



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: General Services
Department No.: 063
For Agenda Of: June 21, 2016
Placement:
Estimated Tme: N/A
Continued Item:
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: General Services Matthew P. Pontes, Director, (805) 560-1011
Contact Info: Janette Pell, Assistant Director, (805) 568-3096
SUBJECT: Northern Branch Jail Project, Award Construction Contract for Bid Packages 1 and 2, Award Construction Testing/Special Inspections and Inspector of Record Contracts, Receive Update with Revised Project Budget. Third Supervisorial District.

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management; Sheriff's Dept.

As to Form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve the plans and specifications for the Northern Branch Jail AB900 Bid Package 1, and Bid Package 2;
- b) Award, contingent upon State approval, the attached contract with SJ Amoroso Construction Co., Inc. of Costa Mesa, CA in the amount of \$77,720,000.00 for the construction of the AB900 Northern Branch Jail Project Bid Package 1 and authorize and direct Chair to execute the contract;
- c) Authorize the Director of General Services to execute the escrow agreement for security deposits in lieu of retention in accordance with section 22300 of the California Public Contract Code;
- d) Authorize the General Services Director or designee to approve individual change orders for up to \$210,000.00, up to an aggregate amount of \$3,898,500.00, for the construction of the AB900 Northern Branch Jail Project Bid Package 1 for a project authorization of \$81,618,500.00;
- e) Award, contingent upon State approval, the attached contract with Spiess Construction Co., Inc. of Santa Maria, CA in the amount of \$2,911,645.00 for the construction of the AB900 Northern Branch Jail Project Bid Package 2 and authorize and direct Chair to execute the contract;

- f) Authorize the General Services Director or designee to approve change orders for a contingency amount up to \$158,082.00 for the construction of the AB900 Northern Branch Jail Project Bid Package 2 for a project authorization of \$3,069,727.00;
- g) Award, contingent upon State approval, the attached contract with Earth Systems, Inc. of Ventura, CA not to exceed \$517,944.90 for Construction Testing and Special Inspection Services for Santa Barbara County Northern Branch Jail Project No. 8600, and authorize and direct Chair to execute the contract;
- h) Award, contingent upon State approval, the attached contract with Tyr, Inc. of Lakewood, CA not to exceed \$566,400.00 for Inspector of Record Services for Santa Barbara County Northern Branch Jail Project No. 8600, and authorize and direct Chair to execute the contract;
- i) Receive and file this letter as an update from General Services on the status of the Northern Branch Jail AB900 Phase II Project and the total estimated project costs of \$110.86M which includes the additional funds previously set aside in the adopted 2016-2018 budget; and
- j) After considering the Final Subsequent Environmental Impact Report (SEIR), State Clearinghouse No. 2007111099, that the Board of Supervisors certified on March 11, 2008, the December 6, 2011 SEIR addendum, and the October 8, 2013 SEIR addendum, determine pursuant to 14 CCR §15162(a) that no subsequent EIR or Negative Declaration is required for this project because: i) No substantial changes are proposed in the project which require major revisions of the 2008 Final Subsequent EIR; ii) No substantial changes have occurred with respect to the circumstances under which the project is undertaken which require major revisions of the 2008 Final Subsequent EIR; and iii) No new information of substantial importance concerning the project's significant effects or mitigation measures, which was not known and could not have been known with the exercise of reasonable diligence at the time that the Final Subsequent EIR was certified in 2008, has been received.

Summary Text:

The bidding phase for the Northern Branch Jail AB900 Phase II Project is complete. On April 7, 2016, three (3) bids for bid package 1 (BP-1), encompassing construction of the Northern Branch Jail complex and site improvements, were opened with base bids ranging from \$77.72 to \$79.28M. With regards to bid package 2 (BP-2), encompassing construction of the offsite utilities serving the jail, three (3) bids were opened ranging from \$2.911M to \$3.187M. Despite the proximity of the bids to one another, all bids for both bid packages significantly exceeded the engineer's estimates, and in turn the amounts budgeted within the overall approved project budget.

On May 23, 2016, General Services and the Sheriff provided updates on the project, including options to address the higher than estimated costs. The Board directed Staff to return on June 21 with contract award recommendations, and to proceed with actions through which the Board, within the 2016 Budget Adoption Hearings, would consider a comprehensive budget proposal of the selected funding method which would transfer funds primarily from the NBJ Operations Fund to fund the projected \$14.75M shortfall. With that process complete, staff recommends award of the construction contracts and other construction related contracts, contingent upon receiving authorization from the California Department of Corrections and Rehabilitation, to proceed with construction.

Background:

The Northern Branch Jail Project has been planned for more than twenty years, with the goals of reducing jail crowding, limiting the continued early release of persons convicted of crimes, and to replace aging existing jail facilities.

Pursuant to Government Code section 830.6, staff recommends the Board approve the Plans and Specifications for both bid packages in anticipation of contract award.

On June 2, 2015, the Board authorized the Director of General Services to advertise for bids on the Northern Branch Jail AB900 project. In preparation for the bidding phase for BP-1, a total of twenty-five (25) prequalification packets were distributed to interested parties, with twelve (12) completed submissions returned for consideration. As a result, nine (9) general contractors were deemed qualified to proceed to the bid phase in accordance with the established scoring criteria, review of references, etc. On March 31, 2016, six (6) of the nine (9) prequalified general contractors attended the mandatory pre-bid job walk for BP-1, and on April 7, 2016, three (3) of the six (6) submitted bids. The lowest bid received was from SJ Amoroso Construction Co., Inc. in the amount of \$77.72M, nearly 17% above the engineer's estimate of \$66.7M.

On March 10, 2016, thirteen (13) general contractors attended the mandatory pre-bid job walk for BP-2, and on April 7, 2016, three (3) submitted bids, with the lowest bid received from Spiess Construction Co., Inc. in the amount of \$2.912M, nearly 22% above the engineer's estimate of \$2.394M.

As detailed in the May 23, 2016 update presentation, various factors may have contributed to the higher than anticipated bid results, yet few options remain available to effectively reduce the costs while still complying with the requirements of the AB900 conditional award. With the funding decisions implemented, Staff recommends the Board approve and direct the Chair to execute both construction contracts.

Local Contractor Participation

On June 2, 2015, the Board directed staff to incorporate a goal of 50% local employment participation on the Northern Branch Jail project, and to include a mandatory outreach and monitoring program that would include outreach to local businesses and Veterans. As a result, the bid documents required prospective bidders to submit a Local Labor Outreach Plan (LLOP) demonstrating good faith efforts to encourage Local Business Entities (LBE) and Veteran Business Entities (VBE) to participate in the bid, and tabulating the results of LBE and VBE participation. In the case of BP-1, the low bidder demonstrated 31.2% LBE, and .7% VBE, meaning LBE participation represented approximately \$24.1M of the \$77.2M bid and VBE represented approximately \$.557M respectively. On BP-2, in addition to the low bidder being a Santa Maria contractor, their LLOP demonstrated 17%, or \$438,752 LBE and VBE.

Testing and Special Inspection Contract

General Services solicited Requests for Qualifications (RFQ's) from firms capable of performing construction testing and inspection, and received three proposals, with Earth Systems selected for testing and inspection services with a recommended contract award of \$517,944.90. The testing and inspection services include onsite and offsite sampling and laboratory testing of soils and construction materials; inspection and testing of materials and equipment at offsite and out-of-state fabrication sites, including welding inspections and tests; other tests and construction related inspection services required by the State; and other professional engineering services as necessary to support the above activities.

Inspector of Record Contract

General Services solicited Requests for Qualifications (RFQ’s) from firms capable of performing construction testing and inspection, and received 5 proposals, and Tyr, Inc. was selected as the inspector of record with a recommended contract award of \$566,400.00. The Inspector of Record ensures compliance with code, plans, specifications and quality assurance. The Inspector of Record will issue correction and stop work notices and notify the Construction Manager and County in writing if work does not conform to contract documents.

Key Contract Risks

Approval of the recommendations will allow the State to complete their review and approve the revised project inclusive of the increased costs. Upon approval from the State to proceed with construction, General Services will issue a Notice to Proceed with the Northern Branch Jail AB900 Phase II Project, with the goal of completing construction in 2018 and occupancy in 2019.

Fiscal and Facilities Impacts:

Budgeted: Yes, however, the County is solely responsible for any and all costs, expenses and fees in excess of the maximum State financing.

Fiscal Analysis:

With approval of the construction contracts, the current projected total project budget has been revised from \$96.1M to \$110.86M, as presented to the Board on May 23, an increase of \$14.75M. The tables below reflect the pre-bid budget summary table reflecting the \$96.1M approved project budget, vs. the new proposed budget summary table.

PRE-BID "BUDGET SUMMARY TABLE"

LINE ITEM	STATE REIMBURSED	CASH MATCH/ELIGIBLE OVERMATCH	IN-KIND MATCH	TOTAL	County Overmatch Ineligible
1 Construction	\$68,982,000	\$4,297,283		\$73,279,283	40,000
2 Additional Eligible Costs	\$3,622,000	\$594,801		\$4,216,801	
3 Architectural	\$5,101,000	\$474,613		\$5,575,613	\$122,750
4 Construction Management	\$2,295,000	\$922,466		\$3,217,466	\$76,500
5 CEQA		\$383,000		\$383,000	
6 Audit			\$20,000	\$20,000	
7 Site Acquisition			\$612,085	\$612,085	\$4,481,315
8 Needs Assessment			\$70,000	\$70,000	
9 County Administration			\$2,988,309	\$2,988,309	\$95,205
10 Transition Planning			\$900,000	\$900,000	\$11,300
11 Real Estate Due Diligence			\$11,938	\$11,938	
TOTAL AB900-ELIGIBLE PROJECT COST	\$80,000,000	\$6,672,163	\$4,602,332	\$91,274,494	\$4,827,070
PERCENT OF TOTAL	87.6%	7.3%	5.0%	100.0%	

Total eligible project costs	\$91,274,494
Total Ineligible Project Costs	\$4,827,070
Total Project Costs	\$96.1M

PROPOSED REVISED "BUDGET SUMMARY TABLE"

LINE ITEM	STATE REIMBURSED	CASH MATCH/ELIGIBLE OVERMATCH	IN-KIND MATCH	TOTAL	County Overmatch Ineligible
1 Construction	\$68,982,000	\$17,850,065		\$86,832,065	40,000
2 Additional Eligible Costs	\$3,622,000	\$2,206,722		\$5,828,722	
3 Architectural	\$5,101,000	\$610,345		\$5,711,345	\$122,750
4 Construction Management	\$2,295,000	\$355,263		\$2,650,263	\$91,281
5 CEQA		\$333,000		\$333,000	
6 Audit			\$20,000	\$20,000	\$40,000
7 Site Acquisition			\$612,085	\$612,085	\$4,481,315
8 Needs Assessment			\$70,000	\$70,000	
9 County Administration			\$2,973,613	\$2,973,613	\$135,205
10 Transition Planning			\$900,000	\$900,000	
11 Real Estate Due Diligence			\$15,600	\$15,600	
TOTAL AB900-ELIGIBLE PROJECT COST	\$80,000,000	\$21,355,395	\$4,591,298	\$105,946,693	\$4,910,551
PERCENT OF TOTAL	75.5%	20.2%	4.3%	100.0%	

Total Eligible Project Costs	\$ 105,946,693
Total Ineligible Costs	\$ 4,910,551
Total Project Costs	\$110.86M

Special Instructions:

Request the Chair of the Board sign three (3) original contracts each (12 total), and the Clerk of the Board return two (2) of each signed contract to Celeste Manolas, along with a certified copy of the minute order.

Attachments:

1. SJ Amoroso Construction Co., Inc. contract
2. Spiess Construction Co., Inc. contract
3. Earth Systems, Inc. Contract
4. Tyr, Inc. Contract

Authored by:

Celeste Manolas, Capital Projects Manager, General Services Support Services