

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



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

Agenda Number:
Prepared on: 7/1/2004
Department Name: General Services
Department No.: 063
Agenda Date: July 6, 2004
Placement: Administrative
Estimate Time: 0 Minutes
Continued Item: NO
If Yes, date from: N/A

TO: Board of Supervisors

FROM: Ronald S. Cortez, Director
General Services Department

STAFF CONTACT: Grady Williams, PE, (568-3083)
Project Manager

SUBJECT: Alcohol, Drug, Mental Health Services – Children’s Services Building
Second Supervisorial District

Recommendation(s):

That the Board of Supervisors reject all Construction Bids opened May 27, 2004.

Alignment with Board Strategic Plan:

The recommendation is primarily aligned with actions required by law or by routine business necessity.

Summary Background:

In 2001, your Board adopted a county building program to replace the failing old hospital structure that has been used by the Rehabilitation Institute at 427 Camino Del Remedio, Calle Real Campus. The new building will house the administrative offices for Alcohol, Drug and Mental Health Services (ADMHS) and the Santa Barbara Children’s program (MISC), administered by ADMHS (currently located on Haley Street in Santa Barbara). By authority of the Board of Supervisors granted in October 2002, the old facility has been demolished, except for building “D” - the former psychiatric ward. It will be used as part of the new facility to be built. The new replacement structure is approximately 13,000 square feet. This project is consistent with the Facility Policy Framework Ordinance (Ord. 4452) adopted Board in March of 2002.

Subject: ADMHS Children's Services Building

Agenda Date: July 6, 2004

Page 2

A CEQA exemption for the entire project, citing CEQA paragraph 15301(b), was filed with the Clerk of the Board July 12, 2001. A Government Code Section 65402(a) review by County Planning and Development Division was completed August 1, 2002.

Specific Discussion on Bids

On December 9, 2003 your Board authorized General Services to advertise for bids to construct the project. The Engineers Estimate/ Construction budget was \$2.1 million. On March 25, 2004, only two bids were received and the low bid was by Carroll Construction for approximately \$3.4 million; about \$1.3 million over budget. This bid equated to about \$262 per square foot for a building that should be approximately \$162 per square foot. All bids were subsequently rejected. The design was streamlined modestly, and the Engineers Estimate was increased to allow for material price increases and current high demand for contractors. With a new Engineers Estimate of \$2.3 million, bids were again advertised, but this time to a much larger geographical area including Los Angeles, Orange County, Bakersfield and Fresno. Bids were opened on May 27, 2004, and again only two bids were submitted. This time the low bid was \$3.875 million by MTM Construction (Orange County); almost \$1.8 million over the original budget. This price results in a building cost of nearly \$300 per square foot, for a building that is relatively simple. Initially the low bid was \$3.175 million, but the bid was withdrawn by the contractor, Carroll Construction, due to a clerical error resulting in a price \$438,000 lower than intended.

It is staff's opinion that a price of nearly \$300 per square foot is unreasonable, and that it would not be an appropriate use of public funds to award the project at this price. Furthermore, the additional \$1.6 million that would be required to fund the low bid is not identified. It is staff's opinion that the reasons for the high bids are due primarily to the current bidding climate. Construction demand is presently very high, as are some material prices. Staff is currently reviewing project alternatives, including re-bidding when the bid climate is more favorable, and will advise the Board at a future date.

Mandates and Service Levels:

No change in service level.

Fiscal and Facilities Impacts:

This project is fully funded for the original construction budget of \$2.1 million. It is being funded with Certificates of Participation (COPs) and departmental money. The COPs will be paid back over a 20-year term using ADMHS Haley Street Lease funds. Funds for the current fiscal year have been appropriated and are available in Fund 0030 Department 063, Account 8700, Program 1930, Project 8612. It is shown in the Department Summary as *Capital Improvements* on page B-45 of the Santa Barbara County Budget for FY 2004-2005.

Special Instructions:

Upon approval, please forward the Minute Order to Grady Williams, Facilities Services Division, General Services Department.