

Texas Facilities Commission

# Child Care Report

December 2014



In 1989, the State of Texas child care program (the Program) was established by the Texas Legislature by enactment of Article 6252-3e of the Vernon's Annotated Revised Civil Statutes of the State of Texas, currently codified in pertinent part in Chapter 663 of the Texas Government Code, to serve State of Texas employees of all income levels and ensure access to quality child care services. The legislature intended the facilities comprising the Program be located in existing or newly-constructed State-owned buildings. Upon its inception, the Program was assigned as an agency function and duty of the State Purchasing and General Services Commission; its

*Texas Government Code, Section 663.052 directs the Commission to report to the legislature with a summary of the development and progress of the State's child care program and a description of the additional child care services needed by state employees.*

successor agency, the Texas Facilities Commission (TFC or the Commission) currently administers and operates the Program. The legislature also established the Child Care Advisory Committee (the Committee) to advise the Commission with regard to specific aspects of the Program.

Presently, the Program consists of one facility, the Capitol Complex Child Care Center, which is located in two state-owned buildings on the Commission's inventory, namely 1501 and 1507 Lavaca Street, Austin, Texas. The facility is comprised of two buildings and an adjoining outdoor play area. In 1992, the State Purchasing and General Services Commission renovated this facility to serve as the initial child care facility in the Program (*refer to Exhibit A - Facility Description on page 3*). Project records indicate the 1992 renovations cost approximately \$790,000. The Capitol Complex Child Care Center began operations soon afterwards. In the intervening 21 years since the Capitol Complex Child Care Center opened, only essential maintenance has been conducted on the facilities in the nature of either short-term or cosmetic repairs or, in some instances, deferred altogether. The Commission conducted a security assessment and facility condition assessment in early 2013. Estimates to accomplish critically needed repair and replacement requirements associated with building infrastructure systems (roof, electrical, mechanical, plumbing, structure, and life safety systems) exceed \$2,000,000. Consequently, the Commission has included such repairs for the facility in its deferred maintenance program. The current structures were not originally intended for the delivery of child care services, and the buildings are not adequate in terms of quality or size to effectively meet the legislative directive of a state child care program that serves State of Texas employees of all income levels and provides access to quality child care services in a secure and well-maintained facility.

TFC performs its responsibilities with regard to the Program through a third-party service provider. To date, there have been three different operators of the Capitol Complex Child Care Center. The Commission's current contract with Rosewood Oaks, LLC will expire on December 31, 2014. As of the date of this report, TFC has delivered amendment documents to the service provider which will extend the contract term through May 31, 2015 to coincide with the proposed renovation schedule. According to the service provider, there are 80 children currently enrolled and 6 children scheduled on a waiting list.

During Fiscal Years 2013 and 2014, TFC undertook several measures to prepare for the end of the current service provider's contract. During the 82<sup>nd</sup> Legislative Session, TFC worked diligently with the Texas Legislature to seek passage of House Bill 3404 to re-establish the Committee. House Bill 3404 was enacted, thereby ensuring the Committee's existence through September 2021. TFC's commissioners appointed members of the Committee in accordance with Section 663.051 of the Texas Government Code at its December 19, 2012 open meeting. Pursuant to Texas Government Code, Section 663.051, the Committee is charged with the task of serving the Commission in an advisory capacity in the following two areas related to the Program: (1) location, size and design of the child care facilities; and (2) curriculum the facility must provide to ensure the provision of developmentally appropriate services of a high quality.

The Committee convened on January 11, 2013 and met weekly through February 15, 2013. On February 20, 2013, the Committee offered its final recommendations to address the immediate considerations as TFC develops a solicitation for its next third-party child care services provider, as well as to guide the Commission as it plans and allocates resources for the Program's future. Upon receipt of the Committee's recommendations, the Commission immediately notified the Chair of the Senate Committee on State Affairs, the Chair of the House State Affairs Committee, and members of the Senate Finance Committee and the House Committee on Appropriations of those recommendations and concerns related to the Program. Subsequently, the Commission provided several legislators with a tour of the Capitol Complex Child Care Center.

In August 2013, TFC executed Assignment No. 3 to its Indefinite Delivery Indefinite Quantity contract with professional services provider, Steinbomer, Bramwell & Vrazel, Architects to perform architectural/engineering (A/E) services to review and confirm the scope of work and budget related to certain exterior repairs proposed to the Capitol Complex Child Care Center. A notice to proceed was issued in October 2013. In March 2014, TFC amended this contract to include A/E services associated with the performance of internal and exterior repairs and renovations to the facility. A proposed project schedule anticipated final completion on or before the end of 2014 with no interruption of child care services at the Capitol Complex Child Care Center.

Upon receipt of the preliminary design drawings, TFC invited members of the Committee to attend a presentation by Steinbomer, Bramwell & Vrazel, Architects in April 2014. Five members attended the presentation and commented on the project. In addition, Committee members voiced concerns about the safety of the children enrolled at the Capitol Complex Child Care Center and the operator's employees during the proposed project. After considering the feedback from the Committee members, internal staff and all available options, the Executive Director determined the most reasonable course of action was to delay disruptive and interior work at the facility until the summer months of 2015 and to temporarily suspend operation of the Capitol Complex Child Care Center while the work is accomplished. The facility requires upgrades to all major building systems. The buildings are currently in need of envelope repairs (roof, siding and windows), accessibility (ingress and egress), fire and life safety compliance upgrades, new heating, ventilation and air conditioning (HVAC) systems, new lighting systems, new ceiling systems, new floor coverings, compliant door hardware, interior paint, improvements to the food service kitchen, site drainage corrections, parking

lot resurfacing and striping, landscaping improvements, and site security improvements. The work will address deferred maintenance needs, will improve the facility's suitability for its current use, and enable the Commission to meet its statutory duty to provide child care services under the State Child Care Program.

TFC advised state leadership and members of the Austin legislative delegation of its plans regarding the Capitol Complex Child Care Center in the spring of 2014. On May 27, 2014, parents of children enrolled in the Capitol Complex Child Care Center were given twelve months prior written notice of the Commission's plans to temporarily suspend operations during the 2015 summer months of June, July and August. Moreover, the current operator has been directed to inform families on the wait list and any new families requesting information of the planned temporary closure to enhance and upgrade the Capitol Complex Child Care Center. In addition, TFC has held two parent meetings to review the proposed enhancements and upgrades. Meetings were held on August 6, 2014 and October 8, 2014. Additional meetings to update parents on construction milestones will be scheduled as the project progresses. Additionally, parents will be notified of the selected service provider upon Commission award of the solicitation.

A request for qualifications for a construction manager-at-risk was posted on September 25, 2014. Qualifications were received from six responsive firms on October 23, 2014. Pricing was requested from the top five ranking firms on October 27, 2014 and received on October 29, 2014. J.T. Vaughn Construction, LLC, emerged as the top scoring respondent when considering qualifications and submitted the most competitive pricing. The construction manager-at-risk delivery method was selected for this project due to the narrow window of time afforded for the performance of the interior work to be completed between June 1 and August 31, 2015. During its regular meeting held on November 19, 2014, the Commission approved the award of a construction manager-at-risk contract to J.T. Vaughn Construction, LLC in the amount of \$2,300,000 for the Capitol Complex Child Care Center renovation project. TFC is currently in the process of executing a contract with J.T. Vaughn Construction, LLC. The construction service provider will be required to have all preliminary work completed to ensure interior work on the facility will begin on June 1, 2015. TFC will concurrently issue a request for proposal (RFP) with an enhanced scope of work and provider requirements based on the Committee recommendations for child care services. TFC expects to post the RFP in January 2015, make its award in March 2015, and enter into an agreement with a commencement date on or about September 1, 2015. A new lease will also be executed with the selected child care services provider.

**RECOMMENDATIONS:** TFC recommends that action to address the deficiencies of the facility continue as planned. TFC requires assistance from the legislature on the following priorities:

- **Begin the preliminary process of planning a new child care facility to be located in a newly-constructed state office building situated within the Capitol Complex.**

## Exhibit A - Facility Description

The Capitol Complex Child Care Center address is 1507 Lavaca Street, Austin, Texas, and is comprised of two buildings (North, South), an outside play area, and employee parking. The structures were not originally intended for the delivery of child care services.

The North Building is 3,332 square feet consisting of four classrooms, five storage areas, one office and one kitchen. The South Building is a two-story structure with a 3,615 square foot first floor consisting of four classrooms and five storage areas. The second floor of 4,389 square feet is neither habitable nor used as part of the child care facility. The second floor has been repurposed as the default mechanical, electrical and plumbing conduit (see photos on Page 4) and is not in acceptable condition.

The facility also includes a parking area for approximately twenty-six (26) vehicles, walks, driveways, and a 5,448 square foot play area located between the North and South buildings.



### **Child Care Facility—South Building**

<b>Gross Sq. Ft.</b>	<b>Year Built/Acquired</b>
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8,003	1950s/1978
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**Current Repair Cost:** \$510,000

**Replacement Cost:** \$1,654,232

The Child Care Facility, South Building, is located at 1501 Lavaca Street in Austin, Texas. The property was acquired in 1978 as a place keeper for future state development of the Capitol Complex. The building appears to have been constructed in the mid 20th century. The building has two above grade floors. The first floor was renovated in 1992. The second floor is in very poor condition and is currently uninhabitable. There have been no additions. The fire notification system was recently upgraded.



### **Child Care Facility—North Building**

<b>Gross Sq Ft</b>	<b>Year Built/Acquired</b>
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3,332	1969/1978
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**Current Repair Cost:** \$788,000

**Replacement Cost:** \$709,954

The Child Care Facility, North Building, is located at 1507 Lavaca Street in Austin, Texas. The property was acquired in 1978 as a place keeper for future state development of the Capitol Complex. The building is one-story and was renovated in 1992. There have been no additions.

## Child Care Facility – South Building – 2<sup>nd</sup> Floor Conditions



Figure 1 – Abandoned Office Space



Figure 2 – HVAC Equipment and Ductwork Serving the 1<sup>st</sup> Floor



Figure 3 - Electrical Conduit Serving the 1<sup>st</sup> Floor



Figure 4 – Condensate Plumbing