



Agenda Submittal

Agenda #: 4 **Status:** Consent Calendar
Type: Report **Department:** Auditor-Controller
File #: 19-599 **Contact:** Phyllis Taynton, 784-6288
Agenda date: 8/13/2019 **Final action:** 8/13/2019
Title: Accept the Final Audit Report of the Board of State and Community Corrections Jail Construction Agreement No. A26-13 for the Rourk Vocational Training Center for the period November 30, 2016 through June 30, 2019
Governing body: Board of Supervisors
District: All
Attachments: 1. A - Final Audit Report, 2. Minute Order

Date	Ver.	Action By	Action	Result
8/13/2019	1	Board of Supervisors		

Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Auditor-Controller's Office (ACO) recommends the Board of Supervisors accept the Final Audit Report of the Board of State and Community Corrections (BSCC) Jail Construction Agreement No. A26-13 for the SB 1022 Rourk Vocational Training Center Project for the period November 30, 2016 through June 30, 2019.

SUMMARY AND DISCUSSION:

On June 27, 2012, Senate Bill (SB) 1022 Chapter 42, Statutes of 2012, became law authorizing state lease revenue bond financing, (up to \$500,000,000 in financing authority), for the acquisition, design and construction of adult local criminal justice facilities. The Board of State and Community Corrections administered awarding of the funding to individual counties.

In February 2013, the Solano County Board of Supervisors authorized the submission of a proposal for SB 1022 funding to construct Program Space for Adult Local Criminal Justice Facilities. The County developed a Program Space Proposal based on identifying a need to build new facilities that provide adequate space for the provision of treatment and rehabilitation services, including mental health treatment. Based on submission of the *SB 1022 Adult Local Criminal Justice Facilities Construction Financing Program Proposal Form*, Solano County was awarded state financing in the amount of \$23,037,000.

On November 30, 2016, the County of Solano and the California Board of State and Community Corrections entered into *Agreement No. A26-13* under the *SB 1022 Adult Local Criminal Justice Facilities Construction Financing Program*. Per the agreement, the State funded a total amount of \$23,037,000 or 90% of total eligible project costs. Solano County was required to contribute the remaining 10% in any combination of cash hard match and in-kind soft match funds (Participating County Funding).

The County contributed cash hard match funds in the amount of \$490,990, or 1.92% of the total eligible project costs of \$25,597,000. The source of the cash hard match funds was the County's Public Facilities Fees and the Countywide Public Protection Fund (AB 109). The in-kind soft match funds in the amount of \$2,069,010 or

8.08% of total eligible project costs included site acquisition (appraised at fair market value) and costs attributable to activities directly related to the project that are performed by county staff (Transition Planning-Sheriff's Office, County Administration-General Services and Final Audit-ACO).

The Rourk Vocational Training Center (Project) is constructed on a 3.81-acre County-owned site located at 2456/2458 Claybank Road in the City of Fairfield adjacent to the existing developed site of the Stanton Correctional Facility and the Claybank Detention Facility. Funds provided for the project were used to construct an approximately 9,940 square foot Classroom Training Center building and an approximately 36,680 square foot Vocational Training Center building. The new buildings are constructed primarily of steel, masonry, and concrete for long-term durability, and included cost-effective "green building" principles designed as Leadership in Energy and Environmental Design (LEED) Silver certified.

The project includes classrooms, a computer training center, a lobby/reception area, and administrative and support space. The Vocational Training Center building includes vehicle repair bays with vehicle lifts for bus and automobile repair and maintenance programs, an area for building trade programs and office and support space.

The County's Division of Capital Projects Management (CPM), a division of the Department of General Services, was responsible for managing the construction project and administering the provisions of the *Board of State and Community Corrections Jail Construction Agreement No. A26-13*.

The County appointed a County Construction Administrator and a Project Financial Officer from the Division. The County Construction Administrator was the County's representative for administration of the agreement and had full authority to act on behalf of the County. The Project Financial Officer was responsible for establishing and maintaining an official project file and ensuring the project accounting procedures and practices were in accordance with generally accepted government accounting principles and practices. Additionally, a County Project Contact Person was appointed from the Sheriff's Office who was responsible for coordinating and transmitting information to the Board of State and Community Corrections (BSCC) and receiving and disseminating information from the BSCC.

As required by the *Board of State and Community Corrections Jail Construction Agreement No. A26-13*, at the completion of the project, a Final Audit of the Rourk Vocational Training Center Project costs was performed by the ACO. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

The ACO audit disclosed two compliance deficiencies based on the terms and conditions of the BSCC agreement. Management's response is included as 'Attachment A' in the Final Audit Report.

In addition, travel costs in the amount of \$194 were determined to be ineligible under the County hard match costs. However, since the amount did not impact the total County hard cash match requirement, the State did not require additional expenses of that amount be submitted to replace the ineligible costs.

FINANCIAL IMPACT:

The costs associated with preparing the agenda item are nominal and absorbed by the department's FY2019/20 Adopted Budget.

ALTERNATIVES:

The Board of Supervisors could elect not to accept the Final Audit Report. This alternative is not consistent with sound public policy and is therefore not recommended.

OTHER AGENCY INVOLVEMENT:

The Department of General Services has reviewed and accepted the Final Audit Report.

The County Administrator's Office, the Sheriff's Office, the State Public Works Board, and the Board of State and Community Corrections have received the Final Audit Report.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION