



# **STAFF ANALYSIS**

## **STATE PUBLIC WORKS BOARD**

***Friday, February 9, 2024, at 10:00 a.m.  
Cedar Room, 915 L Street, Sacramento, California***

***This meeting can also be accessed by the public through the following zoom link or phone number:***

<https://us06web.zoom.us/j/81876162065?pwd=Is6ftrr60WmgPOARagPNN0FWX6mbun.1>

Meeting ID: 818 7616 2065

Passcode: ?@75B@fU

By Phone:

1 669 219 2599

Meeting ID: 818 7616 2065

Passcode: 92911547

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Members of the Board will attend the meeting at the physical location identified above. The public may observe the meeting and address the Board in person, through the Zoom link, or via the telephone number identified above. If using the Zoom platform, please install the Zoom application and enter the virtual conference room prior to the meeting start time. Members of the public may also submit comments in advance of the meeting. If members of the public wish to submit comments, the Board asks members of the public to provide written comments to [Raghda.Nassar@dof.ca.gov](mailto:Raghda.Nassar@dof.ca.gov) prior to the meeting. To the extent possible, all written comments will be distributed to the members of the Board prior to the meeting.

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Pursuant to section 11125 of the Government Code, notice of all Board meetings will be given at least ten days in advance and such notice must include a copy of the agenda. Members of the public may address the Board prior to it taking action on any matter in the agenda. This notice and the Board agenda for the current month are available on the State Public Works Board website. [Please click here to view](#). The full Board member briefing package is available upon request. Please send an email to [Raghda.Nassar@dof.ca.gov](mailto:Raghda.Nassar@dof.ca.gov). Individuals who need disability-related accommodation, including auxiliary aids for effective participation at this public meeting are invited to make their requests and preferences known to Raghda Nassar at (916) 445-9694 or e-mail to [Raghda.Nassar@dof.ca.gov](mailto:Raghda.Nassar@dof.ca.gov), five days prior to the meeting.

# **BOND ITEMS**

**NONE**

# **MINUTES**

Consider approving the minutes from the January 12, 2024 meeting.

Staff have reviewed the minutes from the January 12, 2024 meeting and recommend approval.

**Staff Recommendation:** **Approve minutes from the January 12, 2024 meeting.**

# **CONSENT ITEMS**

## **CONSENT ITEM—1**

**JUDICIAL COUNCIL OF CALIFORNIA (0250)  
NEW SANTA ROSA CRIMINAL COURTHOUSE  
SONOMA COUNTY**

*Authority:* 2009 Budget Act, 0250-301-3138 (9)  
2014 Budget Act, 0250-301-3138 (11)  
2015 Budget Act, 0250-301-3138 (4), as reappropriated by 2016 Budget Act  
2018 Budget Act, 0250-301-3138 (2)  
2018 Budget Act, 0250-301-0660 (4.2), as reappropriated by 2020 Budget Act

**Consider approving an augmentation** **\$10,625,000**  
**(5.5 percent of total project appropriations)**  
**(15.0 percent cumulative)**

## **STAFF ANALYSIS ITEM—1**

Judicial Council of California  
New Santa Rosa Criminal Courthouse  
Sonoma County

### Action Requested

**If approved, the requested action would approve an augmentation.**

### Scope Description

**This project is within scope.** The authorized scope for this project includes the construction of a new, fifteen-courtroom building containing approximately 169,000 building square feet, in the City of Santa Rosa, Sonoma County. The project will

consolidate court operations from two facilities, relieve the current space shortfall, increase security, and replace inadequate and obsolete buildings in Sonoma County.

#### Funding and Cost Verification

**This project is not within cost.** The current authorized total project cost is \$204,803,000. The funding source for this project consists of appropriations from Judicial Council's Immediate and Critical Needs Account for acquisition (\$14,737,000, with unused savings of \$8,039,000 for a net of \$6,698,000), preliminary plans (\$7,670,000), and working drawings (\$11,252,000), and appropriations from the Public Buildings Construction Fund (\$160,734,000) as authorized in the Budget Act of 2018 and reappropriated by the Budget Act of 2020. On April 16, 2021, staff to the State Public Works Board authorized an augmentation of \$18,449,000 (9.5 percent of project appropriation) for construction at the time of construction contract approval.

The Judicial Council is requesting an augmentation of \$10,625,000 (5.5 percent of total appropriations) from the Public Buildings Construction Fund for the construction phase of the New Santa Rosa Courthouse project in Sonoma County. The augmentation is required to address increased costs associated with the following issues:

- **Current Change Orders – \$3,143,000 Lease Revenue Bond Authority:**  
Currently, 52 change orders have been submitted by the contractor for an estimated value of \$3,143,000. These change orders are primarily related to design errors and omissions (\$826,000), design changes (\$336,000), unanticipated field conditions (\$938,000), and various other changes identified by the contractor during the construction phase that are currently under review (\$1,043,000).
- **Additional Contingency Associated with Future Change Orders - \$1,785,000 Lease Revenue Bond Authority:**  
In addition to the change orders noted above, the contractor has indicated that additional change orders will likely be submitted within the next few months. The Judicial Council anticipates that project contingency will need to be increased by approximately \$1,785,000 to address those issues.
- **Unresolved Disputes/Claims - \$2,694,000 Lease Revenue Bond Authority:**  
In addition to the change orders noted above, two claims and two disputes have been submitted by the contractor, as follows:
  - The first claim is related to unidentified soil conditions identified during the mass excavation operation required to reach specified elevations for the building foundation (\$850,000).
  - A second claim is related to the reconciliation of the value-engineering effort that was utilized to award the construction contract (\$816,000).
  - One dispute is related to a design error which resulted in the installation of an undersized sump pump and interceptor expansion (\$199,000).
  - A second dispute is for design changes necessary to stabilize the soils on the south slope of the facility (\$829,000).
- **Soft Costs Associated with Project Delays - \$4,020,000 Lease Revenue Bond Authority:**  
Currently, the project schedule has been delayed by approximately 180 days due to the need to resolve steel fabrication issues and due to unfavorable weather conditions. As a result of these delays, the project requires an

augmentation to fund additional soft costs for architectural and engineering services (\$1,130,000), and construction management, inspection, and material testing activities (\$2,890,000).

It is noted that the three issue categories listed in the bullet points above total \$11,642,000 in additional costs. Currently, there is \$1,017,000 in contingency reserves which will be used to offset a portion of the costs, resulting in an additional need of \$10,625,000.

This augmentation of \$10,625,000, along with the prior augmentation, brings the total augmentations for this project to \$29,074,000 (15.0 percent cumulative) and increases the total authorized project costs to \$215,428,000.

On January 19, 2024, the Department of Finance notified the Chairs of the Joint Legislative Budget Committee and fiscal committee in each house of its intent to approve the augmentation and recommend that the Board approve this action no sooner than 20 days from that date.

\$204,803,000	Total authorized project cost
\$215,428,000	Total estimated project cost
\$204,803,000	State costs previously allocated: \$6,698,000 for acquisition, \$7,670,000 for preliminary plans, \$11,252,000 for working drawings, and \$179,183,000 for construction (\$150,833,000 contract, \$7,542,000 contingency, \$4,935,000 A&E, and \$15,873,000 other project costs)
\$10,625,000	Augmentation to be allocated: \$10,625,000 for construction (\$6,605,000 contract, \$2,000,000 A&E, and \$2,020,000 other project costs)

#### CEQA

The Judicial Council filed a Notice of Determination with the State Clearinghouse on July 27, 2011, and the 30-day statute of limitations expired without challenge. On November 16, 2023, the Judicial Council confirmed no additional action is necessary under CEQA.

#### Real Estate Due Diligence

An outside contractor, on behalf of the Judicial Council, completed a Summary of Conditions Letter for this project on April 25, 2016, and a supplemental letter was completed on May 19, 2017. No issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified in either letter. On November 16, 2023, the Judicial Council confirmed the Summary of Conditions Letter is still valid.

#### Project Schedule

Approve preliminary plans	July 2017
Complete working drawings	October 2020
Start construction	May 2021
Complete construction	December 2024

**Staff Recommendation:**                      **Approve an augmentation.**

## CONSENT ITEM—2

**OFFICE OF EMERGENCY SERVICES (0690)  
SOUTHERN REGION: EMERGENCY OPERATIONS CENTER  
ORANGE COUNTY**

*Authority: 2021 Budget Act, 0690-301-0001 (4), as partially reverted by the 2022 Budget Act  
2022 Budget Act, 0690-301-0001 (5)  
2023 Budget Act, 0690-301-0660 (1)*

### **Consider recognizing a scope change**

## STAFF ANALYSIS ITEM—2

Office of Emergency Services  
Southern Region: Emergency Operations Center  
Orange County

### Action Requested

**If approved, the requested action would recognize a scope change.**

### Scope Description

**This project is not within scope.** The authorized scope of the Emergency Operations Center project includes the transfer of jurisdiction of 15-acres at the former Fairview Developmental Center in Costa Mesa, demolition of facilities on that site, and construction of an approximately 32,000 square feet (SF) essential services emergency operations center and an approximately 20,000 SF warehouse for the storage of emergency supplies and Public Safety Communications radio maintenance shop. The project includes public parking for the main building and secured parking for the staff and for the mobile command vehicles. Additional site improvements include security fencing, a guard shack, photovoltaics, emergency generator, communications tower, helipad, a water storage tank, landscaping, roadways, and utilities.

At this time CalOES has determined the facility can meet programmatic needs without a helipad, and therefore requests a scope change to remove the helipad and its associated infrastructure from this project. Instead, the space would be made available for overflow parking.

On January 19, 2024, the Department of Finance notified the Chairs of the Joint Legislative Budget Committee and fiscal committees in each house, of its intent to approve the scope change and recommend the Board recognize the revised scope no sooner than 20 days from that date.

### Funding and Cost Verification

**This project is not within cost.** The Budget Act of 2021, after a partial reversion in the Budget Act of 2022, provided \$490,000 General Fund in the acquisition phase for administrative costs associated with the transfer of jurisdiction. The Budget Act of 2022 provided \$5,400,000 General Fund for the performance criteria phase and the Budget

Act of 2023 provided \$174,658,000 Public Buildings Construction Fund for the design-build phase.

Currently, the total estimated cost of this Project is \$197,432,000. In December 2023, the State Public Works Board recognized a deficit of \$16,884,000 Public Building Construction Fund to the design-build phase. Should the scope change be approved, total estimated costs will be \$194,896,000, a reduction of \$2,536,000, which reduces the anticipated deficit to \$14,348,000.

\$180,548,000	Total authorized project cost
\$194,896,000	Total estimated project cost
\$5,890,000	Project costs previously allocated: \$490,000 acquisition, \$5,400,000 performance criteria
\$189,006,000	Project costs to be allocated: \$189,006,000 design-build (\$158,362,000 contract, \$4,751,000 contingency, \$4,427,000 A&E, \$10,966,000 other project costs, and \$10,500,000 agency retained)
\$14,348,000	Anticipated project deficit: \$14,348,000 design-build

#### CEQA

CalOES submitted a Notice of Determination to the State Clearinghouse on December 22, 2023, with the 30-day statute of limitations expiring on January 20, 2024.

#### Real Estate Due Diligence

The Department of General Services, on behalf of CalOES, completed a Summary of Conditions letter for this project on November 20, 2023. The letter is under review to confirm that no issues that would adversely affect the beneficial use and quiet enjoyment of the project are identified. In the event of an issue, the Department of Finance will not authorize award of the design-build contract until it has confirmed that the issue will be satisfactorily resolved.

#### Project Schedule

Transfer of jurisdiction	April 2024
Approve performance criteria	December 2023
Start design-build	September 2024
Complete design-build	September 2027

**Staff Recommendation:**                      **Recognize a scope change.**

## CONSENT ITEM—3

### DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225) PELICAN BAY STATE PRISON FIRE SUPPRESSION SYSTEM UPGRADE DEL NORTE COUNTY

Authority: 2017 Budget Act, 5225-301-0001 (7)  
2018 Budget Act, 5225-301-0001 (7)  
2023 Budget Act, 5225-301-0001 (11)

Consider approving an augmentation **\$4,962,000**  
**(13.3 percent of total project appropriations)**  
**(13.3 percent cumulative)**

## STAFF ANALYSIS ITEM—3

Department of Corrections and Rehabilitation  
Pelican Bay State Prison Fire Suppression System Upgrade  
Del Norte County

### Action Requested

**If approved, the requested action will approve an augmentation.**

### Scope Description

**This project is within scope.** This project includes the design and installation of an automatic fire suppression system and all associated equipment in the eight general population housing units at Pelican Bay State Prison (PBSP).

### Funding and Cost Verification

**This project is not within cost.** The 2017 Budget Act appropriated \$1,117,000 General Fund for preliminary plans, of which \$208,000 reverted in 2020. The 2018 Budget Act appropriated \$1,141,000 General Fund for working drawings. The 2023 Budget Act appropriated \$35,036,000 for construction.

In June 2023, CDCR solicited bids for this project. Bids were received on November 8, 2023, from two companies, with the lowest responsible bid received in the amount of \$28,479,000, or \$4,962,000 over the state's contract estimate of \$23,517,000.

The increased construction costs are being driven by the following factors:

- **Limited Bidder and Subcontractor Participation and Current Labor Market Conditions—\$4,234,000 General Fund.** The remote location of the project limited the number of bidders available to bid on a project of this size. While five companies expressed interest in bidding, only two bids were received. Additionally, job openings in the construction industry have increased by approximately 5 percent over the last year, while construction employment has increased only 2 percent, leading to greater than anticipated labor costs as contractors are offering higher pay to fill workforce vacancies. Limited bidders as well as labor market conditions in the construction sector contributed to the increased construction costs.

- **Proportional increases to other construction costs—\$728,000 General Fund.** In addition to the construction cost increases identified above, the contingency line item reflects an increase of approximately \$296,000. In addition, an anticipated deficit was identified at the completion of working drawings in the amount of \$432,000 based on a revised estimate at the completion of design.

A revised cost estimate was prepared in association with increased construction costs. Based on this new estimate, the current total estimated project costs is \$42,048,000 which includes an increase of \$4,962,000 (13.3 percent total project appropriations and 13.3 percent cumulative). CDCR is requesting an augmentation in the amount of \$4,962,000 to award the construction contract for this important fire and life safety project.

On January 17, 2024, the Department of Finance notified the Chairs of the Joint Legislative Budget Committee and the fiscal committees in each house of its intent to approve the augmentation and recommend that the Board approve this action no sooner than 20 days from that date.

\$37,086,000	Total authorized project costs
\$42,048,000	Total estimated project costs
\$37,086,000	Project costs allocated: \$909,000 for preliminary plans, \$1,141,000 for working drawings, and \$35,036,000 for construction (\$24,380,000 contract, \$1,707,000 contingency, \$2,579,000 A&E, \$4,889,000 other project costs, and \$1,481,000 agency retained)
\$4,962,000	Augmentation to be allocated: an increase of \$4,962,000 for construction (increase of \$4,099,000 contract, \$287,000 contingency, \$313,000 A&E, \$407,000 other project costs, and decrease of \$144,000 agency retained)

CEQA

CDCR filed a Notice of Exemption with the State Clearinghouse on December 11, 2018, and the 35-day statute of limitations expired without challenge.

Real Estate Due Diligence

CDCR completed a Summary of Conditions Letter for this project on March 13, 2019, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified.

Project Schedule

Approve preliminary plans	September 2019
Complete working drawings	June 2023
Start construction	February 2024
Complete construction	May 2027

**Staff Recommendation:**                      **Approve an augmentation.**



**ACTION ITEMS**

NONE

**OTHER BUSINESS**

NONE

**GENERAL PUBLIC COMMENT**

# REPORTABLES

## REPORTABLE ITEMS

**For the February 9, 2024 Board Meeting**  
**Actions Authorized by Staff from December 29, 2023 through January 26, 2024**  
**As Authorized by Resolution of the Board dated December 13, 2019**

<b>Department/Org Code</b>	<b>Project Title/County</b>	<b>Project Authority</b>	<b>Action</b>	<b>Amount/(Percent)</b>
Department of Motor Vehicles (2740)	Oxnard: Field Office Reconfiguration, Ventura County	2017 Budget Act, 2740-301-0044 (4) 2021 Budget Act, 2740-301-0001 (4) 2022 Budget Act, 2740-301-0001 (6)	Approve an augmentation	\$302,000  (1.9 percent of total project appropriations) (2.4 percent cumulative)
Department of Parks and Recreation (3790)	Ocotillo Wells State Vehicular Recreational Area: Holmes Camp Water System Upgrade, San Diego County	2017 Budget Act, 3790-301-0263 (3) 2018 Budget Act, 3790-301-0263 (4) 2019 Budget Act, 3790-301-0263 (2) 2022 Budget Act, 3790-301-0263 (6)	Approve an augmentation	\$149,000  (9.1 percent of total project appropriations) (9.1 percent cumulative)