

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 8/9/2016	(3) CONTACT/PHONE Mark A. Moore, Sr. Capital Project Coordinator (805) 781-5213	
(4) SUBJECT Request to receive and file a project update for the Women's Jail Expansion, authorize a budget adjustment in the amount of \$1,100,000 from Capital Project Savings and Facilities Planning Reserve Designation to the Women's Jail Expansion project budget, and direct staff to extend consultant services contracts. Project located at 1585 Kansas Avenue, San Luis Obispo. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Receive and file the report on the current status of the Women's Jail Expansion project at 1585 Kansas Avenue in San Luis Obispo. 2. Authorize a budget adjustment in the amount of \$1,100,000 from Capital Project Savings and Facilities Planning Reserve Designation to the Women's Jail Expansion project budget for extension of consultant services contracts, by 4/5 vote. 3. Direct staff to extend consultant services contracts with Construction Manager, ARCADIS US, Inc.; Inspector of Record Manager, 4LEAF, Inc.; Architect/Engineer, AECOM, Technical Services, Inc. Contract extensions will be brought to the Board at a later date. 			
(6) FUNDING SOURCE(S) \$897,000 Capital Project Savings; \$203,000 Facilities Planning Reserve Designation	(7) CURRENT YEAR FINANCIAL IMPACT \$1,100,000.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input checked="" type="checkbox"/> Board Business (Time Est.30 min)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1617011 <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 7/18/6; 7/17/07, #B-15; 12/01/07; 1/12/08, #C-1; See attachment.	
(17) ADMINISTRATIVE OFFICE REVIEW Geoff O'Quest, Administrative Analyst			
(18) SUPERVISOR DISTRICT(S) All Districts			

Reference: 16AUG09-BB-1

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
Mark A. Moore, Sr. Capital Project Coordinator

VIA: Dave Flynn, Deputy Director of Public Works
Chief Rob Reid, Sheriff's Office

DATE: 8/9/2016

SUBJECT: Request to receive and file a project update for the Women's Jail Expansion, authorize a budget adjustment in the amount of \$1,100,000 from Capital Project Savings and Facilities Planning Reserve Designation to the Women's Jail Expansion project budget, and direct staff to extend consultant services contracts. Project located at 1585 Kansas Avenue, San Luis Obispo. All Districts.

RECOMMENDATION

It is recommended that the Board:

1. Receive and file the report on the current status of the Women's Jail Expansion project at 1585 Kansas Avenue in San Luis Obispo.
2. Authorize a budget adjustment in the amount of \$1,100,000 from Capital Project Savings and Facilities Planning Reserve Designation to the Women's Jail Expansion project budget for extension of consultant services contracts, by 4/5 vote.
3. Direct staff to extend consultant services contracts with Construction Manager, ARCADIS US, Inc.; Inspector of Record, 4LEAF, Inc.; Architect/Engineer; AECOM, Technical Services, Inc. Contract extensions will be brought to the Board at a later date.

DISCUSSION

Background

The Women's Jail Expansion project will construct a 36,000 square foot addition to provide housing space for 198 female inmates and property storage area, and an additional 8,000 square foot building for medical, dental, and mental health services and other support programs for the entire jail population. The project includes upgrading the existing jail's security electronic system to a state of the art security system. The overall project cost is estimated at \$40.7 million with the State of California providing \$25.1 million under AB900 grant funds.

In December 2013, the Board awarded a construction contract to Roebbelen Contracting, Inc. in an amount of \$27,797,000. A project construction change order contingency budget of \$2,779,700 (10%) was also approved at that time. A notice to proceed was issued February 24, 2014.

I. Current Project Status

The project has been under construction for two and a half years and is approximately 85% complete. Unresolved schedule delay issues and pending work effort risks both project budget and project completion which was envisioned to be January 2017.

The County and the Contractor are in disagreement as to who is responsible for the delay and any additional cost relating to the delay. Currently, the Contractor is claiming a 332-day delay. This delay would push completion of the project to mid July 2017. The Contractor is attributing the delays to several issues including differing site conditions during drilling and construction of caissons and foundation structure as well as changes to hollow metal wall panel construction required by the State Fire Marshal.

There have been twenty-three Construction Change Orders (CCO) approved with two CCO's pending approval for a total expense of \$1,430,102. Potential CCO's for work done to date are forecasted to be an additional \$835,000. The Board approved a construction change order contingency budget of \$2,779,700 at the time the construction contract was awarded. The Public Contract Code, Section 20142, limits single CCO to \$210,000. Future CCO's exceeding this limit, will be brought to your Board for approval. A detailed list of all currently approved CCO is attached.

Construction consists of two phases and seven milestones.

a. Phase 1

Phase 1 is the construction of the Women's Housing and includes Phase 1A, construction of a new Property Storage Area (PSA), renovation of existing Sergeant's offices, and remodel of an existing recreation yard; and Phase 1B, a facility wide upgrade of the Security Electronics system. Phase 1 consists of 6 Milestones:

- Milestone 1, submittal and approval of long lead equipment; (complete)
- Milestone 2, submittal and approval of detention hollow metal walls and floor decks; (complete)
- Milestone 3, construction of a temporary loading dock; (complete)
- Milestone 4, Property Storage Area, Sergeant's office and inmate recreation yard; (complete)
- **Milestone 5, facility wide security electronics upgrade;**
- **Milestone 6, construction of the new Women's Housing building.**

Milestone 5, Security Electronics Upgrade, is continuing. Scope of work includes upgrade of entire jail system security. System work for the West Housing to the new electronics and video system are complete. Transition elements for move-in of the Inmate Reception Center and Main Jail are nearing completion. Significant coordination has been done with the project team to streamline the start-up. Training Sheriff staff is the critical element remaining to complete this milestone.

Milestone 6, the Women's Housing unit, began construction in February 2014 and is approximately 95% complete. The Contractor's estimate to complete the housing unit is mid-September 2016. Move-in to the facility is expected to take about one month from its completion.

Currently, interior infrastructure, utilities and finishes are being completed. Systems startup, functional testing and commissioning began early August and the Contractor, Construction Manager, Inspector of Records are working diligently towards completion by mid-September.

Both Milestone 5 and 6 are delayed approximately 12 months from the original schedule.

b. Phase 2

Phase 2 consists of Milestone 7, Demolition of the existing Women's Jail and construction of the Medical and Programs facility. Milestone 7 is scheduled to start 30 days after completion of Milestone 6. This 30-day period between milestones allows for transfer of inmates and a shakedown interval for the new Housing building.

II. Impacts/Risks to Project Budget

The project has several items of risk. In particular, the delays resulting in greater costs for project oversight and potential schedule claims. Project work must conform to the Construction Agreement with the State in order to secure all state funds.

a. Funding/Finance

1. Oversight Costs

An immediate impact of the delay to the project is the necessity of extending our consultant contracts. The Inspector of Record contract was established based on a 32-month construction period. The Construction Management and Architect/Engineer contracts were established on a 36-month construction period. Due to the extended length of construction the staffing plans remained fully staffed creating an accelerated draw down of contract funding. The County's own staffing will need to be evaluated for impacts both to the direct management but also the added effort through the Public Works Department. It is anticipated we will return to your Board with Amendments to these contracts to address extension in time. Other time base contracts include Terra Verde, environmental monitoring and reporting, and Civil Design Studio, Storm Water Pollution Prevention, and their contracts will also require extensions. To extend these agreements, Public Works is requesting a budget adjustment totaling \$1,100,000 to address expected costs and allow for a contingency budget for these activities. (See table in Financial Considerations, below.)

The project architect has been put on notice that the County will seek reimbursement for unbudgeted County Staff oversight costs incurred due to the need for clarification of project documents.

2. Reimbursement Payments:

Project funding from the state is provided under an agreement with the Board of State and Community Corrections (BSCC). A second agreement for the project is with California Department of Correction and Rehabilitation (CDCR) who must sign-off on project reimbursement to the County. On November 24, 2015 your Board approved a first Amendment to the Jail Construction Agreement. This Amendment extended the completion date of construction to mid-February 2017. On February 2, 2016 your Board approved an amendment to the California Department of Corrections and Rehabilitation Standard Agreement (PR 10237360) extending the agreement to June 30, 2017.

Due to the increased delay to the project, BSCC and CDCR will require second Amendments extending the Jail Construction Agreement and the CDCR Standard Agreement through project completion. Approving these second Amendments will allow the State to continue reimbursements through construction completion and occupancy of the Medical/Programs facility.

It is anticipated we will return to your Board to approve the State amendments at a later date.

b. Potential Claims:

Additional impacts and risk include potential claims by the Contractor. These may include claims for extended time and costs outside the construction contract and which are not included in the approved CCOs.

The County continues to engage the contractor to resolve these matters. The construction contract allows liquidated damage penalties to be assessed on Milestone and project completion.

c. Schedule

The Contractor has prepared a completion schedule for the Housing Unit establishing mid-September for completion. The schedule includes activities for systems startup, functional testing, commissioning, training, and inspection and approval from the State Fire Marshal and the Board of State and Community Corrections (BSCC). See attached Milestone Summary.

The Women's Jail Expansion project team consists of several diverse entities shown in the attached organization chart.

OTHER AGENCY INVOLVEMENT/IMPACT

A Project Steering Committee has been established for this project, with participants from the Sheriff's Office, Auditor-Controller-Treasurer-Tax Collector, County Administrative Office, County Counsel, and Public Works. The committee is actively involved in conducting project oversight. The Sheriff's office is active and engaged with the project team in the field on a daily basis.

The California Board of State and Community Corrections, California Department of Corrections and

Rehabilitation and the California Department of Finance have been involved from grant award and continue to be an integral part of the funding process.

County Counsel is providing legal guidance on all aspects of the Women’s Jail Expansion project and reviews project documents for form and legal effect.

FINANCIAL CONSIDERATIONS

Expenses through June 30, 2016, as shown in Exhibit “A”, Table No. 1, total \$33,048,977 and include expenses for construction, Architectural/Engineering services, California Environmental Quality Act (which include services for monitoring, reporting and mitigation required by State and Federal environmental permits), Construction Management, Inspector of Record, Testing and Special Inspection, Commissioning, and County staffing. The project support costs total \$7,960,953 through June 30, 2016. Additional oversight expenses through the extended schedule for planned project completion are estimated to be \$1,100,000.

Expected Cost of Professional Service Agreement Extensions/Support cost are:

RESOURCE	FIRM	ESTIMATED COST
Project Architect	AECOM Inc.	\$200,000
Construction Manager	ARCADIS US	\$400,000
Inspector of Record	4 Leaf, Inc.	\$225,000
Additional Consultant Service\ (Contingency budget)		\$117,000
County Staff		\$158,000
	Total	\$1,100,000

Public Works Department is therefore requesting authorization of a budget adjustment in the amount of \$1,100,000 to the Women’s Jail Expansion project budget (WBS 300034), funded from \$897,000 in Capital Project Savings and \$203,000 from Facilities Planning Reserve Designation, for the extension of consultant services contracts and County staffing. Extension of the support contracts is needed to provide the construction oversight through the completion of construction.

Currently, \$17,699,399 in reimbursements of the \$25,125,630 State grant funding has been received from the State. Another \$2,428,171 in reimbursements are pending processing through the State.

With the inclusion of the budget adjustment, the total project cost is \$41,844,786 of which the estimated County share to complete the housing unit, medical facility and security system, is \$16,569,156. Exhibit “A”, Table No. 2 summarizes, in broad terms, the overall funding sources for the project.

RESULTS

The Women’s Jail Expansion project will expand the capacity of the Women’s Jail by up to 155 beds, alleviate overcrowding conditions, and provide capacity for the future. It will also provide improved medical facilities for both male and female inmates and additional space for rehabilitation programs such as counseling and education. State funding will provide \$25.1 million offsetting approximately 75% of the cost for the housing unit, medical facility and security system associated with those units. The facility improvements will contribute to a safer and well governed community.

ATTACHMENTS

1. Vicinity Map
2. Site Layout Map
3. Exhibit A – Budget/Funding Tables
4. Chronology of Board Actions
5. Construction Change Order Log Summary Log
6. Milestone Summary
7. Project Organization Chart

Reference: 16AUG09-BB-1

L:\Construction\2016\Aug\BOS\WJE 080916 bud adj\Women's Jail Expansion brd ltr 08092016.docx.mm.taw