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Title: New County Government Center - Selection of Preferred Proposed Location

Sponsors: General Services

Indexes:

Attachments: 1. Summary Report.pdf, 2. Att1-Detailed Site Evaluation Rubric-revised.pdf, 3. Att2-County Government Center Program Validation-revised.pdf, 4. Att3-PFAL Summary Report on Financial Models and Procurement Options.pdf, 5. Att4-Site Program Cost Comparison Base Case vs Modified Base Case.pdf, 6. Att5-Draft Community Engagement Plan.pdf, 7. Att6-List of Stakeholders.pdf, 8. Att7-Presentation.pdf, 9. Att8-Resolution.pdf, 10. Att9-3.3.2017 Deferred Maintenance Cost Report.pdf

Date	Ver.	Action By	Action	Result
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To: Sonoma County Board of Supervisors
Department or Agency Name(s): General Services
Staff Name and Phone Number: Caroline Judy, 707-565-8058
Vote Requirement: 4/5th
Supervisory District(s): All

Title:
New County Government Center - Selection of Preferred Proposed Location

Recommended Action:

- Select the preferred site for the new County government center for purposes of conducting further analysis in compliance with the California Environmental Quality Act (CEQA).
- Direct staff to initiate Request for Qualifications (RFQ) to identify potential development partner(s) and bring back results of the RFQ for further Board consideration.
- Delegate authority to the Director, General Services Department to amend the consulting services agreement with PFAL for RFQ and RFP phases, for a not-to-exceed amount of \$1,735,000. (4/5th Vote Required)
- Authorize County Counsel to enter into a Legal Services Agreement with Nossaman, LLP for legal services to support RFQ and RFP phases for a not-to-exceed amount of \$1,750,000. (4/5th Vote Required)
- Direct staff to initiate a CEQA Initial Study pursuant to California Government Code section 15063 on the identified preferred site, and return to the Board with findings for future consideration.
- Adopt a resolution approving budget adjustments to the FY 20/21 Budget in the amount of \$2,506,359 using Deferred Maintenance funds for Phase III technical advisory, outside counsel, and record digitization efforts expected to be completed in the current fiscal year. (4/5th Vote Required)

Executive Summary:

The 1950's designed, sprawling County campus no longer serves the needs of our community nor does it represent the highest and best use of valuable property assets. The County administrative campus consists of 470,456 square feet of office space, not including the detention facility and the Sheriff's buildings. The cost of operating the entire property portfolio has grown as facilities have aged, increasing deferred maintenance obligations. As County government has grown over the sixty years since the County campus was built, the lack of space on the County campus has driven the need to lease off-campus commercial office space.

The County campus property was developed with 10,000 square feet of building area per acre, meaning that less than one quarter of the available land is used for buildings. This inefficient land use prioritizes vehicle parking over the efficient delivery of services. Land could be better utilized through a redesign process potentially providing new office space, parking garage, housing, and/or revenue generating, mixed-use office and retail spaces. Redesign of the County campus has been considered by the Board in prior actions and studies as an opportunity to improve service delivery as well as reduce operating and other expenses.

In June 2019, the Board authorized award of a contract with Project Finance Advisory, Limited (PFAL) as a technical advisor to assist with pre-project planning activities. PFAL has been tasked to perform:

- Site analysis of multiple sites including development of selection criteria. Along with the current County campus, the Board directed staff consider several other sites in downtown Santa Rosa and in the airport area.
- Revalidation of a prior study, the Comprehensive County Facilities Plan (CCFP), including relevant data of space requirements of all County Departments
- Develop a staff and community engagement program to keep key stakeholders including labor representatives informed and involved as potential project options were developed
- Financial analysis and procurement options to identify the most efficient and cost-effective manner of delivering new facilities.

This item summarizes the results of PFAL's analysis, presents findings, and makes recommendations for the Board's consideration. If approved by the Board, staff will begin work on the multi-step process to identify a potential design-build-financier-operator for the potential new facilities.

Discussion:

The County of Sonoma provides critical services to residents, businesses and visitors. The buildings from which we provide those services have far outlived their useful lives and now significantly hamper our ability to serve the public safely and effectively.

Over the past ten years, your Board has invested in a number of studies and analysis of options for revitalizing the County government campus. On January 15, 2013, the Board accepted *the Sonoma County Real Estate and Financial Vision - Comprehensive County Facilities Plan (CCFP)*. The FY 13/14 Comprehensive County Facilities Plan determined that three quarters of the County's facilities on the main campus were beyond useful life, that space standards were lacking, and that average workstation sizes were significantly above industry standards. In addition, the CCFP concluded that 62% of the county's real estate costs were a result of lease expenditures and that these costs were increasing as a result of campus space constraints. The Real Estate Master Plan portion of the Comprehensive County Facilities Plan recommended expanding neighborhood-based Health and Human services to improve the delivery of services to clients, but also recommended consolidating these department's administrative functions into a central location. Space

constraints on the County Government Center campus have prevented consolidation of safety net services administrative functions.

On May 8, 2018, your Board accepted a report describing the business case for replacing County facilities. See Attachment 8. Your Board directed staff to prepare an RFP for consulting services to assist in planning for replacement of facilities or for relocation to alternative sites.

On June 4, 2019, your Board approved the Project Finance Advisory, Limited (herein referred to as PFAL or the Technical Advisor) consulting contract and a multi-phased process of replacing the County's aging campus buildings. The PFAL team includes highly-qualified consultants in financial advisory services, architecture and engineering, community engagement, site selection, and transportation. Phase one contract services included: confirming the Board's goals and objectives and engaging internal stakeholders.

On December 10, 2019, your Board approved Goals and Objectives for a new County Government Center and site analysis criteria. These criteria address priorities of Service, Affordability and Cost and Other issues including safety, maximizing land development opportunities, and considering economic, environmental, and other factors impacting the future development. In addition, the Board directed staff and PFAL to consider sites in three areas; existing County Government Center, the Airport Business Park, and downtown Santa Rosa. The Board adopted a site evaluation matrix based upon the stated goals and objectives to assist in site analysis.

PFAL's phase two services included: confirming the program needs and creating a base case model, conducting financial analysis using the base case, performing site analysis for several alternative locations, and developing and launching a staff and community engagement plan.

Base Case Model

The Technical Advisor developed a base case model including: office space totaling 696,699 square feet, specialty space totaling 41,450 square feet, and training and multiuse space totaling 18,000 square feet, and a parking structure. The office space was calculated for 2,443 employees at 225 square feet per person plus 20% common area and a .5% growth factor. The parking need was defined as a 3,025 parking stall garage, including 2,525 County spaces and 500 spaces for the Court (the latter only applicable to the current County campus). Specialty purpose facilities included a 5,000 square foot Emergency Operations warehouse, 5,000 square foot Board offices and chambers, and replacement of the existing Morgue and Public Health lab together comprising 26,450 square feet. The training and multi-use facilities included 18,000 square feet of Emergency Operations Center and conference space, and HR training areas at 6,000 square feet. The proposed new facilities compare with the current space utilization on campus as illustrated in the chart below. The base case model served to illustrate how the County's program fits at each of the sites and formed the basis of the financial feasibility study.

Modified Base Case Model

Recent studies describe how the COVID pandemic and the relative success of remote work for many office workers have permanently altered expectations and requirements for future office space. As such, staff have re-examined the square footage needed for the County Government Center program. The County has successfully experienced greater than 30% of full time employees working remotely since March. While some job classifications do not lend themselves to remote work, many office functions are suitable. Remote work, combined with the adoption of a space standard, could significantly reduce the required total space by

approximately 350,439 square feet, from 756,149 to 405,710 total square feet if we implement a 50% remote work model structure. Under the 50% remote work model, 1222 employees would work remotely but still have access to 50 square feet of desk space in the new administration center. The final square footage program needs will be determined during the programming phase, and are subject to meet and confer with labor organizations. As an ongoing planning assumption, staff have adopted the 50% remote work model thereby modifying the base case assumptions, hereafter called, "Modified Base Case". While a 50% remote work model is an aggressive assumption regarding remote work optimization, the assumptions are tentative and subject to working with the ultimate developer and our labor partners.

Subsequent analysis considered how the adoption of space standards, increased remote work, and smaller parking requirements would collectively increase affordability. This Board item describes the results of the PFAL's analysis. The chart below is for informational purposes to illustrate the potential impact of office space standards and remote work on the design and cost. Final adoption of office space standards, parking and remote work is subject to the meet and confer process with our labor partners. The FTE staffing numbers described below represent only those staff who would be moving into new facilities and are not indicative of the entire 4,100 County employee population.

	Total FTE	Average square feet per person	Total Parking	Office Space Total Square Feet	EOC Total Square Feet	Morgue Total Square Feet	Public Health Lab Total Square feet
Current	3,842	302	2,749	691,933	5,400	7,550	1,500
Proposed Base Case For New Facilities	2,443	225	3,025	696,699	12,000	26,450	-

Modified Base Case with 50% Remote Work and 170 sq ft. per person	1,222	170	2,505	346,260	12,000	26,450	-
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Technical Advisor (PFAL) Findings

The analysis of sites was conducted by the County’s Technical Advisor, PFAL, under the supervision of the project team and with guidance from the Steering Committee. The analysis and findings are as follows:

Evaluation of 3 Potential Locations

Several sites were considered as potential locations for new County government facilities. In addition to the current site of the County administrative offices, the County considered a new County Government Center in the downtown Santa Rosa area, including the possibility that the City and County offices could be constructed on adjacent sites. The possibility of co-locating in a shared building was not considered given the complex legal, operational, and other issues of co-location. Staff worked with the City of Santa Rosa team to explore various site and parking options in the downtown area.

A detailed site evaluation rubric was developed based on goals and objectives approved by the Board of Supervisors on December 10, 2019. The rubric describes the main evaluation categories that were developed in conjunction with Board of Supervisor’s goals and objectives: (1) Service, which aims to improve the level of service to constituents and to improve efficiency over the existing facilities, (2) Affordability and Cost, and (3) Other Considerations, including safety, sustainability, appropriateness of development and positive economic impacts.

Each of the three categories included detailed criteria gained from discussions with Board members and Department Heads. These criteria were categorized in two sub categories. “A” Level criteria were issues considered to have greater weight than “B” Level Criteria. “A” Level Criteria had direct financial or operational impact while “B” Level Criteria were considered to be desirable amenities. Each of the sub-category criteria were evaluated and scored with either a high score of 3, medium score of 2, or a low score of 1. The detailed site evaluation criteria are discussed in **Attachment 1**.

Site Analysis Findings:

The evaluation described above and resulted in the following scores with the County Campus scoring the highest overall. The PFAL team provided a number of feasibility conceptual designs for each site to assist in the analysis. The scoring below reflects the following three sites which staff believe are the most feasible given the base case program: Current County Administration Center; Downtown Adjacent Library and Parking Parcel; and Sonoma Water Agency Parking Lot.

Site	Weighted Score out of 100 (highest points=preferred)
County Campus	92

Combined Downtown Sites - Central Library and "Whitehouse"	69
Airport Area - Water Agency	59

The existing campus is the highest scoring site with the most advantages and fewest disadvantages. Although the scoring was based upon a single site analysis, where all County departments would be located in one place, staff also explored several different approaches, including a split site model where space needs would be met using a combination of sites. The sites offer different opportunities for achieving the overall building footprint needed to accommodate the County's space requirements. Smaller sites would require taller buildings. Larger sites would allow for lower density and therefore less expensive to construct buildings. Key attributes, including advantages and disadvantages of each site, are described in **Attachment 1**.

While the current County Administration Center scored higher than the other sites, the decision on where to locate a new government center is a policy choice for the Board of Supervisors. The existing County Campus provides more flexibility in building location and massing on the site, as well as close-in parking. Both the downtown Central Library and the Whitehouse sites would require 14 story buildings to fit the base case program need. High rise buildings (above 7 stories) carry a construction price premium of 12- 15% due to more extensive fire/life safety and structural requirements. Elevators, HVAC and service equipment are more costly in high rise buildings. These height related construction costs were considered in the Rubric. In the financial modeling exercise, PFAL considered the costs of design, construction, demolition of existing buildings, financing, and operating and maintenance expenses. The cost of land acquisition was not known and therefore not included.

The County Campus and Downtown sites differ considerably in their assumptions for parking. If surface parking on the County campus site is developed for new facilities or housing, then a parking structure will be required to accommodate employees, and the public accessing County and Court facilities. The sites downtown assume that limited parking would be made available at the new facilities and that existing City-owned parking would be used by employees and the public. Therefore, the cost analysis for parking differs considerably between the two sites. Staff considered different approaches to parking - smaller overall parking garage, flexible design allowing future adaptation to office, and other considerations that could be further refined during programming design phases.

The Downtown sites are within the City of Santa Rosa's Downtown Opportunity zone. Established in the federal Tax Cuts Jobs Act of 2017, opportunity zones confer tax incentives for investments within each designated area. Specifically, investors are able to defer, reduce or eliminate capital gains from investments in a qualified opportunity zone fund. These tax benefits are not seen as economically advantageous to the P3 social infrastructure investor. Social infrastructure investment funds, including those for government buildings, often are structured to minimize tax or defer tax burdens, particularly when the invested assets are financed with tax-exempt debt. Capital gains tax avoidance is not considered to have a significant upfront bid pricing benefit for a P3 government building project. Real estate investors are more likely to benefit from opportunity zone investment for housing or commercial office developments. Therefore, there is limited or only marginal advantage to locating the County buildings within the opportunity zone.

The Airport -Water Agency site would require relocating Sonoma Water during construction. Therefore swing space would be needed. The existing building would need to be demolished in order to utilize the full site for

both the County and Sonoma Water programs. Despite the airport properties proximity to SMART the scoring was also impacted by accessibility issues given the limited roadway access.

Although the site analysis considered the base case program fit, all three sites could potentially accommodate the modified base case program. The Downtown sites could potentially fit a reduced program in two 7 story buildings with some limited underground parking vs the base case program requiring two 14 story buildings. It is also conceivably possible to swing out Sonoma Water, demolish the existing building and construct new combined facilities with a parking structure on the Airport Water Agency site. Staff consider it beneficial to provide a site flexible enough for the P3 market to determine the maximum program possible, rather than select a site that could only fit the modified base case.

Program Validation Findings

PFAL updated department program requirements given some departmental changes in mission and growth. **Attachment 2** is a summary of the Program Validation effort. PFAL determined staff counts now total 4,105 full time staff. Of that number, 2,443 would be located in the new facilities, correlating to an increase of 974 staff with consolidation from leased facilities to the new County Government Center. Another 672 staff would continue to report to Neighborhood Services locations delivering services direct to the public, and the remaining 727 staff support detention facilities on the existing campus. The Program Validation was used to build the base case model space requirements. For planning purposes, the financial analysis described below is based upon 2,443 staff and was later modified and reexamined with a range of square footage requirements and remote work assumptions.

Financial Modeling, Delivery Options and Analysis

PFAL modeled the design and construction costs for the County Government Center in comparison to the Downtown tandem sites with the base case and the modified base case assumptions. This comparison illustrates that the construction cost to build the program, without consideration for parking, is higher downtown due to the high rise cost premium and the relatively constrained site. Even under the modified base case the construction cost is higher downtown. However, the lower construction cost for the County Government Center campus is more than offset by the cost of constructing a parking garage under both the base case and modified base case models. See Attachment 3. Given the cost impacts of a parking garage, staff considered different sized parking garages and how these would impact the overall affordability of the entire program and therefore annual availability payment.

In parallel effort to the site analysis, the project team worked to determine whether the County could afford the new County Center replacement project consistent with the Board's financial priorities. Part of this analysis also considered the relative merits of different project delivery models: a) design-build (DB) with traditional bond financing, or b) design-build-finance-operate maintain (DBFOM) under a public-private partnership (P3). The different approaches to project delivery have certain advantages and disadvantages and associated costs and risks. This type of study is called a Value for Money analysis (VfM) and is a common tool for government entities to use when considering how best to deliver large-scale capital investment programs. The project team sought to understand which delivery model offered the most cost-effective and lowest-risk approach to replacing the County's aging buildings.

PFAL assessed certain risks quantitatively and assigned costs depending on whether the risk was borne by the County or the developer. The County retains more control over design decisions in the design-build (DB) project delivery method, but also retains more risk of cost escalation among other risk factors. With the

design-build-finance-operate-maintain (DBFOM) delivery method the County gives up some control over design, but also reduces risks over the life of the building asset as building performance is guaranteed and up-front costs are amortized into an annual-payment to the public-private partner. With both DB and DBFOM delivery methods the County owns the asset. This approach differs from a build-to-suit lease structure where a third party owns the property.

The project team obtained two independent reviews of the PFAL analysis. The County's financial advisor KNN reviewed bond financing assumptions, and West Coast Infrastructure Exchange reviewed the methodology used by PFAL to develop the VfM analysis. **Attachment 3** contains PFAL's summary report for the base case model and a copy of West Coast Infrastructure Exchange's letter.

Staff recommends the procurement option of DBFOM for its predictability and cost advantages over bond-financed Design Build, and for its ability to reduce risks to the County. The DBFOM structure creates an annual "availability" payment for 30-40 years that is predictable and guaranteed by contract. The DBFOM structure includes lifecycle costs that include maintaining the facility during the term of the agreement. The guarantee at the end of term an 80-90% "as-new" will prevent future issues of growing deferred maintenance. The County owns the new buildings throughout the term of the agreement.

Financial Analysis:

The financial model is highly dependent upon the total square footage and parking requirements, the construction costs given the site constraints including demolition costs, and remote work assumptions. PFAL's analysis included office space, specialty spaces, training and multi-use spaces and a parking structure. See Attachment 4. The base case program assuming a design with no remote work and 225 square feet per person and providing 756,149 square feet of total space and 3,025 parking spaces, with demolition, construction, financing and 30 years of operations and maintenance costs included results in approximately an \$916 million net present value cost project. If the base case program were delivered through a DBFOM model, the resulting availability payment is estimated at \$72.5 million per year over a 30 year term. If the base case program were delivered under a design build with bond financing the net present value is \$940 million due to additional costs for capitalized interest.

As previously discussed, the modified base case would provide 405,710 square feet of total space and 2,505 parking spaces resulting in a \$521 million project, assuming 50% remote work and 170 square feet per person. The modified base case availability payment would be a more affordable \$37.25 million per year over a 30 year term. The \$37.25 million includes an offset of roughly \$8.5 million in ongoing lease payments resulting from the reduction in leased office space. Design and programming assumptions regarding office space, telework, and parking significantly impact the total program cost. Ultimately, the competitive RFQ/RFP process and final programming will give us a firm number and depending on market conditions we would hope that the annual expense is in the lower range of our estimates.

To compare to standard lease rates, the annual availability payment is approximately 50% more than what the County could expect to pay in a build-to-suit lease market, but the County would not have control over future rent escalations and at the end of the term the County would not own the facility. In addition, there are no buildings currently available in the lease market that are large enough to accommodate the County's program goals. The DBFOM structure also gives us more predictability in budgeting for the 30 year contract term.

Staff conducted a brief comparative evaluation of the PFAL cost per square foot for design and construction.

This study illustrated that the County's estimated \$669/square foot construction cost compares favorably to the new Sonoma Superior Courthouse reported cost of \$1,106/square foot and the American Ag/Credit building escalated cost of \$834/square foot. The Federal GSA Regional Chief Architects Office uses a lower base cost per square foot standard of \$594/square foot, however this is adjusted for regional markets. These comparative costs provide context for PFAL's program cost estimate.

To provide additional context relative to the County's annual budget, the annual payment represents between 8% (170 square feet per FTE) to 16% (225 square feet per FTE) of the total salary and benefit cost of the estimated 2,443 employees that will be in the new space.

Pursuant to the Board's leadership in 2017, the Board's adopted Deferred Maintenance Policy which sets aside a percentage of property tax increment growth on an annual basis, will provide partial funding towards the annual availability payment.

Replacing aging buildings on the County Center campus will help avoid the continued escalation in deferred maintenance and expenditures on corrective maintenance as buildings systems fail. Based on the current schedule, County staff would occupy the new space in mid 2026.

CEQA

Staff are recommending that the Board make a preliminary selection of the preferred site and direct staff to perform an initial environmental study pursuant to CEQA. Performing an initial study for the preferred site option will help provide information to determine the potential impacts and enable modifications to the design process to mitigate any adverse impacts of the project. Once the Board makes its preliminary selection, staff will use the programming information from the program validation analysis to perform an initial CEQA study for the purposes of assessing the feasibility of the preferred site. The findings from the initial study will be presented to the Board at a future meeting along with recommendations for next steps in the CEQA analysis. [Final selection of the site will follow CEQA review. It is important to note that since the County is contemplating a design-build-financier-operator delivery method, it is likely that the County will need to prepare a programmatic level CEQA document in order to make a final site selection and conduct additional project level review once project-level design plans have been developed to see if additional mitigation is warranted.

Form and Record Digitization Project

Reducing the need for storage of paper files is a critical component of designing a new facility. Paper files require more storage, which means the County would need to build more square footage to accommodate the existing file cabinets. Paper files also impact the structural design of a new building because paper creates heavier building loads. As such, the County Administrator is working with the Information Systems Department to launch a new digitization project. The recommended funding will pay for 1.0 Business Systems Analyst and 1.0 Information Technology Analyst III for a period of 5 years to manage this project, to provide workflow mapping, form design, electronic signature integration, data collection, data structure for analysis, and integration with the County's existing document repository system and other business applications in use across the County. ISD will begin its efforts with the digitization of both internal and public facing paper forms, which will help reduce redundancy in processes across departments, improve access to government programs, expand mobile accessibility, and drastically reduce the paper storage needs for each department.

Selection of Legal Counsel

Due to the highly specialized and unique nature of the RFQ and RFP phases for the potential new County Government Center, the County Counsel has determined the County has neither the capacity nor the expertise to provide the legal services needed for the development of the RFQ and RFP phases of this project. Therefore, the services of outside legal counsel are needed to assist in successfully delivering a new County Government Center.

On December 9, 2020, County Counsel issued a Request for Proposal for Legal Services to assist the County with the procurement, negotiation, and delivery of a possible new County Government Center to the following fourteen (14) firms:

- Nossaman LLP
- Torys LLP
- Mayer Brown LLP
- Hawkins Delafield & Wood LLP
- Orrick, Herrington & Sutcliffe LLP
- Katten Muchin Rosenman LLP
- Husch Blackwell LLP
- Best Best & Krieger LLP
- Pillsbury Winthrop Shaw Pittman LLP
- Duane Morris
- Peckar & Abramson, P.C.
- Nixon Peabody LLP
- Rutan & Tucker, LLP
- Ballard Spahr LLP

On December 18, 2020, County Counsel received proposals from the following seven (7) firms:

- Nossaman LLP
- Torys LLP
- Mayer Brown LLP
- Hawkins Delafield & Wood LLP
- Orrick, Herrington & Sutcliffe LLP
- Ballard Spahr LLP and Cox Castle & Nicholson LLP
- Pillsbury Winthrop Shaw Pittman LLP

The proposals were evaluated based upon (1) the thoroughness of the submitted proposal; (2) each firm's demonstrated ability to perform the services requested; and (3) each firm's proposed exceptions to the County's standard Legal Services Agreement and insurance requirements. Of the proposals received, the following three (3) firms were requested to attend interviews on December 30, 2020, with a selection panel consisting of members from the General Services Department, the Office of County Counsel and PFAL:

- Nossaman LLP
- Hawkins Delafield & Wood LLP
- Pillsbury Winthrop Shaw Pittman LLP

Based upon the proposals received, and the interviews conducted, Nossaman, LLP was selected as the preferred firm to enter into a Legal Services Agreement for the procurement, negotiation, and delivery of a possible new County Government Center. Staff recommends the Board authorize the County Counsel to enter into a Legal Services Agreement with Nossaman, LLP for legal services to support RFQ and RFP phases for a not-to-exceed amount of \$1.75 million.

Conclusion

The decision on where to locate a new government center is a policy choice for the Board of Supervisors. The site evaluation and cost feasibility study concluded that the County Government Center scored the highest and the program costs less than the downtown and airport sites, without consideration for parking. The downtown sites could accommodate the base case in a high-rise design or the modified base case at less cost, also without consideration for parking. The airport site scored the lowest, and was challenged to deliver the base case program.

Recommendations:

- Make a preliminary selection of the preferred site for the new County government center, subject to further analysis in compliance with the California Environmental Quality Act (CEQA).
- Direct staff to initiate Request for Qualifications (RFQ) to identify potential development partner(s) and bring back results of the RFQ for further Board consideration.
- Delegate authority to the Director, General Services Department to amend the consulting services agreement with PFAL for RFQ and RFP phases, for a not-to-exceed amount of \$1.735 million (4/5th Vote)
- Authorize County Counsel to enter into a Legal Services Agreement with Nossaman, LLC for legal services to support RFQ and RFP phases for a not-to-exceed amount of \$1.75 million. (4/5th Vote)
- Direct staff to initiate a CEQA Initial Study pursuant to California Government Code section 15063 on the identified preferred site, and return to the Board with findings for future consideration.
- Adopt a resolution approving budget adjustments to the FY 20/21 Budget in the amount of \$2,506,359 using Deferred Maintenance funds for Phase III technical advisory, outside counsel, and record digitalization efforts expected to be completed in the current fiscal year. (4/5th Vote)

Next Steps

After approval of the recommended items herein, staff will proceed to Phase II of this effort and work with PFAL to undertake next steps for identifying potential development partners subject to Board approval. Phase III will include:

- Initiate a “Market Sounding” where input from industry professionals is sought in a pre-procurement environment to increase competition and gain greater insight on how a procurement can be structured to most benefit the County.
- Conduct environmental analysis in the form of an Initial Study in accordance with CEQA will be initiated after today’s item and conducted in parallel with development of the Request for Qualifications and Request for Proposals as more meaningful information sufficient for environmental assessment becomes available.
- Developing a Request for Qualifications (RFQ) to determine a short list of qualified development entities that could meet and deliver the designated project options. Return to the Board for approval of the short list. (December 2021)

- Request for Proposals: The results of the RFQ phase with a short list of qualified entities, will be brought to your Board for approval and other necessary steps for selecting the program, the project development plan, or other relevant project option details. Return to the Board for approval of the selection and award (June 2022)
- Continue communications/engagement with stakeholders and labor representatives.

Prior Board Actions:

December 10, 2019: Board accepted Staff Report summarizing Goals and objectives and accepted recommendations for site selection criteria

June 4, 2019: Board approved recommendation for Technical Advisor

January 29, 2019: Board directed staff to solicit and select a Technical Advisor

May 8, 2018: Board directed staff to prepare a Request for Information Survey

June 24, 2014: Comprehensive Facilities Condition Assessment Plan Update

January 15, 2013: Comprehensive County Facilities Plan

April 7, 2009: County Administration Center Site Evaluation and Opportunities Analysis

FISCAL SUMMARY

Expenditures	FY 20-21 Adopted	FY21-22 Projected	FY 22-23 Projected
Budgeted Expenses		\$ 1,184,900	
Additional Appropriation Requested	\$2,506,359		
Total Expenditures	\$2,506,359	\$1,184,900	
Funding Sources			
General Fund/WA GF	\$2,506,359	\$1,184,900	
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	\$2,506,359	\$1,184,900	

Narrative Explanation of Fiscal Impacts:

Staff are tracking expenditures for the County Center program and have projected the scope of work and funding necessary for future phases based upon analysis of other jurisdictions DBFOM projects. Case studies of P3 projects for the City of Long Beach, Napa, UC Merced, Santa Clara, Miami Dade Courthouse and other projects have helped inform the tasks necessary for each phase, and provide an indicator of expenses that can be anticipated in each. Staff described four phases in the December 2019 Board item. Phase 1 included identifying goals and objectives, feasibility/value for money, and site analysis. Phase 2 included a competitive request for qualifications and proposals. Phase 3 included developer selection, and contract negotiation.

Phase 4 included design and construction.

Previously the Board approved \$805,351 for the completion of Phases I and II. Expenditures in Phases I and II include \$485,471 for the Technical Advisor, \$209,880 for General Services staff expense, \$60,000 for County Counsel, and \$50,000 for County Administrator staff. Actual expenses have increased above the 2019 initial projections as a result of more extensive site analysis and cost modeling given different remote work assumptions.

The implementation of Phase III is expected to span over two fiscal years. Today's budget request includes the anticipated FY 2020-21 costs for PFAL, Nossaman, and ISD to begin their digitization project. Not included are an estimated 4,500 of combined hours for General Services, County Administrator, County Counsel, and Permit Sonoma staff, as well as a CEQA consultant that will need to be retained for the RFQ and RFP phases. This brings the total projected cost to deliver Phase III to approximately \$4.5 million, which will be paid for using Deferred Maintenance funds.

Based on today's decision by the Board, staff will need to fine-tune the Phase III scope of work to ensure that tasks are appropriately assigned to each consultant or performed by County staff, so that the project is delivered in the most cost effective manner. Staff will return to the Board in February with a Deferred Maintenance item, which will include a request to allocate funds for the Phase III County staff costs that are not included today.

The \$4.5 million cost estimate for Phase III is consistent with expenses for the same phase and scope of work incurred by the City of Long Beach, which spent \$4 million for consulting services, City of Los Angeles \$10 million, and Miami Dade Courthouse \$5.65 million. Delegated authority provides the County the opportunity to adjust the contracted scope with PFAL and Nossaman within the requested not-to-exceed budgets.

The ISD Digitization project will require \$408,500 a year for a period of 5 years. The current budget request includes \$206,259 for ISD to cover expenses through the end of FY 20-21. Subsequent funding allocations will be transferred annually from the Deferred Maintenance Fund through Consolidated Budget Adjustments or through separate board items.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

Attachment 1 - Detailed Site Evaluation Rubric

Attachment 2 - County Government Center Program Validation Summary

Attachment 3 - PFAL Summary Report on Financial Models and Procurement Options

Attachment 4 - Site Program Cost Comparison Base Case vs Modified Base Case

Attachment 5 - Draft Community Engagement Plan

Attachment 6 - List of Stakeholders

Attachment 7 - Presentation

Attachment 8 - Resolution

Attachment 9 - 3.3.2017 Deferred Maintenance Cost Report

Related Items “On File” with the Clerk of the Board:

None