STATE OF CALIFORNIA
CAPITAL OUTLAY
BUDGET CHANGE PROPOSAL (COBCP)
COVER PAGE (REV 07/16)

DEPARTMENT OF FINANCE 915 L Street Sacramento, CA 95814 IMS Mail Code: A15

BUDGET YEAR 2017/18

BUSINESS UNIT: 2720 COBCP NO. 6 PRIORITY: 6 PROJECT ID: 0000946
DEPARTMENT: CALIFORNIA HIGHWAY PATROL
PROJECT TITLE: Hayward: Area Office Replacement
TOTAL REQUEST (DOLLARS IN THOUSANDS): \$ 38,103 MAJOR/MINOR: MA
PHASE(S) TO BE FUNDED: DB PROJ CAT: CRI CCCI/EPI: 6073
SUMMARY OF PROPOSAL:
This proposal requests Budget Act expenditure authority of \$38.103 million from the Motor Vehicle Account for the Design Build phase of the Hayward Area Office replacement. The existing facility no longer meets the California Highway Patrol's (CHP) programmatic requirements, nor the seismic performance criteria required for state-owned buildings. The existing property is too small for an on-site replacement.
In Fiscal Year (FY) 2015/16, based upon the results of a site search, the CHP proposed to relocate the Hayward facility. Further, in order to streamline the capital outlay process, the CHP proposed th Design Build procurement method. In FY 2016/17, CHP received \$15.038 million for the acquisition and performance criteria phases of the Hayward Area Office replacement. The total estimated project cost to replace this office is \$53.141 million.
HAS A BUDGET PACKAGE BEEN COMPLETED FOR THIS PROJECT? (E/U/N/?):E
REQUIRES LEGISLATION (Y/N): E IF YES, LIST CODE SECTIONS:
REQUIRES PROVISIONAL LANGUAGE (Y/N)Y
IMPACT ON SUPPORT BUDGET: ONE-TIME COSTS (Y/N): N FUTURE COSTS (Y/N): Y
FUTURE SAVINGS (Y/N): N REVENUE (Y/N): N
DOES THE PROPOSAL AFFECT ANOTHER DEPARTMENT (Y/N): N IF YES, ATTACH
COMMENTS OF AFFECTED DEPARTMENT SIGNED BY ITS DIRECTOR OR DESIGNEE.
SIGNATURE APPROVALS:
PREPARED BY DATE REVIEWED BY DATE
DEPARTMENT DIRECTOR DATE AGENCY SECRETARY DATE

DOF ANALYST USE DOF ISSUE,# PROGRAM CAT: PROJECT CAT: BUDG PACK STATUS: ADDED REVIEW: SUPPORT:OCIO: FSCU/ITCU: OSAE: CALSTARS:
PPBA: Original Signed By: Sally Lukenbill Date: 1 10 17
DF-151 (Rev 07/16) Page 1 of 6

A. PURPOSE OF THE PROJECT:

The Hayward Area office is critical to the California Highway Patrol's (CHP) operations as it serves a portion of the San Francisco Bay area. Should a disaster render the existing office unusable, the nearest available office would be in Castro Valley. Although the Castro Valley Area office is approximately 11 miles away, the traffic congestion could significantly delay response time. In addition, plans are to combine the Hayward Area and Castro Valley Area offices to increase efficiency of resources. The current 11,033 square-foot Hayward office was opened in 1971, and with 81 staff assigned, is considered a medium-size CHP office. The Castro Valley office was initially established as a community outreach program reporting to the Hayward office. In 2004, the Castro Valley Area office was established as a stand-alone command reporting to Golden Gate Division. With 47 staff assigned, Castro Valley is also considered a medium-size office; it is a leased facility located within an office complex. Since the opening of the facilities, numerous changes have occurred which have rendered both facilities ineffective for operational needs. These changes include additional staff resources as well as new space requirements arising from new CHP policies and legislative requirements. Further, based on the age of the Hayward Area facility and the potential seismicity in the San Francisco Bay area, this building has an extrapolated rating of six on the seven-point seismic scale, meaning a significant risk of major damage in a severe earthquake.

Because of the challenges of this facility, Hayward was one of the communities considered for a site search based on a 2013 and 2014 Budget Act appropriation for site selection and advance planning. Notices were submitted seeking available land and based on the responses received, Hayward was determined to have a suitable site at this time, thereby warranting this request. The CHP proposal is to acquire an already-identified six-acre site and construct a new 43,518 square foot office as described in the Recommended Solution section of this proposal. The new office will be built to the standards and requirements of the Essential Services Act (ESA), the Americans with Disabilities Act (ADA), Title 24 of the California Code of Regulations, and the Leadership in Energy and Environmental Design (LEED).

The following challenges currently experienced at Hayward/Castro Valley Area offices include:

Space deficiencies:

The current facility lacks adequate space to house the number of assigned employees, related equipment, record storage, and reference library. Since the building was originally constructed, the mission of the CHP has expanded into a more general law enforcement agency, requiring program functions such as evidence storage from arrests and seizures, accident investigations, and more. These tasks, along with the full integration of female officers and general population growth, have resulted in a significant increase in program square footage demands.

Further, best practices dictate a secured interview suite to allow officers to interview, interrogate, and process suspects in a safe and controlled environment. This suite typically includes a separate entrance and restroom from that used by CHP staff or the general public. The current office does not have this functionality.

In addition, the current facility lacks a dedicated armory and gun cleaning area, a suitable location for physical methods of arrest training, safer and more capable auto service and inspection areas, as well as sufficient space for officers' lockers, and an issuance room for

officer gear ranging from public relations to weapons of mass destruction containment. New facilities also include more robust and redundant radio communication.

Finally, the limited size of the facility prevents CHP from complying with the ADA.

Structural Deficiencies:

In 2009, the Department of General Services (DGS) completed seismic evaluations for 11 facilities. All facilities of the same generation as Hayward, even in areas not typically considered prone to significant earthquakes, were rated as six on the seven-point scale. An Essential Services building, such as a CHP office, should not have a rating higher than three. At present, there is the strong possibility that a seismic event could render the existing office unsafe, thereby hindering CHP's role in emergency response at this remote location.

As is typical for a nearly 45-year old structure, the mechanical, electrical and plumbing systems are well beyond their useful life and do not meet current code requirements. The office currently has no fire sprinkler system. It is cost prohibitive to retrofit a 45-year old building that may not have the water pressure to operate the fire system. There are hazardous materials that need abatement as the standard at the time of construction was asbestos tiles and lead paint.

Site Deficiencies:

Even in the absence of space needs driven by the larger footprint of the area office and attached auto-bay, the existing site has significant shortcomings. For example, with the increase in the number of officers since the Hayward Area facility was completed, and the Castro Valley Area established, there is now insufficient secured parking for their vehicles. Visitor parking is also limited and there is no dedicated truck and/or school bus citation clearance area to comply with state laws, thus requiring that this function be performed in the office parking lot.

Due to the parking need, many offices do not have a dedicated space to properly store used tires or waste oil and other flammables.

With such problems in the current office identified, the CHP requests that design-build funding be approved for a replacement facility on a new site. As discussed in the Alternatives section, the design-build method of procurement is estimated to reduce the project schedule by 13 months.

B. RELATIONSHIP TO THE STRATEGIC PLAN:

This proposed project is consistent with the Department's goal to improve the overall success of departmental programs by making services more effective, efficient, and responsive to changing needs, expectations, and demands. This proposal is also consistent with the Department's mission to protect public and state assets, and to improve departmental efficiency.

The CHP operates 103 Area offices in addition to its headquarters facilities, Division offices and other facilities. The Area offices are strategically located based on population and geography to ensure that CHP can efficiently and effectively provide the highest level of safety, service, and security to the people of California.

C. ALTERNATIVES:

1. Continue to construct a new facility through the capital outlay process utilizing the design-build procurement process.

<u>Scope.</u> This option consists of the state developing performance criteria. Once the criteria are established, a design competition is initiated among interested contractors, with the winning contract based on price, technical qualifications, or a combination of the two. The successful contract would then provide both design and construction services.

<u>Cost and Schedule.</u> The attached DGS three-page estimate indicates total project cost is \$53,141,000 from the Motor Vehicle Account (MVA). It is projected that the project would take four years and three months.

Impact on Support Budget. The CHP may incur increased utility and custodial costs once relocated to the larger facility. However, the new facility will be equipped with more energy-efficient systems which will help offset some of the utility costs. Additionally, as a new facility, there should not be significant special repair or deferred maintenance costs in the near term.

2. Construct a new facility through the capital outlay process utilizing the design-bid-build procurement process.

<u>Scope.</u> This option consists of contracting with an architect and engineer to design the facility and contracting with a builder to construct the facility. Per statute, the construction contract must be awarded to the lowest responsible bidder.

<u>Cost and Schedule.</u> The estimated project cost is \$55,395,000 from the MVA and the project would take approximately five years and four months.

Impact on Support Budget. The CHP may incur increased utility and custodial costs once relocated to the larger facility. However, the new facility will be equipped with more energy-efficient systems which will help offset some of the utility costs. Additionally, as a new facility, there should not be significant special repair or deferred maintenance costs in the near term.

3. Construct a new facility through the build-to-suit lease process.

<u>Scope.</u> The option consists of DGS soliciting private developers to compete against each other to acquire a site (or offer their own site), design, and construct the area offices for CHP utilizing a long term lease of generally 10, 15, or 20 years. The proposal demonstrating the best value to the state will be chosen and a long-term lease negotiated and executed, which will typically include an option to purchase the facility after the lease term.

<u>Cost and Schedule.</u> An estimate for a build-to-suit lease facility was not prepared, as a site has been identified for Hayward. In situations where acquisition can take place in a timely manner, and cash is available, capital outlay is consistently less expensive than build-to-suit lease for the development of identical facilities, though build-to-suit leasing would remain faster than capital outlay.

Impact on Support Budget. The cost of the lease will be borne out of the support budget.

D. RECOMMENDED SOLUTION:

1. Which alternative and why?

The Department recommends Alternative 1.

Since the Department has already begun this process and made progress with acquisition, this is the next step. In addition, since performance criteria have been developed, a design-builder can be identified that will be responsible for both the design and construction of the project. It is estimated that this procurement method will reduce the project schedule by approximately 13 months as compared to the traditional design-bid-build schedule, thereby resulting in savings related to escalation due to the shortened project construction schedule.

While the use of a build-to-suit lease for this project may result in an even shorter construction schedule, the overall costs of this procurement method are consistently higher as the long-term lease payments include developer profit, taxes, financing and insurance. In addition, this method involves less oversight from control entities such as Finance, the Legislature, and the State Public Works Board.

2. Detail scope description.

This project will acquire an approximately six-acre site to construct a 43,518 square foot single story office building with an automotive service area built to Essential Services Act standards. The project includes public parking for the main building and secured parking for the patrol vehicles. Additional site improvements include a fuel island, truck check area, emergency generator, communications tower with radio vault, landscaping and utilities.

3. Basis for cost information.

Attached DGS three page estimate dated March 6, 2015.

4. Factors/benefits for recommended solution other than the least expensive alternative.

Alternative 1 is the least expensive of the three options provided. Due to the seismic and programmatic concerns, space deficiencies, and site constraints, renovation and on-site replacement are not feasible.

5. Complete description of impact on support budget.

There will be various factors that will affect the support budget with both increased and reduced costs. Increased costs could possibly include cleaning and maintenance of a larger facility. The increased costs should be heavily mitigated by the decrease in major renovations and upkeep costs of a newer facility.

6. Identify and explain any project risks.

Potential delays associated with selecting a design-builder and related approval processes.

- 7. List requested interdepartmental coordination and/or special project approval (including mandatory reviews and approvals, e.g. technology proposals).
 - a) State Fire Marshal Fire/Life Safety Review.
 - b) Division of the State Architect Review and approval of plans for Access Compliance and Essential Services Act compliance.
 - c) Department of General Services Project management on behalf of CHP.
 - d) Public Works Board Project oversight.

E. CONSISTENCY WITH GOVERNMENT CODE SECTION 65041.1:

1. Does the recommended solution (project) promote infill development by rehabilitating existing infrastructure and how? Explain.

The project will comply with CEQA and meet all environmental and regulatory requirements. This project promotes infill development since a project on the identified site would reuse previously developed land.

2. Does the project improve the protection of environmental and agricultural resources by protecting and preserving the state's most valuable natural resources? Explain.

The project will be constructed to the U.S. Green Building Council's, LEED silver rating standards to meet CHP's goal to site, design, construct, renovate, operate and maintain state buildings that are models of energy, water, and materials efficiency; while providing health, productive and comfortable indoor environments and long-term benefits to Californians.

3. Does the project encourage efficient development patterns by ensuring that infrastructure associated with development, other than infill, support efficient use of land and is appropriately planned for growth? Explain.

The project infrastructure will support efficient use of land and will be planned for CHP's expected growth at this location for the next 30 years.

F. ATTACHMENTS:

- 1. Project Cost Estimate (3 Page Estimate)
- 2. Fiscal Impact Worksheet

DEPARTMENT OF GENERAL SERVICES REAL ESTATE SERVICES DIVISION - PROJECT MANAGEMENT AND DEVELOPMENT BRANCH PROJECT COST SUMMARY

PROJECT: Hayward Area Office Replacement **BUDGET ESTIMATE:** B5CHP325DP LOCATION: Santa Clara Street, Hayward EST. / PROJ. CCCI: 6073 / 6073 CLIENT: Department of the California Highway Patrol DATE ESTIMATED: 3/6/2015 **PMDB DESIGN BY:** ABMS NO: 138936 PROJECT MGR: M. Siemering PREPARED BY: LL TEMPLATE: Design Build DOF PROJ. I.D. NO.:

DESCRIPTION

This project proposes a 6 acre site to construct a 47,774 net square feet single story main building with attached auto service bays built to Essential Services Standards. This project includes public parking for the main building and secure covered parking for the patrol vehicles. Additional site inprovements include fencing, flagpole, fuel island and canopy, emergency generator, communications tower, landscaping and utilities.

ESTIMATE SUMMARY

\$827,100
\$875,600
\$2,069,600
\$1,840,000
\$308,400
\$170,300
\$361,200
\$406,500
\$1,079,500
\$16,667,600
\$366,100
\$372,600

ESTIMATED TOTAL CURRENT COSTS: Adjust CCCI From 6073 to 6073 (JANUARY 2015)		\$25,344,500
Escalation to Start of Construction 23 Months @ 0.42% / Mo.:	\$2,448,300	
Escalation to Mid Point 10 Months @ 0.42% / Mo.:	\$1,064,500	
ESTIMATED TOTAL CONSTRUCTION COSTS: (INDIRECT COSTS)		\$28,857,300
DSA Fees	\$40,600	
Architectural & Engineering Fees @ 9% ()	\$2,597,000	
Utility Permits & Connection Fees	\$228,000	
Commissioning	\$150,000	
ESTIMATED TOTAL INDIRECT COSTS:		\$3,015,600
ESTIMATED TOTAL Design Build CONTRACT:		\$31,872,900

DGS/RESD/PMB - PAGE 1

Estimate B5CHP325DP Page 3 of 4

SUMMARY OF COSTS BY PHASE

PROJECT: Hayward Area Office Replacement BUDGET ESTIMATE: B5CHP325DP LOCATION: Santa Clara Street, Hayward DATE ESTIMATED: 3/6/2015 ABMS #: 138936 PREPARED BY: LL

> CONSTRUCTION DURATION: 20 Months ESTIMATED CONTRACT: \$31,872,900 \$31,872,900

	CONSTRUCTION CONTINGENCY:		40 1,072,000	40 1,012,000	
			TOTAL:	\$31,872,900	\$31,872,900
CATEGORY	ACQUISITION STUDY 00	BID DB / LP 01		WD/C DB / LP 03	TOTAL
ARCHITECTURAL AND ENGINEERING SERVICES					
A&E Design		\$796,500		\$573,800	\$1,370,300
Construction Inspection				\$950,000	\$950,000
Construction Inspection Travel				\$175,000	\$175,000
Builders Risk Insurance				\$318,700	\$318,700
Advertising, Printing and Mailing		\$35,600			\$35,600
Construction Guarantee Inspection				\$30,000	\$30,000
SUBTOTAL A&E SERVICES		\$832,100		\$2,047,500	\$2,879,600
OTHER PROJECT COSTS					
Special Consultants (Soils/Survey)	\$120,000	\$105,000		\$127,500	\$352,500
Materials Testing				\$318,700	\$318,700
Project/Construction Management	\$35,000	\$385,000		\$900,000	\$1,320,000
Contract Construction Management				\$1,115,600	\$1,115,600
Site Acquisition Cost & Fees	\$13,060,000				\$13,060,000
Agency Retained Items				\$452,000	\$452,000
SBE/DVBE Assessment				\$91,300	\$91,300
Stipend Agreements (3@\$30,000/ea)		\$90,000			\$90,000
Hospital Checking					
Essential Services					
Accessibility Checking					
Environmental Document (Neg Dec)	\$5,000	\$210,000		\$35,000	\$250,000
Due Diligence		\$7,500			\$7,500
Other Costs - (SFM)		\$5,200		\$186,500	\$191,700
State Project Contingency @ 3%				\$956,000	\$956,000
Other Costs - (ARF Assessment)	\$163,000	\$20,200			\$183,200
SUBTOTAL OTHER PROJECT COSTS	\$13,383,000	\$822,900		\$4,182,600	\$18,388,500
TOTAL ESTIMATED PROJECT COST LESS FUNDS TRANSFERRED LESS FUNDS AVAILABLE NOT TRANSFERRED	\$13,383,000	\$1,655,000		\$38,103,000	\$53,141,000
CARRY OVER		\$13,383,000		\$15,038,000	
BALANCE OF FUNDS REQUIRED	\$13,383,000	\$15,038,000		\$53,141,000	\$53,141,000

DGS/RESD/PMB - PAGE 2

FUNDING DATA & ESTIMATE NOTES

PROJECT:

Hayward Area Office Replacement

BUDGET ESTIMATE:

B5CHP325DP

LOCATION:

Santa Clara Street, Hayward

DATE ESTIMATED:

3/6/2015

ABMS #:

138936

PREPARED BY:

LL

FUNDING DATA

Chapter / Item	<u>Phase</u>	<u>Amount</u>	<u>Totals</u>
Fund Transfers			
N/A			
otal Funds Transferred			S
Funds Available Not Transferred			
N/A			
Total Funds Available not Transferred			
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ESTIMATE NOTES

- 1. The construction costs in this estimate are indexed from the CCCI Index as of the date of estimate preparation to the CCCI index that is current as of JANUARY 1, 2015. The project estimate is then escalated for a 10 month period to an assumed construction midpoint. Additionally, the project has been escalated to the assumed start of construction.
- 2. The Agency may have retained items that are not included in this estimate. This estimate includes an allowance for 70 work stations at \$6,000 each plus televisions.
- 3. Special Consultant costs include Survey w/ Topo Map, Geotechnical, soil Survey, Hydro Study, LEED, Commissioning, Constructability Review and Utility Design Fees.
- 4. Acquisition of Performance Criteria phase includes ARF Assessment. Estimate assumes phase out of ARF Assessment prior to DB phase.
- 5.

Total Funds Transferred and Available

- 6.
- 7.
- 8.
- 9.
- 10.

DGS/RESD/PMB - PAGE 3

STATE OF CALIFORN	IA							Budget Year : 2	2017-18
CAPITAL OUTLAY BU	DGET CHANG	E PROPOSAL (COBCP)					Project Status	s Continuing	
FISCAL IMPACT WOR	KSHEET							 	
Department Title:	California Hig	hway Patrol							
Project ID:	0000946					 			
Budget Request (BR)	Hayward: Area Office Replacement						,		
Name: Project Category:		Infrastructure				 			
Project Category.	Other Childan	Illiastructure							
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			Existing Authority	Governor's Budget	April Revision	May Revision	Other	Future Funding	Project Total
	FUNDING		·						
Appropriation		Phase							
2720-301-0044-16-16		Acquisition	13,383						13,383
2720-301-0044-16-16		Performance Criteria	+						
2720-301-0044-17-17		Design Build	1,655	 38,103					1,655
2/20 001-0044-1/-1/		Design Build		36,103					38,103
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]	TOTAL FUNDIN	G	15038	38,103	0	() (0 0	53,141
	ROJECT COS	rs							
Acquisition			13,383						13,383
Performance Criteria			1,655						1,655
Construction/Design-Bu	ild		0	38,103	0	() (0 0	38,103
Contract				31,873					31,873
Contingency				956				İ	956
A&E				2,048				*	2,048
Agency Retained				452				İ	452
Other				2,774				•	2,774
	TOTAL COSTS	3	15038	38,103	0	() (0	53,141
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	PROJECT	SCHEDULE				PROJECT SP	ECIFIC CODES		
		mm/dd/yyyy							
Study Completion		03/30/2015		Project Managen	nent DGS		Location Ha	yward	
Approve Acquisition				-				·	
		03/30/2017		Budget Pack		····		yward	
Start Preliminary Plans				Project T	ype Major		County Ala	meda	
Approve Preliminary Pla									
Start Performance Crite		07/01/2016							
Approve Performance C		09/15/2017							
Approve Proceed to Bid		09/15/2017							
Approve Contract Award	D .	02/28/2018							
Project Completion		12/01/2019							

STATE OF CALIFORN	A		Budget Year : 2017-18
CAPITAL OUTLAY BU	DGET CHANGE PROPOSAL (COBCP)	Project Status	Continuing
FISCAL IMPACT WOR	KSHEET	l	
Department Title:	California Highway Patrol		
Project ID:	0000946		
Budget Request (BR)	Hayward: Area Office Replacement	······································	
Name: Project Category:	Other Critical Infrastructure		
Project Category.	Other Critical Hillastracture		
Identify all items which to which you plan to reque	it into the categories listed below. Attach a detailed list if funding is included in this request. F st funding in the future. When possible, identify funding needs by fiscal year (BY+1 through B	Provide descriptions and summ	mary estimates for items for
minori you plan to reque	stranding in the ratare. When possible, identity furtuing needs by itseat year (BT+1 (indugit b)	
	PROJECT RELATED COSTS	COST	TOTAL
AGENCY RETAINED:			
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	TOTA	AL AGENCY RETAINED	0
GROUP 2 EQUIPMENT			
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		GROUP2 EQUIPMENT	0
ANNUAL ONCOING EL	IMPACT ON SUPPORT BUDGET	COST	TOTAL
ANNUAL ONGOING FL	TURE COSTS	· w.·	
	·		
		UPPORT ANNUAL COSTS	0
ANNUAL ONGOING FL	TURE SAVINGS		
		IPPORT ANNUAL SAVINGS	0
ANNUAL ONGOING FU	TURE REVENUE		
	TOTAL SU	PPORT ANNUAL REVENUE	0

STATE OF CALIFORN	IA The state of th	Budget Year : 2017-18						
CAPITAL OUTLAY BU	DGET CHANGE PROPOSAL (COBCP) Project State	cus Continuing						
FISCAL IMPACT WOR	KSHEET							
_								
Department Title:	California Highway Patrol							
Project ID: Budget Request (BR)	0000946							
Name:	Hayward: Area Office Replacement							
Project Category: Other Critical Infrastructure								
Project Specific Propo below.	osals: For new projects provide proposed Scope language. For continuing projects provide the latest approved Scope l	anguage. Enter Scope language						
Conceptual Proposals identified for that fiscal y	: Provide a brief discussion of proposal defining assumptions supporting the level of funding proposed by fiscal year in year. (Also include scope descriptions for BY+1 through BY+4 below).	relation to outstanding need						
uniformed and 8 nonuni engineer; however, it is	eplacement. The Hayward office opened in 1971 in an 11,033 square-foot facility and is considered to be a medium colformed staff. The Hayward office has been identified as having serious seismic structural issues. The facility has not be assumed to be a level VI seismic-rated facility due to the decade it was built. The Castro Valley office, with another 48 of a new facility, which will re-categorize Hayward to a large office.	een inspected by a structural						