



Board Agenda Item 43

DATE: September 6, 2022

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: West Annex Jail - Change Order Process and Status

RECOMMENDED ACTION(S):

- 1. Receive change order status report on West Annex Jail construction project, located at 2208 Merced Street, Fresno, CA 93721, regarding approval by Chairman of Change Order # 25, providing for a net increase in the contract amount of \$102,945, leaving a remaining balance of \$363,342 from the original contingency amount of \$4,087,800 which is 5% of the original construction contract of \$81,756,000; and**
- 2. Approve an increase of the \$4,087,800 original contingency amount by \$1.1 Million, for a revised contingency amount of \$5,187,800 to address anticipated remaining change orders.**

The recommended action reports on the current status of Contract Change Orders (CCO's) and increase the maximum authorization of CCO's in order to accommodate execution of anticipated project CCO's to allow completion of the construction for this project. The West Annex Jail project is located in District 3 and the impact is countywide.

ALTERNATIVE ACTION(S):

Recommended Action No. 1 is informational only. If Recommended Action No. 2 is not approved, the contract will lack sufficient funding to pay for construction services throughout the post-construction phase.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The project is funded with primarily with State SB 1022 funds and County matching funds. Sufficient appropriations are included in the Department of Public Works and Planning West Annex Jail Org 8846 FY 2022-23 Proposed Budget. The approval of the recommended action will increase the CCO's by \$1.1 million, bringing the total amount of the construction contract contingency to \$5,187,800.

DISCUSSION:

On November 14, 2017, the Board conditionally awarded Contract No. 16-S-04 to Bernards Bros., Inc. (Bernards) for the construction of the West Annex Jail, subject to approval of the award by the California Department of Finance. Following notification receipt of the requisite State approval, a Notice of Award Letter was issued to the County on December 19, 2017. Notice to proceed was issued January 12, 2018, with an allowable start date to be on the job site of January 23, 2018. Mobilization on the West Annex Jail Project began on January 29, 2018.

The construction budget for this project is \$85,843,800 and includes a base construction cost of \$81,756,000 and a 5% allowance for contingencies of \$4,087,800. The total project budget of 101,767,800 which includes the construction costs of \$85,843,800 and \$15,924,000 for Furniture, Fixtures and Equipment (FF&E), Architectural Services, Construction Management and Inspections, and State fees. The project is funded with State SB 1022 (Adult Local Criminal Justice Facilities Construction Financing Program) totaling \$79,194,000 and the required County match of \$22,573,800.

Change Order Process/Status

Included in the Board's action on November 14, 2017, authorization was given to the Director of Public Works and Planning, or his designee, to execute CCOs up to \$210,000, which is approximately 0.26% of Bernards' total construction contract cost. This amount and action are consistent with the limit identified in the Public Contract Code (PCC)Section 20142.

On July 10, 2018, the Board authorized the Chairman to execute CCOs up to 5% (\$4,087,800) of the construction contract for the West Annex Jail project.

CCOs are comprised of Potential Change Orders (PCOs) which are evaluated by the County staff in discussion with the County's Contracted Construction Management firm, Kitchell CEM, Inc. Upon analysis, some PCOs are rejected, some are partially accepted, and some are accepted in full. Upon acceptance, the PCOs become CCOs.

Each CCO document includes a summary of the cumulative amount of CCOs and unobligated balance, and when routed for approval is accompanied by a change order summary table which reflects all CCOs processed over the course of construction, up to and including the subject CCO. At this time, with the processing of the most recent CCO (CCO No. 25 for \$102,945), the balance remaining of the original \$4,087,800 contingency allowance is now \$363,342.

Staff is continuing to work with Kitchell CEM and the County's retained Architectural firm (DLR) to ensure that only those PCOs that are warranted are accepted for processing as CCOs.

This agenda item is in adherence to a relatively new process that was implemented on March 8, 2022 to keep your Board apprised of the CCOs that are approved by the Chairman of the Board of Supervisors. Upon approval of the CCO by the Chairman, an agenda item is brought to your Board at the next available Board of Supervisors meeting to inform your Board of the approved CCO.

CCO No. 25 has been approved by the Chairman and is comprised on 31 PCOs addressing issues related to State Fire Marshal requirements, cell accessibility adjustments, floor drain modifications, select smoke damper adjustments, handrail ADA modification, elevator adjustment, exterior system adjustments, etc. It should be noted that two of the PCOs included in this CCO were deductive in nature, resulting in a credit of \$104,980.

Recommended Action No. 2 pertains to additional funding based on a forecast that the designated contingency funds will be insufficient to address additional anticipated CCO's. The previously designated maximum 5% change order allowance is projected to be exceeded in the coming months, due primarily to some design modifications for safety, code compliance and operational efficiency purposes, together with costs associated with the laborious and repetitive plan review, approval and inspection process imposed by the Office of the State Fire Marshall (OSFM). At this time, based on the CCO's processed thus far, those CCO's that are under review and pending formal action and the anticipated future CCO's needed to address remaining issues, it is estimated that \$1.1 Million will need to be added to the original \$4,087,800 contingency fund for a total of \$5,187,800 in order to address the upcoming change orders. To clarify, much of the remaining authorized CCO balance of \$363,342 is now being reviewed and processed for forthcoming CCO's. Beyond the CCO balance, the requested additional \$1.1 Million will cover identified time and

material related costs, replacement of a grinder pump, various OSFM issues and well as accommodation for unforeseen issues. As with all contingency fund expenditures, funds will not be utilized unless and until reviewed and approved through the standard PCO/CCO process.

REFERENCE MATERIAL:

BAI #74, June 21, 2022

BAI #37, March 8, 2022

BAI #68.1, July 10, 2018

BAI #10, November 14, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Change Order No. 25

CAO ANALYST:

Salvador Espino