



BOARD OF RETIREMENT

Staff Report

File #: 19-1142

Agenda Date: 11/5/2020

Agenda #: 18.

FROM: Joe Michael, Chief Information Officer

SUBJECT: Construction Project Contingency Funds Request

RECOMMENDATION:

Approve the use of contingency funds in an amount not to exceed \$137,626.02 to cover legislative mandate and Covid-19 related expenses related to the current construction project.

BACKGROUND:

The current construction project has suffered costly delays and overruns due to Covid-19. Though SBCERA has worked with all contractors to ensure costs remain within approved budgets, staff has encountered two previously unforeseen issues that, when combined, exceed the projects original contingency reserves:

1. The first is Senate Bill 142, which clarified employer obligations for nursing mothers. The signed bill required SBCERA to relocate its existing "Mother's Room" in order to provide additional mandated amenities. The change order was presented to the Board during the October 1, 2020 Board Meeting.
2. The second issue is the continued and expected protracted requirements of social distancing. To ensure the health and safety of our staff while preventing further spread of the Covid-19 virus in the future, we have opted to make necessary changes to the original planned and budgeted workstations and work areas. This includes shifting our work areas from open communal spaces, to individual workstations and additions of full height walls/windows for each cubicle.

The current project contingency cannot cover these costs and we therefore request approval of additional contingency for the current construction project in an amount not to exceed \$137,626.02.

Area	Budgeted Amount	Actual Cost	Difference
1 st Floor Furniture	\$283,157.76	\$94,043.45	\$106,441.74
3 rd Floor Furniture		\$295,556.05	
Mother's Room	N/A	\$31,184.28	\$31,184.28
Contingency Request		.	\$137,626.02

Government Code Section 31580.2 provides for a cap on the administrative expense budget for SBCERA. That amount for FY 2020-21 is \$27,939,835. The approved Administrative Budget of \$12,305,550 is approximately 44% of the statutory cap, leaving \$15,634,285 in the unrestricted

contingency fund for FY 2020-21. Adding the proposed amount of \$137,626 will leave \$15,496,659 in the unrestricted contingency fund for FY 2020-21.

BUDGET IMPACT:

Costs for this item are not included in the current year administrative budget. The use of contingency funds will be required to fund this item

STRATEGIC PLANNING GOAL/OBJECTIVE:

Quality Employer and Workplace

STAFF CONTACT:

Joe Michael

ATTACHMENTS:

- Exhibit A: GM Furniture Original Proposal
- Exhibit B: GM 1st Floor Furniture Proposal
- Exhibit C: GM 3rd Floor Furniture Proposal
- Exhibit D: Change Order PCO #10 Mother's Room