



1111 Franklin Street
Oakland, CA 94607-5200
Phone: (510) 987-9074
Fax: (510) 987-9086
<http://www.ucop.edu>

January 10, 2018

**CHAIR OF THE BOARD OF REGENTS
CHAIR OF THE FINANCE AND CAPITAL STRATEGIES COMMITTEE
PRESIDENT OF THE UNIVERSITY**

**ACTION BY CONCURRENCE - AMENDMENT OF THE BUDGET, MISSION BAY
CHILDCARE RELOCATION, SAN FRANCISCO CAMPUS**

EXECUTIVE SUMMARY

The San Francisco campus seeks budget augmentation for the Mission Bay Childcare Relocation project in order to address higher than anticipated costs associated with inclement weather delays, design revisions, and changes in requirements for accessibility and childcare licensing. This action increases the budget by \$1.4 million (14.3 percent) to a total project budget of \$11.2 million.

This relocation project includes a new modular Mission Bay childcare center located near the current center's site on Block 18. A new location and site were needed in order to accommodate infrastructure improvements required on the Mission Bay North campus parcels and this presented the opportunity to significantly expand the childcare program, ensure continuity of service, and replace a facility at the end of its useful life. The relocated and expanded facility will accommodate 272 children, an increase of 187, or 220 percent from the existing 85 children currently served by the Mission Bay childcare program.

There are a limited number of undeveloped parcels left at the Mission Bay campus and the use of each must be evaluated with respect to academic and clinical space needs. Although the 2014 Long Range Development Plan considers a permanent childcare facility that could be integrated into the planned housing development on Block 15 of the Mission Bay campus site, the San Francisco campus does not anticipate near-term development on that site and has not yet determined the best permanent location for childcare at Mission Bay. The development of a larger, temporary childcare facility on Block 18 is prudent to meet existing needs.

In 2016, the project budget was approved by the Chancellor with a total budget of \$9.8 million funded with campus funds from a centrally managed pool of unrestricted (non-State, non-tuition) funds, including indirect cost recovery on sponsored contracts and grants, and investment earnings. Design following action pursuant to the California Environmental Quality Act was approved by the UCSF Associate Vice Chancellor/Campus Architect in September 2016. The

AMENDMENT OF THE BUDGET, MISSION BAY CHILDCARE RELOCATION, SAN FRANCISCO CAMPUS

project was originally planned to be complete by May 2017; however, completion now is planned for spring 2018.

This item seeks approval of a budget augmentation of \$1.4 million (a 14.3 percent increase) to be funded with campus funds. The revised total project budget is \$11.2 million. The project was originally approved by the Chancellor under the authority delegated to him for projects with total budgets less than \$10 million; with the proposed augmentation, the budget will exceed the Chancellor's approval authority¹. The proposed total project cost requires this project be approved by the President of the University with concurrence of the Chair of the Board of Regents and Chair of the Finance and Capital Strategies Committee.

RECOMMENDATION

It is recommended that, subject to the concurrence of the Chair of the Board and the Chair of the Finance and Capital Strategies Committee, the 2017-18 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:


From: San Francisco: Mission Bay Childcare Relocation – preliminary plans, working drawings, construction, and equipment, \$9.8 million to be funded from campus funds.

To: San Francisco: Mission Bay Childcare Relocation – preliminary plans, working drawings, construction, and equipment, \$11.2 million to be funded from campus funds.

Approval:



Janet Napolitano Date
President

Concurrence:


George Kieffer Date
Chair of the Board of Regents

Hadi Makarechian Date
Chair of the Finance and Capital Strategies Committee

¹ DA 2598 delegates a portion of the President's authority under Standing Order 100.4(q)(1), allowing the Chancellor to approve projects and budget modifications for projects with a total cost not to exceed \$10 million.

AMENDMENT OF THE BUDGET. MISSION BAY CHILDCARE RELOCATION. SAN FRANCISCO CAMPUS

project was originally planned to be complete by May 2017; however, completion now is planned for spring 2018.

This item seeks approval of a budget augmentation of \$1.4 million (a 14.3 percent increase) to be funded with campus funds. The revised total project budget is \$11.2 million. The project was originally approved by the Chancellor under the authority delegated to him for projects with total budgets less than \$10 million; with the proposed augmentation, the budget will exceed the Chancellor's approval authority¹. The proposed total project cost requires this project be approved by the President of the University with concurrence of the Chair of the Board of Regents and Chair of the Finance and Capital Strategies Committee.

RECOMMENDATION

It is recommended that, subject to the concurrence of the Chair of the Board and the Chair of the Finance and Capital Strategies Committee, the 2017-18 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Francisco: Mission Bay Childcare Relocation – preliminary plans, working drawings, construction, and equipment, \$9.8 million to be funded from campus funds.

To: San Francisco: Mission Bay Childcare Relocation – preliminary plans, working drawings, construction, and equipment, \$11.2 million to be funded from campus funds.

Approval:



Janet Napolitano Date 1-12-18
President

Concurrence:

George Kieller Date
Chair of the Board of Regents



Hadi Makarechian Date 2/1/18
Chair of the Finance and Capital Strategies Committee

¹ DA 2598 delegates a portion of the President's authority under Standing Order 100.4(q)(1), allowing the Chancellor to approve projects and budget modifications for projects with a total cost not to exceed \$10 million.

*AMENDMENT OF THE BUDGET, MISSION BAY CHILDCARE RELOCATION, SAN FRANCISCO
CAMPUS*

BACKGROUND

The current modular childcare units on the Mission Bay campus site were assembled in 2005 on Block 18 and house the program that currently serves 85 children. Childcare services at Mission Bay for UCSF faculty, staff, and students are in high demand and the current facility is near the end of its useful life.

Several new capital projects have received approval over the last 12 months and during the next three years, approximately 760,000 gross square feet (gsf) of space will be constructed on the Mission Bay campus site. With this development of new facilities comes the need to construct utility and water infrastructure and pave parking lots and streets throughout the northwest quadrant of the Mission Bay campus site in the area surrounding the childcare facility. The campus determined that relocating the current childcare program would achieve several important objectives. Keeping the facility in its current location is neither advisable nor practical, as construction activity in proximity to the existing site would: be disruptive to the childcare program (primarily noise), heighten parental concern over the health and safety of their children, and delay the infrastructure project because construction work hours would be limited to non-childcare hours. Given the need to relocate the childcare site, this is an opportune time to significantly expand the capacity of the Mission Bay childcare center to better accommodate demand for services.

The new center is expected to provide only a temporary solution and will be constructed of modular units that have a useful life of approximately 15 years. There are no plans to use the new site for permanent construction during this timeframe. Although the long-term goal is to locate childcare in a permanent facility, no permanent site has been identified.

This project includes demolition of the existing childcare center and the construction of a new childcare facility within the limits of Mission Bay Block 18. The overall site improvements will include adjacent playground structures and landscaped areas that will be utilized specifically for the childcare facility. The facility will provide 20,380 assignable square feet (23,430 gsf) of space.

The project is being delivered using a Construction Manager/General Contractor delivery approach, with a lump sum design/build method for the assembly and installation of the modular units being done by a separate modular company.

ADDITIONAL COSTS

Multiple factors contributed to the higher-than-budgeted costs and delay in schedule, as described below:

- Bid Process Delays – The project was originally bid in July 2016, with amendments to the bid documents required to include some of the grading and electrical distribution components noted below. The bids exceeded the approved budget and the campus chose

*AMENDMENT OF THE BUDGET, MISSION BAY CHILDCARE RELOCATION, SAN FRANCISCO
CAMPUS*

to rebid the project in an attempt to get more favorable results. Although this caused an almost six-month delay to the project schedule and some increase above the approved budget costs, the resulting bids were lower than the previous bids. (This represents only a portion of the approximate ten-month total delay in project completion.)

- Site and Infrastructure Design Revisions – Required site work including sidewalks, paving, curbs, signage, and sanitary sewer system was found to be more extensive than initially contemplated. Similarly, the design of the electrical transformer and related distribution to the interior sub panels were discovered to be incomplete after the project was rebid. The addition of this required work increased costs beyond original estimates.
- Inclement Weather Delays - The proposed site is undeveloped. In February 2017, site work began to prepare the site for development, which included removing debris, lime treating the site, and grading. Inclement weather delays in excess of the allowance provided in the contract contributed in part to the budget overage.
- Changes during Design of Modular Units – Changes to various requirements were identified during the design of the modular units that added costs and delays. Examples include:
 - A change in interpretation of the code by the Fire Marshal requiring a one-hour-rated corridor.
 - The requirements for equipment and appliances established by the California Department of Social Services, Community Care Licensing were changed to a higher standard than those included in the original budget. (For example, dishwasher requires a higher water temperature than a residential dishwasher can provide.)
 - The childcare operator made late changes to its requirements that were necessary for licensing, such as added drinking fountains, lockset changes, battery-powered faucets, flooring changes, countertop molding and millwork detail changes, and divider panels at sink casework. Wider decking around the buildings is also a requirement identified late in the project.
- Changes to the Project Site Features – The Fire Marshal also made changes to the required calculations on the playground equipment and identified a need for yard hydrants, which was discovered after the subcontractor was awarded. Additional architectural details that changed the parameters of the site development include more bicycle racks, enhanced fencing, additional storage sheds and trash enclosures, and ramps.

All combined, the costs associated with the changes cannot be accommodated within the approved budget. The project had a construction contingency of \$134,000 (1.6 percent of original amount for hard costs), which is being maintained at the same dollar amount (now 1.4

AMENDMENT OF THE BUDGET, MISSION BAY CHILDCARE RELOCATION, SAN FRANCISCO CAMPUS

percent of proposed amount of hard costs) to address any unforeseen conditions during construction. After the design adjustments and budget changes identified above, the number of childcare spaces to be created, project size, and location remain as originally approved.

Project Schedule

The site work is 80 percent complete and the playground equipment will be installed by early December 2017. The pre-fabricated buildings are planned for delivery and assembly on the site before the end of 2017. Following delivery and assembly, the mechanical units will be installed, followed by interior systems and finishes including fire alarm and security. Upon completion of that work the facility will be available for use.

The project was originally scheduled to be complete by May 2017. With the delays associated with redesign, budget reconciliation, and early inclement weather, the project is now planned to be complete in spring 2018.

Funding Plan

This item seeks approval of a budget augmentation of \$1.4 million (a 14 percent increase) to be funded with campus funds. The revised total project budget is \$11.2 million funded with campus funds. The campus funds would come specifically from a centrally managed pool of unrestricted (non-State, non-tuition) funds, including indirect cost recovery on sponsored contracts and grants and investment earnings.

Sustainability Policy

This project will comply with the University's Policy on Sustainable Practices. As required by this policy, the project will adopt principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements.

CEQA Analysis

The Mission Bay Childcare Relocation project was analyzed in Addendum #1 to the 2014 Long Range Development Plan Environmental Impact Report (2014 LRDP EIR) dated April 6, 2016 – for LRDP Amendment #1 – Revise Functional Zone Map for the Mission Bay Campus Site, Mission Bay Temporary Childcare Project and Site Improvements. Addendum #1 concluded that the project was analyzed in the 2014 LRDP EIR; that the project did not entail substantial changes that would require major revisions to the 2014 LRDP EIR; and that no substantial changes had occurred in the circumstances under which the proposed project would be undertaken that had not already been analyzed in updated analyses for the area. Thus, Addendum #1 concluded that no additional environmental review was necessary.

The budget increases described for this project would not result in substantial physical changes to the project and therefore do not affect the prior CEQA determination for the project. The size of the project remains unchanged. As such, no additional environmental review is necessary.

*AMENDMENT OF THE BUDGET, MISSION BAY CHILDCARE RELOCATION, SAN FRANCISCO
CAMPUS*

KEY TO ACRONYMS

2014 LRDP EIR	2014 Long Range Development Plan Environmental Impact Report
CEQA	California Environmental Quality Act
LRDP	Long Range Development Plan

ATTACHMENTS:

Attachment 1	Project Sources and Uses and Statistics
Attachment 2	Comparable Project Information
Attachment 3	Project Site Plan

**PROJECT SOURCES AND USES
CCCI 6173**

Sources	Approved Budget Mar-16	Proposed Change	Proposed Budget Nov-17
Campus Funds	\$9,800,000	\$1,400,000	\$11,200,000
Total Sources	\$9,800,000	\$1,400,000	\$11,200,000

Uses	Approved Budget May-17	Proposed Change	Proposed Budget Nov-17	% of Total
Site Clearance	\$50,000	-	\$50,000	0.5%
Building	\$8,099,000	\$801,000	\$8,900,000	81.6%
Exterior Utilities	\$250,000	-	\$250,000	2.3%
Site Development	-	\$305,000	\$305,000	2.8%
A/E Fees ²	\$392,000	\$198,000	\$590,000	5.4%
Campus Administration ³	\$351,000	\$75,000	\$426,000	3.9%
Surveys, Tests, Plans	\$18,000	-	\$18,000	0.2%
Special Items ⁴	\$211,000	\$21,000	\$232,000	2.1%
Contingency	\$134,000	-	\$134,000	1.2%
Total before Equipment	\$9,505,000	\$1,400,000	\$10,905,000	100%
Group 2 & 3 Equipment	\$295,000	-	\$295,000	
Total Uses	\$9,800,000	\$1,400,000	\$11,200,000	

Project Statistics

Gross-Square-Foot (GSF)	23,430
Assignable-Square-Foot (ASF)	20,380
Efficiency Ratio ASF/GSF	0.87
Building Cost/GSF	\$380
Project Cost/GSF ⁵	\$465

² A/E fees include the executive architect/engineer's basic services contract fee.

³ Campus Administration includes: project management, contract administration, and inspection.

⁴ Special Items include: environmental consultants and documentation, structural peer review, programming studies, and information technology consultants.

⁵ Excludes Group 2 & 3 Equipment

ATTACHMENT 2

COMPARABLE PROJECT INFORMATION
(CCCI 6173)

The projects included below as comparable projects represent pre-fabricated modular facilities for childcare and education.

Year Completed	Location	Project	GSF	Building Cost/GSF
2009	UC Merced	Early Childcare Education Facility	8,407	\$386
2017	Santa Clara	Private Developer (with same Childcare Operator)	14,500	\$378
2018	UC San Francisco	Mission Bay Childcare Relocation	22,430	\$380

PROJECT SITE PLAN

