



CALIFORNIA STATE
PUBLIC WORKS BOARD

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ NINTH FLOOR ■ SACRAMENTO CA ■ 95814-3706 ■ (916) 445-9694

AGENDA WITH ANALYSIS

NOTICE OF MEETING
STATE PUBLIC WORKS BOARD
[Thursday, January 19, 2012](#)

The **STATE PUBLIC WORKS BOARD** will meet on [Thursday, January 19, 2012 at 10:00 a.m. in Room 127, State Capitol, Sacramento, California.](#) In accordance with provisions of section 11125 of the Government Code, a copy of the Agenda is attached.

Greg Rogers
Administrative Secretary

Attachment

STATE PUBLIC WORKS BOARD

**Thursday
January 19, 2012**

10:00 a.m.

Room 127

State Capitol
Sacramento, California

I.	Roll Call		
II.	Approval of minutes from the December 9, 2011 meeting		
III.	Bond Items	Page	3
IV.	Consent Items	Page	5
V.	Action Items	Page	11
VI.	Other Business	Page	15
VII.	Reportables	Page	16

BOND ITEMS

BOND ITEM—1

**UNIVERSITY OF CALIFORNIA (6440)
BERKELEY CAMPUS
HELIOS ENERGY RESEARCH FACILITY (SOLAR ENERGY RESEARCH CENTER)
ALAMEDA COUNTY**

*Authority: Chapters 171 and 172, Statutes of 2007, Item 6440-301-0660(2)
as reappropriated by the Budget Act of 2009*

Consider authorizing the approval and execution of a Project Delivery and Reimbursement Agreement with The Regents of the University of California related to the construction and financing of the Helios Energy Research Facility (Solar Energy Research Center) at the University of California, Berkeley.

BOND ITEMS

STAFF ANALYSIS ITEM—1

University of California
Berkeley Campus
Helios Energy Research Facility (Solar Energy Research Center)
Alameda County

Action Requested

The requested action would consider authorizing the approval and execution of a Project Delivery and Reimbursement Agreement with The Regents of the University of California related to the construction and financing of the Solar Energy Research Center at the University of California, Berkeley.

Scope Descriptions and Funding

The project is within scope and cost. The Helios Energy Research Facility is comprised of two buildings: The Helios Energy Research Facility and the Solar Energy Research Center.

Helios Energy Research Facility (HERF) will provide for a 64,300 assignable square feet (asf) building housing the EBI and complementary bioengineering programs, devoted to biofuels research and located adjacent to the cluster of existing bioscience and natural resource programs and facilities in the northwest quadrant of the Berkeley campus.

The Solar Energy Research Center (SERC) will provide a 22,500 asf building housing research devoted to nanoscale photovoltaic and electrochemical solar energy systems.

Funding and Project Cost Verification

The project is within cost. The 2007 Budget appropriated \$70 million in lease revenue funds for the Project with \$30 million allocated to the SERC component and \$40 million to the HERF.

The HERF component was funded previously through the 2010 Series D bond sale. The funding and cost for the SERC component is as follows:

\$ 30,000,000	total authorized project costs (State lease revenue bonds)
\$ 54,400,000	total estimated project cost
\$ 0	State funds previously allocated
\$ 9,800,000	non-State funds previously allocated: \$7,400,000 preliminary plans, \$2,400,000 working drawings
\$ 30,000,000	State funds to be allocated: \$30,000,000 construction (\$26,920,000 contracts, \$1,346,000 contingency, \$1,734,000 project administration)
\$ 14,600,000	non-State funds to be allocated: construction \$14,600,000 (\$13,080,000 contracts, \$654,000 contingency, \$866,000 project administration)

CEQA

The Notice of Determination was filed with the State Clearinghouse on January 20, 2011 and the 30-day waiting period expired on February 21, 2011, without challenge. The University certifies that the project is in compliance with CEQA.

Real Estate Due Diligence

A Title Evaluation Report for the SERC component was completed on February 23, 2011 which concluded that there are no exceptions identified during the course of investigation that would adversely impact the quiet enjoyment of the project area.

Project Schedule

Approved preliminary plans	March 2011
Completed working drawings	August 2011
Start construction	July 2012
Complete construction	July 2014

Staff Recommendation: Authorize the approval and execution of the Project Delivery and Reimbursement Agreement.

CONSENT ITEMS

CONSENT ITEM—1

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
COLFAX FOREST FIRE STATION
WATERLINE EASEMENT
PLACER COUNTY

Consider consenting to an Agreement and Grant of Easement from the state to the Placer County Water Agency that affects the real property encumbered by the Board's 2010 Series A lease revenue bonds that were issued to finance the Colfax Forest Fire Station.

CONSENT ITEMS

STAFF ANALYSIS ITEM—1

Department of Forestry and Fire Protection
Colfax Forest Fire Station
Waterline Easement
Placer County

Action Requested

If approved, the action will consent to an Agreement and Grant of Easement for a waterline easement to the Placer County Water Agency (Agency).

Background

An easement is being required by the Agency for a water connection to serve the Colfax Forest Fire Station (FFS). The FFS is a one-engine fire station, located on state-owned property in Placer County. It consists of an eight-bed barrack/mess hall (3,134 square feet), two-bay apparatus building (1,697 square feet), generator building (395 square feet), administrative office (9,156 square feet), storage building (120 square feet), grading, drainage, paving, curbs, sidewalks, landscaping, fencing, hose wash rack, utilities, and all associated appurtenances. An easement is being required by the District for a water connection to the new buildings at the Nevada City Forest Fire Station. This new connection is necessary to ensure there is adequate water pressure to all the buildings at the site. The existing site did not require an easement for the waterlines. The Department of Forest and Fire Protection (CalFire) will continue to work in

the existing infrastructure until the completion of the new buildings. The Nevada site is currently encumbered with a Site Lease and Facility Lease associated with the Board's 2010 Series A lease revenue bonds. Section 8(b) of the Facility Lease between the Board and CalFire requires Board consent to any assignment, sublease or transfer of interest in the Facility Lease. Concurrently with this action, the District will quitclaim any and all of its rights in two existing sewer pipelines located on state property.

Agreement and Grant of Easement

The Department of General Services (DGS) has worked with the Agency in drafting the Agreement and Grant Easement that provides an easement to the Agency. The 903-square-foot easement is to locate, relocate, construct, reconstruct, alter, use, maintain, inspect, and repair a water pipeline and associated appurtenances. The Agreement and Grant Easement contains a provision for the state to relocate (at state cost) any of the Agency improvements in the easement if, at some future date, the improvements are determined to interfere with state use of the property. The easement will automatically terminate if the Agency fails to use the easement for its intended use for a continuous period of 18 months. In the opinion of DGS and based on these factors, this easement will not adversely affect the Board's interests in the Colfax Forest Fire Station.

Staff Recommendation: Consent to the Agreement and Grant of Easement to the Nevada Irrigation District.

CONSENT ITEMS

CONSENT ITEM—2

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
STATEWIDE, DENTAL FACILITY IMPROVEMENTS, PHASE I
VARIOUS COUNTIES**

Authority: Section 28(a) of Chapter 7, Statutes of 2007

Consider:

- a. recognizing a scope change
- b. recognizing revised project costs

CONSENT ITEMS

STAFF ANALYSIS ITEM—2

Department of Corrections and Rehabilitation
Statewide Dental Facility Improvements, Phase I
Various Counties

Action requested

If approved, the requested action would recognize a scope change and revised project costs.

Scope Description

This project is not within scope. This project is the first phase of a three-phase statewide project to complete physical plant modifications necessary to ensure Department of Corrections and Rehabilitation's (CDCR's) compliance with the Stipulated Agreement in the *Perez vs. Cate* class action lawsuit regarding dental care for inmates. As currently scoped, this project would make modifications necessary to address infection control situations, efficiency and safety/security issues, and the availability of timely and adequate dental services in prison dental clinics at California Institution for Women; California Medical Facility; California Rehabilitation Center; Correctional Training Facility; California State Prison, Los Angeles; Mule Creek State Prison; California State Prison, Solano; and Folsom State Prison. Specific improvements include converting office space into sterilization areas, increasing electrical capacity, increasing counter space and enlarging storage areas, and removing or constructing walls and reconfiguring dental chairs to meet industry standards.

The Board approved preliminary plans for Phase I of this project on June 10, 2011 and recognized a revised total project cost of \$4,387,000. CDCR is now requesting a scope change to add additional dental clinic construction at the California Training Facility, Soledad (CTF) and to remove construction of dental improvements at the California Rehabilitation Center, Norco (CRC).

Although the approved scope includes improvements to dental clinics at CTF, it does not include necessary improvements to clinics in Building R at this prison. CDCR had planned to complete the Building R dental clinic improvements from a prior request from CTF to use support budget funds for capital outlay purposes, as authorized by Section 6.00 of the 2008 Budget Act. However, CDCR since determined that the Building R dental improvements would exceed the \$100,000 threshold and therefore requests that these improvements be incorporated into the Dental Facility Improvements Phase I project. The scope of work is to convert existing education space to create a dental exam area, including the demolition of an existing wall; removal of wall mounted fixtures and cabinets; construction of new walls; installation of a new air compression and vacuum system; installation of heating, ventilation, and air conditioning units; and modifications to plumbing, electrical, and telecommunications systems. Anticipated costs for this portion of the project total \$306,000.

CDCR also requests to remove the construction of dental improvements at the CRC from the scope of Phase I in order to evaluate the future use of this facility after full implementation of public safety realignment and population reductions required by the Three Judge Panel. Anticipated savings for this portion of the project total \$299,000.

In addition to the \$306,000 increase associated with the additional scope at CTF and the \$299,000 decrease in costs associated with CRC, CDCR reports an increase of \$452,000 in costs for dental improvements at other Phase I institutions because of revised design costs made during the working drawings phase as follows:

- | | |
|---|-----------|
| • California Institution for Women | -\$13,000 |
| • California Medical Facility | \$104,000 |
| • Correctional Training Facility (non-building R) | -\$83,000 |
| • California State Prison, Los Angeles | -\$68,000 |
| • Mule Creek State Prison | \$158,000 |
| • California State Prison, Solano | \$138,000 |
| • Folsom State Prison | \$216,000 |

Project cost reductions reflect actual costs expended and project cost increases reflect additional dental improvement requirements. Thus, after these changes, the project is estimated to cost \$4,846,000, a net increase of \$459,000 over the amount previously recognized.

On December 2, 2011, the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to approve the scope change of this project and to recommend the Board recognize it no sooner than 20 days from that date.

Funding and Cost Verification

This project is not within cost. Section 28(a) of Chapter 7, Statutes of 2007 (AB 900) appropriated \$300 million General Fund for infrastructure improvements at prisons statewide. A December 2010 action allocated \$4,647,000 of the AB 900 General Fund to complete the design and construction of Phase I of this project. In June 2010, \$260,000 of project savings was recognized, bringing the total project cost to \$4,387,000.

This action would allocate an additional \$459,000 of the AB 900 General Fund.

\$ 4,387,000	total authorized project cost
\$ 4,846,000	total estimated project cost
\$ 4,387,000	project costs previously allocated: \$409,000 preliminary plans, \$320,000 working drawings, \$3,658,000 construction (\$2,184,000 contract, \$224,000 contingency, \$734,000 other project costs, and \$516,000 agency retained items)
\$ 459,000	project cost increase: decreases of \$153,000 in preliminary plans and \$111,000 in working drawings; increases of \$723,000 in construction (\$628,000 contract, \$46,000 contingency, \$15,000 other project costs, and \$34,000 agency retained items)

CEQA

A Notice of Exemption was filed with the State Clearinghouse on March 3, 2011 and the statutes of limitations expired on April 7, 2011, without challenge.

Real Estate Due Diligence

A Summary of Conditions letter was completed for this project on May 10, 2011 and it is noted that no significant issues were identified that adversely affect the quiet use and enjoyment of the project.

Project Schedule

Approve preliminary plans	June 2011
Complete working drawings	January 2012
Start construction	January 2012
Complete construction	January 2013

Staff Recommendation: Recognize a scope change and revised project costs.

CONSENT ITEMS

CONSENT ITEM—3

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
CALIFORNIA INSTITUTION FOR WOMEN
45-BED ACUTE/INTERMEDIATE CARE FACILITY
SAN BERNARDINO COUNTY

*Authority: Chapters 47 and 48, Statutes of 2006, Item 5225-301-0001 (15.5)
Sections 15819.40(c) and (d) and 15819.401 – 15819.404 of the Government
Code*

Consider recognizing revised project costs

CONSENT ITEMS

STAFF ANALYSIS ITEM—3

Department of Corrections and Rehabilitation
California Institution for Women
45-Bed Acute/Intermediate Care Facility
San Bernardino County

Action Requested

If approved, the requested action would recognize revised project costs for an increase of \$902,000.

Scope Description

This project is within scope. This project will provide a 45-bed licensed inpatient mental health facility consisting of housing, treatment, support and administration services. It is estimated that the facility will consist of approximately 53,500 square feet. The new facility will be a two-story building located within the expanded secure perimeter of the California Institution for Women (CIW). It will be located adjacent to and licensed under the existing CIW Correctional Treatment Center license.

The housing and treatment space will be approximately 43,400 square feet and will provide 45 single-occupancy cells. The administration space will be located on the second floor and will be approximately 10,100 square feet. This new facility will overlap the existing perimeter fence

sewer line. Therefore, temporary perimeter fencing and a temporary guard tower will need to be constructed. The project includes two additional permanent guard towers. Improvements to the existing site utilities are required to provide service to the facility. Additionally, the 8-inch high-pressure force sewer main currently located parallel to the exterior perimeter road will be moved outside the perimeter. While this sewer main is located on CIW property, it is managed by the Inland Empire Utility District. Once relocated, this sewer main will remain under the management of that utility company. A 180-space parking area will be provided east of the secure perimeter of the prison near the entry, and adjacent to the existing parking.

Funding and Cost Verification

This project is not within cost. The Budget Act of 2006 appropriated \$2,172,000 General Fund for the preliminary plans for this project. On June 12, 2009, the Board took an action allocating \$61,577,000 of the \$710,940,000 Public Buildings Construction Fund (lease revenue bond authority) appropriated in Section 15819.403(a) of the Government Code for medical, dental and mental health projects to complete working drawings and construction for this project. At that time the recognized total project cost was \$63,749,000. A new project cost estimate completed in association with award of the construction contract identified a \$29,986,000 decrease in project costs. Consequently, on July 12, 2010, the Board took an action recognizing this decrease and a revised total authorized project cost of \$33,763,000. On February 11, 2011, the Board took an action increasing authorized project costs by \$595,000 to \$34,358,000.

Construction began in May 2010 and was scheduled for completion in December 2011, in accordance with the activation schedule approved by the *Coleman Court*. As of December 1, 2011, construction is approximately 83 percent complete. The Department of Corrections and Rehabilitation (CDCR) now estimates the project will be complete by April 30, 2012. The current value of the construction contract is \$19,157,000 and the project budget includes a five percent construction contingency totaling \$958,000. Although the scope of the project has not changed, the CDCR has identified approximately \$1,230,000 (128 percent of the construction contingency) of pending change orders related to unanticipated construction contract costs. Therefore, CDCR requests the Board recognize a \$902,000 increase in project costs, as further described below.

Approximately \$412,000 of these additional costs are the result of a four month extension to the construction duration for additional work necessary to accommodate: 1) unanticipated underground electrical work (\$95,000); 2) fire alarm redesign (\$250,000); and 3) missing details on the construction drawings for lighting fixture installation (\$67,000). This action would recognize these unanticipated costs as additional construction contract costs and increase the financing authority for the construction contract in order to preserve existing construction contingency. In addition, as a result of increasing the construction contract amount, the five percent construction contingency will increase by \$21,000. As a result of these actions, the unallocated construction contingency balance to complete this project would be \$161,000, which is reasonable because the project is nearly complete.

The extended construction duration also requires amendment of the architecture and engineering, contract construction management, and program management contracts to extend them by four months to maintain these services through project completion. The total cost increase associated with these contract extensions is \$354,000. In addition, CDCR is requesting \$150,000 for the specialized services of a claims consultant because the issues that have arisen during this project may result in contractor claims. These increases are partially offset by \$35,000 of currently recognized potential project savings. Consequently, this action will recognize cumulative total increased construction costs of \$902,000, as shown below.

\$ 34,358,000 total authorized project cost

\$ 35,260,000 total estimated project cost

\$ 34,358,000 project costs previously allocated: \$2,172,000 preliminary plans, \$4,167,000 working drawings, and \$28,019,000 construction (\$19,157,000 contract, \$958,000 contingency, \$2,196,000 A&E, \$2,842,000 other project costs, \$2,831,000 agency retained items, and \$35,000 potential project savings)

\$ 902,000 project cost increase: construction (\$412,000 contract, \$21,000 contingency, \$129,000 A&E, \$375,000 other project costs, and a decrease of \$35,000 potential project savings)

CEQA

A Notice of Determination was filed with the State Clearinghouse on November 7, 2006, and a second Notice of Determination was filed with the State Clearinghouse on September 27, 2007. The 30-day statutes of limitation for each expired without challenge.

Real Estate Due Diligence

A Summary of Conditions letter for this project was completed on July 16, 2009 and no issues that would adversely affect the quiet use and enjoyment of the project were identified.

Project Schedule

Approve preliminary plans	June 2009
Complete working drawings	March 2010
Start construction	May 2010
Complete construction	April 2012

Staff Recommendation: Recognize revised project costs.

ACTION ITEMS

ACTION ITEM—1

**DEPARTMENT OF PARKS AND RECREATION (3790)
ANNADEL STATE PARK AND BENICIA STATE RECREATION AREA
OPERATING AGREEMENTS
SONOMA AND SOLANO COUNTIES**

Authority: Section 5080.40 of the Public Resources Code

Consider authorizing the Department of Parks and Recreation to enter into an operating agreement with the Sonoma County Parks to operate the entire Annadel State Park, subject to closure, and with the City of Benicia to operate the entire Benicia State Recreation Area, subject to closure, contingent upon the expiration of the 20-day notification period without receiving adverse comments from the Legislature.

ACTION ITEMS

STAFF ANALYSIS ITEM—1

Department of Parks and Recreation
Annadel State Park and Benicia State Recreation Area
Operating Agreements
Sonoma and Solano Counties

Item Pulled

ACTION ITEMS

ACTION ITEM—2

**DEPARTMENT OF PARKS AND RECREATION (3790)
11 STATE PARKS
CONCESSIONS
STATEWIDE**

Authority: Section 5080.20 of the Public Resources Code

Consider approving concessions in 11 state park units, subject to closures, through a Request for Proposal (RFP) process, contingent upon the expiration of the 20-day notification period without receiving adverse comments from the Legislature.

ACTION ITEMS

STAFF ANALYSIS ITEM—2

Department of Parks and Recreation
11 State Parks
Concessions
Statewide

Item Pulled

OTHER BUSINESS

OTHER BUSINESS ITEM—1

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
CALIFORNIA STATE PRISON, KERN COUNTY AT DELANO II (KERN VALLEY STATE
PRISON), TOTAL FACILITY
KERN COUNTY**

Authority: Government Code Section 15819.295

Consider granting a conflict of interest waiver to allow Stradling Yocca Carlson and Rauth (SYCR) tax counsel to assist the Board to respond to a request from the Internal Revenue Service concerning tax compliance for the Board's 2003 Series C Bonds because SYCR also served as co-bond counsel for the issuance of the 2003 Series C Bonds.

STAFF ANALYSIS ITEM—1

Action Requested

If approved, the requested action would grant a conflict of interest waiver to allow Stradling Yocca Carlson and Rauth (SYCR) tax counsel to assist the Board to respond to a request from the Internal Revenue Service (IRS) concerning tax compliance for the Board's 2003 Series C Bonds because SYCR served as co-bond counsel for the issuance of the 2003 Series C Bonds.

Background

The IRS has selected the Board's 2003 Series C bonds for a limited scope correspondence examination and sent the Board an Information Document Request (IDR) on December 12, 2011. Response to the IDR is due January 31, 2012. The IDR states the IRS has no reason to believe that the 2003 Series C bonds fail to comply with any applicable federal tax requirements, and is only requesting general informational responses and a limited amount of supporting documentation. We are working with SYCR tax counsel, through the Board's existing contract with them, to respond to the IDR. Because SYCR also served as bond counsel for the issuance of the 2003 Series C bonds, the IRS requires the Board to grant a conflict of interest waiver.

Staff has no reason to believe this inquiry will go beyond this IDR. However, we will inform the Board if the IRS expands its inquiry.

Staff Recommendation: Approve granting conflict of interest waiver.

REPORTABLES

To be presented at the meeting.