



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

H-5

For the meeting of: December 8, 2015

Date: November 30, 2015
To: HUMBOLDT COUNTY BOARD OF SUPERVISORS
From: WILLIAM DAMIANO, CHIEF PROBATION OFFICER
Subject: Update on Juvenile Hall Replacement Facility Construction Project, Project Number 170212 and Budget Request Increase

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive an update on the proposed budget for the Senate Bill 81 Youthful Offender Block Grant - Juvenile Hall Replacement Project, Project #170212; and
2. Direct the County Administrative Officer, Treasurer Tax-Collector and Chief Probation Officer to identify additional funding up to \$2,100,000 for completion of the Project.

SOURCE OF FUNDING:

Criminal Justice Construction Fund and General Fund

DISCUSSION:

In 2011 the Board of Supervisors initiated the acceptance of a grant with the State of California for the SB-81 Juvenile Hall Replacement Project, Project #170212. The Project has been in the design phase for more than a year. Probable construction cost estimating is also part of the design phase and as the design has developed more refined construction cost estimates have

Prepared by Tim Toste CAO Approval [Signature]

REVIEW: Auditor _____ County Counsel _____ Personnel _____ Risk Manager _____ Other _____

TYPE OF ITEM:

☐ Consent
☒ Departmental
☐ Public Hearing
☐ Other

PREVIOUS ACTION/REFERRAL:

Board Order No. E-2, E-3, G-6, C-19, H-3, C-8, C-17, C-24, C-9, C-18, C-18

Meeting of: 10/28/08, 12/16/08, 3/1/11, 6/14/11, 4/10/12, 12/11/12, 5/14/13, 8/13/13, 4/8/14, 7/1/14, 10/6/15

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor Sundberg Seconded by Supervisor Bass

Ayes Sundberg, Lovelace, Fennell, Bohn, Bass
Nays _____
Abstain _____
Absent _____

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: Dec. 8, 2015
By: [Signature]
Kathy Hayes, Clerk of the Board

evolved. Some work components that are necessary for the grant Project include selective demolition of the existing Juvenile Hall/Probation Office building, reuse of the Probation Office wing, and new Juvenile Hall replacement construction on the existing outdoor exercise area.

A large portion of the lateral resisting elements of existing Juvenile Hall/ Probation Office building will be demolished with the razing of the existing Juvenile Hall wing of the overall structure. This will render the existing probation office unable to meet structural lateral code requirements in case of a major seismic event; therefore, the project cannot be completed without the structural retrofit to make the remaining building seismic code compliant and provide for the safety of probation staff and clients. Furthermore, the new Juvenile Hall building cannot be constructed over the existing outdoor exercise area without increasing the soil-bearing capacity per the current building codes and standards.

The structural retrofit costs necessary to preserve the structural integrity of the existing Probation Office and the costs to improve the site's structural soils capacity are greater than originally projected. The design team has reduced the scope of the project to the minimum allowed under the existing agreement with the State in an attempt to bring the project into budget. However, these unexpected increases are greater than the reductions made and divert overall project budget allocations away from the actual new Juvenile Hall portion of the project. This has the potential to put the project over budget assuming the County does not have additional funding to put into the Probation Office and site/soil preparation work.

The Grant offer received from the State is a fixed amount of \$12,930,869, which is specifically for the construction portion of the project. The State's portion of the grant did not, and does not, cover the full amount of the construction values leaving the County with a cash match obligation for the balance which exceeds the grant amount. Since the time of the Grant award the California Construction Cost Index (CCCI) has increased. According to the CCCI, the current value of the granted project is higher than at the time of grant award. In order for the County to receive the equivalent project anticipated at the time of the grant award the project construction costs should be adjusted commensurate with a construction escalation factor.

The County will publicly bid the construction project. Based on the bids received, the County could potentially be responsible for additional construction costs up to 10% (ten percent) above the approved construction budget estimate. If the bids are close to the estimated construction costs then something less than the full 10% bid margin will be needed as a commitment to the project. The County will also have the option to not proceed with awarding the project or the County will have the option to pay the design team to redesign and re-bid the Project at the risk of increased construction escalation costs and reducing the scope of the project to the point of requiring re-approval by the State Public Works Board for a project of reduced scope.

Both the State of California and the County currently have the same authorized budgets for the Project. On April 8, 2014 your Board adopted a resolution demonstrating that the County had funds as required by the California Department of Finance for the cash match of the grant and additional funding necessary to complete the project for costs not covered by State grant funds. That resolution included funding of \$2,319,625 from Certificates of Participation and \$900,000 from the Criminal Justice Fund. Due to additional costs that were not known prior to the design of the Project associated with structural retrofit of the existing building, soil-bearing capacity, and construction cost increases the project is now estimated to be \$773,500 over budget. These additional costs must be covered by the County for the project to move forward. Also, there has always been the potential that actual bids could come in over the

construction budget and the county needs to plan for that cost up to 10 percent. The State does not require a new resolution for the project. The County is responsible for all costs over the grant amount to construct the project based on the current state approved scope.

It is recommended that the County Administrative Office, Treasurer-Tax Collector and Chief Probation Officer identify additional funding up to \$2,100,000 for the project. Depending on actual bid amounts the funding requirement may be less. The following table summarizes the proposed project budget adjustments:

Project Budget Analysis	Current	Proposed	Adjustment
Construction	\$12,440,900	\$13,264,800	
Contingency	\$1,027,618	\$977,218	
Total Construction Summary	\$13,468,518	\$14,242,018	\$773,500
10% Bid Overage Margin		\$1,326,480	\$1,326,480
TOTAL ADJUSTMENT PROPOSED			\$2,099,980
TOTAL PROJECT	\$16,727,968	\$18,827,948	\$2,099,980

The Project is tentatively scheduled to be advertised for public bid February/March 2016 followed by the construction contract award around May 2016. Award of the construction contract will start an eighteen (18) month construction period which translates into project completion near the end of 2017.

FINANCIAL IMPACT:

The impact to the Criminal Justice Construction Fund and General Fund for this request will be \$773,500 and up to \$1,326,480 needed for 10% Bid Overage Margin totaling approximately \$2,100,000. On April 14, 2014 (C-9) your Board committed by way of resolution grant match funding of \$900,000 from the Criminal Justice Construction Fund and \$2,319,625 from a 20-year bond. This would put the total funding by the County up to approximately \$5,319,605. Keeping in mind \$1,326,480 is the 10% Bid Overage Margin that may not be expended at all or a lesser amount should bids be on target or less than 10% over estimated construction costs.

OTHER AGENCY INVOLVEMENT:

County Departments: County Administrative Office and Treasurer Tax-Collector

ALTERNATIVES TO STAFF RECOMMENDATIONS:

To not approve the funds necessary to increase the project budget. This is not recommended as the County has the use of \$12,930,869 in State funding and not approving the additional County funding for the project may cause a drastic redesign of the project thereby delaying the bid process and increasing costs even more during the delay. The State funding will always remain the same while project construction costs will continue to rise.

ATTACHMENTS: N/A