QB0604A

Office of the Secretary – Capital

Department of Public Safety and Correctional Services

Dorsey Run Correctional Facility – 560-bed Minimum Security Compound (Anne Arundel County)

General Obligation Bonds	**$1,200,000**
PAYGO FF	**$7,900,000**
PAYGO Deficiency FF	**$2,100,000**

Summary of Recommended PAYGO Actions

1. Concur with the Governor's allowance.

Summary of Recommended Bond Actions

1. Dorsey Run Correctional Facility – 560-bed Minimum Security Compound

   Approve.

Project Description: Construct a new minimum security pre-release complex at the Dorsey Run Correctional Facility (DRCF). The project is to be implemented in two phases, each consisting of a 560-bed compound with accompanying support facilities. When completed, the project will provide 1,120 new minimum security beds and reduce the Division of Correction's reliance on nonconventional housing of minimum security classification inmates.

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Project Summary Information

Phase I – Two 280-bed Housing Units, Support Services Building, and Sallyport Search Area

Total Project Cost:	$26,480,000	**Cost Per Square Foot – Base:**	$207
Budget Estimate Stage:	DD	**With Escalation and Contingencies:**	$212
Program Plan Status:	Approved	**Gross Square Footage:**	83,245
Green Building:	Yes	**Net Usable Square Footage:**	58,846
Est. Completion Date:	May 2013	**Building Efficiency:**	70.7%
Project Design Cost %:	7.8%		

Phase II – Two 280-bed Housing Units, Support Services Building, and Sallyport Search Area

Total Project Cost:	$26,379,000	**Cost Per Square Foot – Base:**	$194
Budget Estimate Stage:	Budget	**With Escalation and Contingencies:**	$203
Program Plan Status:	Approved	**Gross Square Footage:**	83,245
Green Building:	Yes	**Net Usable Square Footage:**	58,846
Est. Completion Date:	September 2016	**Building Efficiency:**	70.7%
Project Design Cost %:	5.4%		

Project Analysis

At the end of fiscal 2011, the Department of Public Safety and Correctional Services (DPSCS) had an average daily population of 5,118 minimum security inmates and only 4,429 conventional minimum security beds. To supplement the need for beds at this security classification, DPSCS utilizes 818 nonconventional beds at the Maryland Correctional Institution – Hagerstown and the Metropolitan Transition Center in Baltimore City. The use of nonconventional housing has negative implications for both the safety and supervision of inmates. To address the need for minimum security beds, DPSCS entered into an agreement with the U.S. Marshal to operate the Chesapeake Detention Facility (formerly the Maryland Correctional Adjustment Center) as a 500-bed federal detention center, in exchange for operating funds for the detention center and $20 million in federal funding to be used toward construction of a new State facility.

DRCF is located within the Jessup correctional complex on a parcel of land between the Maryland House of Correction and the Jessup Pre-release Unit. The project consists of two compounds, each consisting of two two-story, 280-bed each, dormitory style housing units, a support services building, a strip search room, recreation yard, parking lot, perimeter security system with sallyport, utilities, and lighting. In total, the project will provide 1,120 new minimum security beds.

The project is being built in two phases using a design/build methodology. When originally proposed in the 2009 session, the project was to be built in three phases. Phase I was to be construction of the first compound, anticipated to take 28 months to complete, with an estimated completion date of December 2011. Phase II was to consist of construction of the first housing unit of Compound 2 and the support services building. It was estimated that Phase II would require 20 months to complete and had an estimated finishing date of August 2012. Phase III consisted of constructing the final housing unit of Compound 2 and had an estimated completion date of May 2013. Due to delays in securing the federal funding and associated operating agreement for the federal detention center, work on the project did not begin until May 2011. **Exhibit 1** provides a revised timeline of the design and construction, along with the proposed funding and expenditure streams for each phase. The two phases will be awarded as separate design/build contracts.

Exhibit 1
Department of Public Safety and Correctional Services
Dorsey Run Correctional Facility
Project Timeline

1st Compound

Task	Est. Completion Date	Funding and Expenditures		
Notice to Proceed	5/2011	Fiscal 2010	$ 13,224,000	Site Work, HUs and SSB, Fence, Utilities, CITS, and BCE
Complete Design	12/2011	Fiscal 2010 (Federal Funds)	10,000,000	
Rough Grading and Site Work	11/2012	Fiscal 2012 (Federal Funds)	2,100,000	BCE, CITS, and Contingencies
SSB and Search Booth (Including Equipment)	3/2013	Fiscal 2013	1,200,000	Equipment
Housing Unit # 1 (Incl. Equipment)	2/2013			
Housing Unit # 2 (Incl. Equipment)	3/2013			
Finished Grading, Commissioning and Complete Project	5/2013			

2nd Compound

Task	Est. Completion Date	Funding and Expenditures		
Notice to Proceed	8/2014	Fiscal 2013 (Federal Funds)	$ 7,900,000	All Buildings, MDE Dam Improvements, Fence, Utilities, CITS, CM, and Contingencies
Complete Design	3/2015	Fiscal 2015	$ 13,600,000	
SSB and Search Booth (Including Equipment)	7/2016	Fiscal 2016	$ 1,400,000	Equipment
Housing Unit # 1 (Incl. Equipment)	6/2016			
Housing Unit # 2 (Incl. Equipment)	7/2016			
Finished Grading, Commissioning and Complete Project	9/2016			

BCE: building construction engineer
CITS: construction inspection and testing services
CM: construction management
HU: housing unit
MDE: Maryland Department of the Environment
SSB: Support Services building

Source: Department of Public Safety and Correctional Services

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Phase I

A design/build construction contract has been awarded for Phase I, which consists of complete construction of the first 560-bed compound (East compound) and grading/earthwork for the second 560-bed compound (West compound). The design of the Phase I site work, buildings, and utilities is 100% complete and signed off to begin construction. The construction is approximately 8% complete, and at this point, primarily consists of earth work/grading, stormwater management work, and utilities relocations. Phase I is anticipated to be complete by May 2013 (fiscal 2013), the original estimated completion date for the entire DRCF project.

The total estimated cost of Phase I is $26.5 million, nearly $2.1 million above the original estimate provided in fiscal 2010, reflecting a higher than anticipated final bid. Approximately $23.2 million ($13.2 million in general obligation (GO) and $10.0 million in federal pay-as-you-go (PAYGO)) was authorized in the Maryland Consolidate Capital Bond Loan (MCCBL) of 2009 for design and construction of Phase I. An additional $2.1 million in federal PAYGO is provided as a fiscal 2012 deficiency appropriation for construction management and inspection testing services. The $23.2 million in prior authorizations has been encumbered by the department, and the deficiency is needed to avoid delays in construction. The $1.2 million in GO funding for fiscal 2013 is provided to equip the first compound.

Phase II

Phases II and III have been combined to consist of the complete construction of all components of Compound 2, including both 280-bed housing units, the support services building, and the sallyport/search area. Originally, the construction schedules for Phase I and Phase II were to overlap; however, the GO funding for Phase II has been delayed in the Governor's *Capital Improvement Program* due to statewide project priorities. The MCCBL of 2012 includes $7.9 million in federal PAYGO to reflect the final appropriation from the U.S. Marshal, completing the $20.0 million federal funding obligation. An additional $13.6 million in GO funding for construction has been delayed to fiscal 2015, with $1.4 million to be provided in fiscal 2016 to equip Compound 2. With the new funding schedule, work on Phase II will not begin until August 2014 (fiscal 2015), and the estimated completion date is now September 2016 (fiscal 2017), more than three years after the original estimate. DPSCS has revised its cost estimate for Phase II based on the award for Phase I, resulting in a $4.1 million increase over the Phase II estimate provided when the project was initially funded in fiscal 2010.

The Governor's five-year *Capital Improvement Program* (CIP) includes a total of $49.4 million in funding for the DRCF project. This is approximately $2.9 million above the original project estimate provided in fiscal 2010. Furthermore, based on the most recent cost estimate worksheets, the total project cost is estimated to be $52.6 million, approximately $3.2 million beyond the funding level currently budgeted for this facility. According to DPSCS, the project scope has changed, which has resulted in the increased project cost. Work at the site has revealed existing soil conditions that are different from what was anticipated and are unsuitable for use in the project. In addition, DPSCS is modifying the medical facilities at Compound 2 to provide dental services, requiring an increase in equipment costs. The proposed scope changes have yet to be submitted to the Department of Budget and Management for approval. It is likely that the CIP will need to be revised to provide additional out-year funding for the project.

DPSCS should comment on:

- **the proposed scope changes including factors leading to changes in the gross and net square footage;**
- **the accuracy of the current cost estimates and the potential for the total project cost to increase further;**
- **what value engineering efforts have been undertaken to bring the project more in line with the $22.55 million price; and**
- **whether pursuing a separate bid and award process could result in a different developer for Phase II and if so, what complications or cost implications this could pose.**

This project was included in the capital budget to address both short- and long-term needs for the department. In the long term, it will aid in eliminating the need of nonconventional minimum security beds. In the short term, the construction of DRCF was a key component in the plan to relocate inmates displaced during the construction of other facilities in the department's capital plan, primarily the new Women's Detention Center (WDC) in Baltimore City. Construction of the WDC requires demolition of the Jail Industries Building (JIB), displacing approximately 550 detainees. The department's plan is to relocate the JIB detainees to the Metropolitan Transition Center (MTC), located adjacent to the Baltimore City Detention Center, and relocate the MTC inmates to the new DRCF in Jessup. The construction of the WDC is dependent on the schedule for the new Youth Detention Center, a project currently on hold pending a scope reevaluation. As such, funding for the WDC has been deferred until fiscal 2016, meaning the delays in the DRCF construction to not pose a problem for the relocation of inmates in Baltimore City. **Given the delays with the Baltimore City projects and the lack of immediate need for the DRCF facility to house MTC inmates, and the delay in the department's implementation of a new classification instrument initiative, DPSCS should comment on how the facility will be used when the first compound comes online at the end of fiscal 2013.**

Prior Authorization and Capital Improvement Program

Authorization Uses
($ in Millions)

Fund Uses	*Prior Authorization*	*2013 Request*	*2014 Estimate*	*2015 Estimate*	*2016 Estimate*	*2017 Estimate*
Acquisition	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
Planning	1.625	1.306	0.000	0.000	0.000	0.000
Construction	23.699	6.594	0.000	13.600	0.000	0.000
Equipment	0.000	1.200	0.000	0.000	1.400	0.000
Total	**$25.324**	**$9.100**	**$0.000**	**$13.600**	**$1.400**	**$0.000**

Authorization Sources
($ in Millions)

Fund Sources	*Prior Authorization*	*2013 Request*	*2014 Estimate*	*2015 Estimate*	*2015 Estimate*	*2017 Estimate*
GO Bond	$13.224	$1.200	$0.000	$13.600	$1.400	$0.000
Federal	12.100	7.900	0.000	0.000	0.000	0.000
Total	**$25.324**	**$9.100**	**$0.000**	**$13.600**	**$1.400**	**$0.000**

In total, $10.0 million in federal PAYGO funding and $1.2 million in GO bond funding is provided in the Governor's proposed budget for DRCF. This includes $2.1 million in federal PAYGO provided as a fiscal 2012 deficiency appropriation, which will be used in construction with $1.2 million in fiscal 2013 GO funding to complete construction and equip the first 560-bed compound. The remaining $7.9 million in federal PAYGO funding provided in fiscal 2013 is to fund design and partial construction of the second compound. The total estimated cost of this project is approximately $49.4 million, funded with $20.0 million in federal PAYGO and $29.4 million in GO funding. To date, $15.0 million of the federal funding has been received by the department, with the remaining $5.0 million to be provided within the next 18 months, as dictated by the agreement with the Office of Federal Detainee Trustee.

Executive's Operating Budget Impact Statement

($ in Millions)

	FY 2013	*FY 2014*	*FY 2015*	*FY 2016*	*FY 2017*
Estimated Operating Cost	$0.137	$8.386	$7.867	$7.867	$16.219
Estimated Staffing	0	117	117	117	234

DRCF is a new stand-alone facility which will operate independently. Therefore, everything from additional staff positions to new vehicles will be required when the facility is ready for occupancy. Phase I has an estimated completion date of May 2013, but an anticipated occupancy date of October 2013, requiring the facility to be operational for nine months of fiscal 2014. No additional positions or funding is provided in the department's fiscal 2013 allowance to support operation of the facility.

DPSCS estimates needing 117 positions to staff Compound I. Initial start-up costs increase the total operating cost for Compound I to approximately $8.4 million. After the first year of operation, the annual operating cost of Compound I is approximately $7.9 million. Fiscal 2017 reflects an additional 117 positions to support operations at Compound II and funding for three-quarters of the fiscal year, as the second compound is not scheduled to be completed until September 2016.

PAYGO Recommended Actions

1. Concur with Governor's allowance.

GO Bond Recommended Actions

1. Approve.

Appendix 1

Capital Project Cost Estimate Worksheet

Department:	Department of Public Safety and Correctional Services
Project Number:	QB0604A
Project Title:	Dorsey Run Correctional Facility – Compound I
Analyst:	Rebecca J. Ruff

Structure

New Construction: Housing Unit 1	32,435 Sq. Ft. X	$212.00 Sq. Ft. =				$6,876,220
New Construction: Housing Unit 2	32,435 Sq. Ft. X	$212.00 Sq. Ft. =				6,876,220
New Construction: Support Space	18,159 Sq. Ft. X	$187.00 Sq. Ft. =				3,395,733
New Construction: SallyPort	216 Sq. Ft. X	$140.00 Sq. Ft. =				30,240
Built-in Equipment:						300,000
Demolition:						0
Information Technology:						300,000
Telecommunications:						0
Miscellaneous – Other:						0
Miscellaneous – Other:						0
Miscellaneous – Other:						0
Subtotal						**$17,778,413**
Regional Factor:	100.0%					0
Subtotal						**$17,778,413**
Escalation to Mid-point:	1.58	Yrs. X	3.7%	=	5.83%	1,036,481
Total Cost of Structure (Bid Cost)						**$18,814,894**

Site Work and Utilities

Site Improvements:	888,921 + regional factor + mid-point escalation	$940,745
Utilities:	1,388,921 + regional factor + mid-point escalation	1,469,895
Project Subtotal (Bid Cost)		**$21,225,534**

Fees and Miscellaneous Costs

Green Building Premium:		2.2%	$466,962
Total Construction Contingency:		5.0%	1,061,277
Inspection Cost:		2.4%	509,413
Miscellaneous:	CM Cost Construction Share		200,581
Miscellaneous:	Movable equipment		600,000
Miscellaneous:	Information Technology equipment		600,000
Miscellaneous:	CPM Schedule		10,997
A/E Fee through Construction Phase @		7.8%	1,805,232
Total Cost of Project			**$26,479,996**

Base Cost Per New Square Foot	**$212**
Adjusted Cost Per New Square Foot (incl. escalation, contingencies, and Green Bldg.)	**$241**

Capital Project Cost Estimate Worksheet

Department:	Department of Public Safety and Correctional Services
Project Number:	QB0604A
Project Title:	Dorsey Run Correctional Facility – Compound II
Analyst:	Rebecca J. Ruff

Structure

New Construction: Housing Unit 1	32,435	Sq. Ft. X	$205.00	Sq. Ft. =		$6,649,175
New Construction: Housing Unit 2	32,435	Sq. Ft. X	$205.00	Sq. Ft. =		6,649,175
New Construction: Support Space	18,159	Sq. Ft. X	$152.00	Sq. Ft. =		2,760,168
New Construction: SallyPort	216	Sq. Ft. X	$152.00	Sq. Ft. =		32,832
Built-in Equipment:						300,000
Demolition:						0
Information Technology:						300,000
Telecommunications:						0
Miscellaneous – Other:						0
Miscellaneous – Other:						0
Miscellaneous – Other:						0
Subtotal						**$16,691,350**
Regional Factor:	100.0%					0
Subtotal						**$16,691,350**
Escalation to Mid-point:	4.75	Yrs. X	3.9%	=	18.50%	3,087,900
Total Cost of Structure (Bid Cost)						**$19,779,250**

Site Work and Utilities

Site Improvements:	834,568 + regional factor + mid-point escalation	$988,963
Utilities:	834,568 + regional factor + mid-point escalation	988,963
Project Subtotal (Bid Cost)		**$21,757,176**

Fees and Miscellaneous Costs

Green Building Premium:		2.0%	$435,143
Total Construction Contingency:		5.0%	1,087,859
Inspection Cost:		2.2%	478,658
Miscellaneous:	Movable equipment		775,000
Miscellaneous:	Information Technology equipment		600,000
Miscellaneous:	CPM Schedule		19,043
A/E Fee through Construction Phase @		5.2%	1,226,321
Total Cost of Project			**$26,379,200**

Base Cost Per New Square Foot	**$205**
Adjusted Cost Per New Square Foot (incl. escalation, contingencies, and Green Bldg.)	**$260**