the terms of the AB 900 Jail Financing Program Phase II;
- b. Authorize and direct the County Administrative Officer, Resource Management Agency Director, and the Monterey County Sheriff, and/or their respective designees to take such other further actions as may be necessary or appropriate to meet State requirements as defined under the AB 900 Jail Financing Program to amend and update the project milestone schedule as approved by the Board of State and Community Corrections (BSCC); and
- c. Appoint the Resource Management Agency (RMA) Director as the “Participating County Construction Administrator” and authorize the RMA Director to execute future amendments to the “BSCC AB 900 II Construction Agreement for Monterey County” to amend, update and extend the project milestone schedule as necessary and subject to the approval of the BSCC and the Office of the County Counsel.

SUMMARY/DISCUSSION:

On December 6, 2016, the Chair of the Board of Supervisors executed the Board of State and Community Corrections (BSCC) Jail Construction Agreement (Agreement) for the Monterey County Jail Housing Addition AB 900 Phase II Project (Project). The proposed second amendment to the Agreement (**Attachment A**) replaces the Exhibit B, Section 2 Project Timetable to reflect the current projected Project completion date of January 31, 2021. 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.

The Project is 98.2% complete, however recent issues are impacting both schedule and budget. Until early August, the estimated Project completion date was September 30, 2020 with a funding shortfall of approximately \$495,000. HVAC noise and balancing issues identified during commissioning, and new California State Fire Marshall (CSFM) requirements for horn strobe alarms in the mechanical chases made during recent field inspections may extend the estimated Project completion date to January 31, 2021. This would result in an estimated Project budget of \$90,175,277 and a funding shortfall of \$1,275,277. This funding shortfall does not account for any Project impact resulting from the COVID-19 beneficial occupancy, change order requests pending pricing, or costs for Time Impact claims made by the Contractor. Staff is currently reviewing over \$5,000,000 in Time Impact claims submitted by the Contractor.

On Friday, July 10th, in response to positive tests of COVID-19, new arrivals to the jail facility began to be housed in a ground floor unit on the north end of the Project. The Sheriff's Office worked with CSFM, BSCC and other stakeholders to establish a beneficial occupancy in this area of the Project. Staff continues to work with the construction contractor and Project team (construction manager, architect and staff augmentation engineer consultant) to identify and address impacts to the Project work and completion date, including impacts to warranty dates, commissioning and punch list items.

Following the descope of New Juvenile Hall Project 8811 in June/July 2020, \$1,614,318 in approved Project 8811 funding was left unassigned in Fund 404. Staff recommends these funds be reassigned as needed to cover cost overruns on the Project.

OTHER AGENCY INVOLVEMENT:

Resource Management Agency (RMA) and the Sheriff's Department continue to work jointly with the Project team 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 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.

The Project construction contingency budget is \$6,627,700. Projected change order costs of \$6,708,405 include \$6,608,786 in approved change orders, including \$1,307,936 for fuel tank and generator replacement approved by the Board on October 16, 2018, and \$99,619 in pending Contractor change order requests.

Total expenditures recorded to date are \$87,401,156 including \$72,814,688 in construction costs and \$14,586,468 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 Project is complete.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Project will provide a larger detention facility which is critically needed as the current high occupancy count exceeds the existing facility's capacity and assists the County with State-mandated milestones. The recommended action supports the Board of Supervisors Strategic Initiatives as indicated below:

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

Attachments:

Attachment A - AB900 Amendment No. 2