



NEWS RELEASE

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CONTACT: Jeffrey Young or Eric Lamoureux

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INTERNET: www.dgs.ca.gov

Construction Teams Picked to Build New Homes for Veterans

Unprecedented amount of work to be done by disabled veteran businesses

Sacramento, Calif –The Department of General Services and the California Department of Veterans Affairs announced today that Hensel Phelps Construction of San Jose and Costa Mesa-based Clark Design/Build of California have been selected to build two new Veterans Homes in Fresno and Redding, California beginning in January 2010.

Both contractors have committed to a goal of having at least 10 percent of the work done by Disabled Veteran Business Enterprises (DVBE), exceeding the 5 percent goal established by the state for the projects; a commitment to contracting with disabled veteran businesses that has never been seen before in state construction. The new homes will also be built to meet the energy and environmental goals set by Governor Schwarzenegger for all new construction of state buildings. When completed, the facilities will meet the U.S. Green Building Council's LEED-Silver New Construction Certification, a standard that DGS has achieved in the construction of 16 other state buildings.

"The veterans who have courageously served our country deserve the very best when it comes to their long-term care and I'm pleased that DGS will partner with Veteran's Affairs to deliver the very best in these homes," said DGS Acting Director Ron Diedrich. "I hope our veterans will be proud to live and be cared for in homes built to the highest construction standards that also will be models of environmental stewardship in their communities."

The facilities will be built using a Design/Build construction process that allows the designers and contractors to work together, minimizing cost overruns and keeping the project on schedule. DGS recently completed work on the state's new central utility plant using the design/build process. That \$181 million project was completed on-time and within the state's budget.

Hensel Phelps Construction Company will lead the design-build team on the 239,000-square-foot, 300-bed facility in Fresno while KMD Architects of San Francisco will be the architect. In an effort to further expand the state's DVBE efforts, Hensel Phelps has committed to a goal of exceeding the state's original 5 percent DVBE goal by an additional 10 percent bringing its total subcontracts with disabled veteran businesses to a 15 percent level.

The 127,000-square-foot, 150-bed facility in Redding will be delivered by the design-build team of Costa Mesa-based Clark Design/Build of California, Inc., along with Pasadena-based Jacobs. Associate Architect SFCS, Inc. of Roanoke, Virginia will serve as the project architect. Clark

Design/Build has also committed to a goal of an additional 5 percent of its subcontracting with disabled veteran businesses, which represents a goal of more than \$3.3 million in direct subcontractor participation to the disabled veteran business community.

"This is great news for the Veterans of California and the communities of Redding and Fresno that both have a large population of veterans who are deserving of this service," adds Roger Brautigan, Acting Secretary for the California Department of Veterans Affairs. "We are also very pleased with the unprecedented level of participation and opportunities for disabled veteran business enterprises in these two major projects."

The United States Department of Veteran Affairs is contributing 60 percent of the \$246.7 million cost for both facilities in the financing of these projects through their Veterans Home Grant Program. The state's 40 percent portion is scheduled to be funded through a November 24, 2009 bond sale.

The United States Department of Veterans Affairs lists California as one of two states in "Great Need" for additional Veterans Homes. Enabling legislation (the Veterans Home Bond Act of 2000, AB 2559 [Wesson] of 2002, and AB 1077 [Wesson] of 2004) has made funds available to develop and construct new Veterans Homes. These funds are the matching requirement to receive a grant from the U.S. Department of Veterans Affairs State Home Grant Program which provides the majority of the project costs.

In 2006, Governor Arnold Schwarzenegger directed his administration to designate 25 percent of its purchasing and contracting with certified small businesses and at least 3 percent to disabled veterans business enterprises.

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