

Jail Replacement Update



**SB863 & SB844 Detention and
Program Facility**

**Napa County Board of Supervisors
December 17, 2019**



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A Commitment to Service

LIONAKIS

Trail Replacement Update

- Completion of 50% construction documents phase;
- Completion of 50% construction documents phase cost estimate;
- Completion of qualifications based selection process for construction management services;

Jail Replacement Update

- Construction Cost Estimate Update
 - At completion of Design Development phase the estimate was \$1 Million above construction budget allocation
 - At completion of 50% Construction Document phase the **estimate** is \$850,000 above construction budget allocation
 - Project will continue into Construction Documents Phase and the project team will look for value engineering opportunities to close this gap.

Project Schedule

- Design 8/2018 to 6/2020
 - Schematic Design - Completed
 - Design Development - Completed
 - Construction Drawings – 50% Completed
- Pre-qualification 12/2019 to 4/2020
- BSCC review/approval 2/2020 to 6/2020
- Construction bids 6/2020 to 10/2020
- Construction 10/2020 to 3/2022
- Occupancy 3/2022 to 6/2022

Project Budget

12/17/19

Napa County Replacement Jail Project Budget

Budget Item	Budget Item Amount	Board Appropriation requested today	Board Appropriation to date	Appropriation Amount Spent to Date	Appropriation Amount % Spent to Date	Appropriation Amount Balance	Design Phase % Complete
Construction	\$86,892,887	\$0	\$0	\$0	0%	\$0	0%
Construction Contingency	\$6,082,502	\$0	\$0	\$0	0%	\$0	0%
Design and Engineering	\$9,357,539	\$0	\$8,854,600	\$4,362,326	49%	\$4,492,274	82%
Design and Engineering Contingency	\$464,877	\$0	\$0	\$0	0%	\$0	0%
Furniture Fixture and Equipment	\$4,648,769	\$0	\$0	\$0	0%	\$0	0%
Construction Management	\$5,121,208	\$1,157,168	\$0	\$0	0%	\$0	0%
County Project Mgmt./Administration	\$600,000	\$0	\$300,000	\$163,722	55%	\$136,278	82%
Inspections and Fees	\$3,895,508	\$0	\$845,400	\$606	0%	\$844,794	0%
Onsite utilities, signalization, path	\$5,056,277	\$193,665	\$1,200,000	\$205,970	17%	\$994,030	70%
Offsite utilities & advanced demo	\$5,852,513	\$0	\$5,852,513	\$5,710,513	98%	\$122,636	99%
TOTAL	\$127,972,080	\$1,350,833	\$17,052,513	\$10,443,137		\$6,609,376	

Napa County Jail Financing Plan

	Total Estimated	Currently committed	Projected to be needed
General Fund Sources			
From Excess ERAF	\$ 44,373,865	\$ 40,986,627	\$ 3,387,238
From other sources	\$ 43,287,428	\$ 43,287,428	\$ -
Sale of Capital Assets	\$ 5,300,000	\$ 5,300,000	\$ -
Less cash advance for Pension ¹	\$ (13,458,148)	\$ (13,458,148)	\$ -
Repayment of cash advance ²	\$ 13,458,148		\$ 13,458,148
General Fund Subtotal	\$ 92,961,293	\$ 76,115,907	\$ 16,845,386
State grant commitment	\$ 23,000,000	\$ 23,000,000	\$ -
Kaiser donation committed by BOS	\$ 3,187,000	\$ 3,187,000	\$ -
Tobacco MSA ³	\$ 8,851,707	\$ -	\$ 8,851,707
	\$ 128,000,000	\$ 102,302,907	\$ 25,697,093

¹ Per Board action October 22, 2019

² To be paid from Sale of Capital Assets or Excess ERAF

³ May be replaced by General Fund Sources, if available

What's Next for Replacement Jail?

- Construction documents phase completion
- Pre-qualification of general contractors;
- Solicit and award contract for soil stabilization and site preparation

Replacement Jail PLA

Recommended Action:

County Executive Officer and the Director of Public Works recommend the replacement jail be bid and constructed without the requirement for a Project Labor Agreement (PLA).

Replacement Jail PLA-Timeline

- February 28, 2020-Bid package submitted to Board of State and Community Corrections (BSCC) for approval
- June 2020-Bid package released
- October 2020-award of construction contract
- Cost of Project Delay = \$370,000 (approximately)/month if delayed

Replacement Jail

- The Board has been explicit in their direction to staff that the \$128 million estimated cost for the jail shall not be exceeded.

Prevailing Wage

- Established by Department of Industrial Relations
- Based on collective bargaining agreements in the locality of the project
- Non-union contractors are legally obligated to pay prevailing wage, at a minimum
- Training programs are covered by prevailing wage
- Because it is based on rates agreed upon for union workers, California law ensures the payment of **Fair Wages and Benefits**

Project costs

- Cost estimators from Lionakis and Vanir state that a PLA will increase the engineer's estimate by 10-15%
- PLA requires these payments for all laborers:
 - Union dues
 - Union health and welfare fees
 - Union pension
- These payments are **in addition to** the benefits paid by a non-union contractor for their employees, thereby increasing project costs
- Non-union employees may never vest to receive these benefits

Project costs (continued)

- Without a PLA, prevailing wage requirements are based on location of the project (Napa County)
- With a PLA, wages are determined by the bargaining unit agreements of the union hall that dispatches the workers
- If Napa-Solano union hall does not have sufficient laborers to dispatch, they must be dispatched from another union hall, such as San Francisco
- Union wages in San Francisco are approximately 25% higher than the wages for the same trade in Napa-Solano

Local hiring

- Unemployment rate in Napa County was 2.3% in October 2019
- The “local” union hall is in Solano County, and serves both Napa and Solano.
- Napa workers are not prioritized over workers from other areas.
- **Every** local contractor, both union and non-union, are welcome to bid as subcontractors on a prevailing wage project.
- Without a PLA, roughly \$5M (approximately one third) of the construction costs for the re-entry facility went to local subcontractors.

Reduced competition

- Current market conditions:
 - Low unemployment
 - Plenty of work for the construction industry
- Numerous contractors have stated they would not bid on a PLA project due to increased costs and increased administration/complexities
- Small number of General Contractors that have the requisite experience for jail construction in California
- Analysis conducted by 3 different construction estimator firms found:
 - 1 bidder = project 15-40% above engineer's estimate
 - 2-3 bidders = project 8-12% above engineer's estimate
 - 4-6 bidders = project costs 4% below to 4% above engineer's estimate

Previous PLA Negotiations

- Board goals:
 - Increase the number of local Napa County residents who are employed as a result of entering into a PLA.
 - The unions shall provide to contractors the names of Napa County residents that could be hired by contractors working on the re-entry facility and that contractors be allowed to hire these local residents if they wish.
 - Napa County contractors shall be allowed to utilize their existing workforce on this project.
 - A PLA must eliminate any disincentives for local contractors to bid on the project.
 - A PLA must have a clear enforceable no strike clause.

Other considerations

➤ Covered Work

➤ One of the value engineering approaches used on this project is the use of pre-fabricated modular cell units being constructed off-site and shipped to Napa for installation.

➤ Selma, California police station

➤ Assumed the use of off-site fabrication

➤ PLA applied to off-site fabrication

➤ The application of the PLA to off-site fabrication added at least \$2 M to the \$8 M construction budget

➤ Timing

➤ Bid package must be to the BSCC by the end of February 2020 in order to avoid delays

Summary

- For the Napa County replacement jail, staff does not recommend the use of a PLA for these reasons:
 - Increased Costs
 - Fewer competitive bids
 - No increase in employment opportunities for Napa County residents

Questions & Answers



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