



## Legislation Text

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**File #:** 2019-0716, **Version:** 1

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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:** Majority  
**Supervisorial District(s):** All

**Title:**

New County Government Center Technical Advisor Selection

**Recommended Actions:**

- A) Approve the recommendation for award of a contract to Project Finance Advisory Limited (PFAL) for technical advisory consulting services relating to a potential new County Government Center.
- B) Authorize the Director of General Services to execute said consulting contract, for a term of three year (s) with two one-year options to extend, for base scope services not to exceed \$299,944 and for any other base-related services as authorized by the Director of General Services, and with options for as-needed future scopes to be further defined.
- C) Authorize the Director of General Services to return to the Board for approval to proceed with as-needed optional scope(s) services in support of a potential new County Government Center, contingent on performance, funding, and other future considerations determined by the Board.

**Executive Summary:**

On January 29, 2019, your Board authorized the Director of General Services to conduct a competitive solicitation for a Technical Advisor to provide consulting services relating to a potential new County Government Center. Staff conducted a competitive solicitation and are recommending award to Project Finance Advisory Limited (PFAL) as the most responsive proposer meeting the County's criteria and needs as specified in the Request for Proposal. Staff is requesting the Board authorize the Director of General Services to execute the attached contract for consulting services.

The Technical Advisor consultant services are designed to proceed in phases. While the Base Scope of Work is guaranteed, the Board will retain full discretion to authorize subsequent phases of work, or alternatively to discontinue future phases of work on the contract. Initially the Technical Advisor will assist the County in developing the following items as part of the "Base Scope": a) a comparative and financial analysis of location options for a potential new County Government Center; b) creating a community and staff engagement plan regarding these options; and c) revalidating the Service Delivery Vision and program element of the previously

-adopted Comprehensive County Facilities Plan. The Technical Advisor will prepare materials for the Board of Supervisors to evaluate options for replacements to the existing aging buildings on the County Government Center campus. Additional phases of work will be considered depending upon performance, the availability of funds, and the Board's direction for future plans for a potential new County Government Center. As previously mentioned, the Board of Supervisors will have discretion to authorize each post-Base Scope phase or to discontinue with future phases.

## **Discussion:**

### Background

The current 1950's based, 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 campus represents 470,456 square feet of office space, not including the detention facility and the Sheriff's buildings. The cost of operating the property portfolio has grown as facilities have aged, as deferred maintenance obligations have increased, and as County-owned properties with no room for expansion have driven departments to increasingly seek commercial office leases. The County faces a \$258 million backlog of deferred maintenance on the County Government Center campus and building systems are failing and beyond the point of economically-feasible repair. The majority of the existing buildings on the County campus are beyond useful life and the cost of addressing major building system failures is increasing. Staff have previously received Board direction to proceed with exploring options for replacing existing buildings or relocating to a new location. The staff report describing the deferred maintenance backlog and options for replacing or relocating buildings can be found here:

[https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKewjf2KGLu9\\_iAhWD9Z4KHTjqC-wQFjAAegQIBhAC&url=https%3A%2F%2Fsonomacounty.ca.gov%2FWorkArea%2FDownloadAsset.aspx%3Fid%3D2147571577&usg=AOvVaw07OFrfZgeQxCfhSqrMm8C5](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKewjf2KGLu9_iAhWD9Z4KHTjqC-wQFjAAegQIBhAC&url=https%3A%2F%2Fsonomacounty.ca.gov%2FWorkArea%2FDownloadAsset.aspx%3Fid%3D2147571577&usg=AOvVaw07OFrfZgeQxCfhSqrMm8C5)

On May 8, 2018 the Board of Supervisors directed staff to conduct a request for information and market feedback regarding the best practices and options for a new or revitalized County Government Center. The Board directed staff to consider opportunities for the existing campus, and to obtain market feedback on the viability of various project and delivery models and locations, including relocating to alternative sites such as downtown Santa Rosa or the Airport business park. The Board also directed staff to work collaboratively with the City of Santa Rosa.

Any future County Government Center plan would need to provide for at minimum 500,000 square feet of office facilities; a new coroner's facility (morgue); a larger, modernized Emergency Operations Center; retrofit of the existing Hall of Justice; and possibly a new public health laboratory.

On January 29, 2019, your Board authorized the Director of General Services to conduct a competitive solicitation for a Technical Advisor to provide consulting services relating to a potential new County Government Center.

### Request for Proposals

The Request for Proposals (RFP) for a Technical Advisor was published on the County's Purchasing portal on

March 11, 2019. The RFP was distributed to over 780 firms. The RFP was a qualifications based selection that sought to evaluate past performance, qualifications of the firm, resumes of the proposed consultants staff, references from prior clients, a statement of philosophy and intent of the firm's values in advisory services, project approach and work schedule, and cost of service. A non-mandatory proposer's conference was held. Two addenda were issued to clarify RFP-related questions.

### Response and Review

Seven (7) proposals were received on April 8, 2019 in response to the RFP. The evaluation was based upon the criteria as described in the RFP. Submittals were scored based upon the following criteria: Past Performance, Qualifications and Experience, Resumes of Proposed Team Members, Cost of Service, References, Approach and Schedule, and Philosophy and Intent. Three firms were short listed: PFAL, Jones Lang LaSalle Americas, Inc., and ARUP.

The three shortlisted firms were interviewed on April 22 and 23 to introduce key staff and to address questions posed by the Evaluation Panel pertaining to the following:

- What constitutes a successful community engagement
- Key elements/practices to a successful project
- Approach to assessing service needs
- Approach to site selection

The Evaluation Panel created final scores upon completion of the interview process. The evaluation panel was comprised of executive management level staff representatives from General Services, Community Development Commission, and the City of Santa Rosa. Members of the County Government Center Steering Committee were invited to participate in the interview process, but did not have a vote on the final selection.

### Recommendation

The Evaluation Panel determined that Project Finance Advisory Limited (PFAL) was the most qualified team with the highest ranked proposal to provide technical advisory services to the County.

PFAL was found to be the most qualified firm based upon both their written and oral presentations. PFAL's proposal demonstrated a solid history of proficiency in project advisory and consulting services, backed by discussion of several complex and controversial projects, and the importance of communication at all levels. PFAL identified case studies and provided details of the scope of work, their role and contribution, community engagement strategies, innovative solutions, and the applicability of the specific case study to the County's needs.

The information PFAL provided was corroborated by staff checking references for three of the listed case studies: \$150 million Santa Clara Swim Center project, a City of Los Angeles Bureau of Sanitation Clean Water

Campus project, the Napa Valley Transportation Authority Bus Maintenance Facility and the State Highway Route 37 Improvement project. Their methodology for successful projects included strong communications with the market, identifying clear and achievable goals and objectives including establishing realistic timelines and assisting stakeholders with overcoming steep learning curves.

PFAL's proposed engagement process stressed the importance of bringing in the community as partners, inclusiveness, and early engagement. The proposed external engagement strategy heavily leverages current technology, social media, and other broad-reaching tools and approaches, evidencing a keen awareness of communication challenges and solutions. PFAL's team includes a transportation consultant, polling firm and sustainability firm. The evaluation committee found that the specialty consultants add considerable value to PFAL's ability to identify financing opportunities, guide the formative efforts of a potential project to mitigate anticipated concerns and challenges, help a potential project to push limits of innovation, and to obtain public input.

PFAL's experience in working with multiple jurisdictions on projects was also considered significant. Other relevant project experience included serving as financial advisor on the Presidio Parkway P3 and the University of Kansas Campus Expansion P3. PFAL is also part of a team advising the Los Angeles County Metropolitan Transportation Authority Joint Development Program.

### Scope of Work

The RFP defined a Base Scope of Work with additional options, to be executed at a later date pending Board authorization. The Base Scope includes developing over-arching goals for service delivery and development, analyzing and making recommendations regarding site location, assessing and updating the Comprehensive County Facilities Plan findings, and performing a value for money analysis. The additional three optional scopes included services through a procurement phase, a negotiations and execution phase, and a design and construction phase.

Staff are recommending the award of a flat rate contract, in the amount of \$299,944, to PFAL to provide all the deliverables defined in the Base Scope of Services, as detailed in Exhibit A of the contract and summarized below.

#### **1. Confirm Goals and Objectives**

PFAL will review existing information, conduct meetings with staff, Steering Committee, and Department and Agency Head Association (DAHA) in order to assess and validate the County's overarching goals and objectives, and then bring an item back to the Board of Supervisors for discussion and direction prior to proceeding with Tasks 2 - 7, listed below.

#### **2. Outreach and Engagement Planning**

Once PFAL has received direction from the Board regarding goals and objectives, PFLA will prepare a stakeholder and community engagement plan. The plan will include creation of content, graphics and presentation materials for stakeholder meetings, as well as an online survey tool. PFAL will also conduct a workshop with Mayors and Councilmembers to gather feedback about county services, given that these services impact constituents in all jurisdictions.

### **3. Initial Financial Assessment**

PFAL will meet with Auditor Controller Treasured Tax Collector (ACTTC), County's Financial Advisor, General Services and County Administrator to better understand County's debt capacity, credit rating, and funding availability for the project and provide an initial affordability analysis.

### **4. Program Validation**

PFAL will review, validate and update the findings from the County's Comprehensive County Facilities Plan - Real Estate Vision and Service Delivery Vision (CCFP) to determine square footage and service delivery needs. This will include an analysis of a centralized campus for service delivery and adjacencies, assessing trends for remote or online service delivery, and review of staffing projections and parking needs. The analysis will also include best practice energy benchmarking, renewable energy potential, and zero net strategies.

### **5. Site Analysis**

PFAL will provide site analyses for the following scenarios:

- A. Remaining completely at the existing County Government Center (CGC) site.
- B. A split option involving remaining in part at the GCG and relocating the balance to a downtown location(s), to be identified by the City of Santa Rosa.
- C. A second split option involving remaining in part at the GCG and relocating the balance to another location, such as the Airport or another site, to be identified by PFAL with concurrence from the County.

Some departments may require adjacency with the Hall of Justice, Main Adult Detention Facility and Sheriff's Office, which will remain on the existing CGC site. PFAL will evaluate those needs in split options B and C. PFAL will also conduct an analysis of the traffic and transportation impact of each site location scenario, and will consider environmental and legal limitations of specific site uses. PFAL will also coordinate listening sessions with multiple stakeholders, including County employees, customers, and community organizations on the site options to gather feedback.

Once completed, PFAL will prepare a comprehensive report of risks and opportunities, economic costs and benefits, and total cost per square foot associated with each site. The analysis will also take into

account the cost for swing space during construction, economies of scale, should the County and City co-locate, anticipated cost escalation, and potential environmental impact costs. Initial findings will be reviewed by the Steering Committee and DAHA, and then presented to the Board of Supervisors for discussion and direction in Task 7.

## **6. Value for Money and Procurement Options**

PFAL will review various procurement options, including a hybrid RFQ/RFP with bid bundles for different needs (office, housing, mixed use retail, etc.), Design-Build debt financing, Public Private Partnership (P3) Design-Build-Finance-Operate-Maintain, and examine how well each of those options meet the County's goals and guiding principles, as determined by the Board. The Value for Money analysis will present the total cost for each procurement option discounted to current dollars, and a net present value of the County's real estate assets available for sale if the County were to move to another location. PFAL will prepare a project funding plan that takes into account the various tax or debt finance options, potential savings from real estate consolidation, energy and maintenance savings, avoided costs from existing property lease termination, sale/lease of County property, and revenue from commercial opportunities.

PFAL will prepare a project-specific financial model showing the full lifecycle costs (construction plus 30 years) for the site options described above. Initial findings will be reviewed by the Steering Committee and DAHA, and then presented to the Board of Supervisors for discussion and direction in Task 7.

## **7. Final Summary Report and Board Workshop**

PFAL will prepare a final summary report of conclusions reached during Base Scope of Work and coordinate with County staff to conduct a Board Workshop to discuss findings of each stage of the analysis, and to get direction from the Board. This workshop is anticipated to take place in July or August 2020.

Following the Board Workshop, the Board will have the option to exercise additional scopes of work under the contract. The first option would include preparation of a Request for Qualifications and Proposals (RFQ/P) for a qualified developer, and assistance in evaluating said proposals. The second option would include construction management and other advisory services, as necessary. These options are structured to provide the Board with the flexibility to include services, should they be needed, while maintaining the ability to not be obligated for an extensive contract. Should the Board elect to not continue with services for any reason, no obligation would exist and options will not be exercised.

### Coordination with the City of Santa Rosa

The City of Santa Rosa is also considering options to replace their aging facilities. The City is in need of

approximately 200,000 square feet of office and supporting services space and would like to relocate some functions to the public safety yard. Several sites in the downtown area are being considered with analysis of constraints and opportunities to be studied by the City's Technical Advisor. The City has also suggested potentially relocating the County Campus to Downtown Santa Rosa.

The City and County staff have been closely coordinating to identify opportunities for efficiencies in our solicitation processes. City staff have issued a Request for Proposals for Technical Advisor services and tentatively plan to bring an award recommendation to the City Council in early August. County staff served on the City's evaluation panel and vice versa. Staff will continue to coordinate throughout the technical advising stages and as directed by the Board of Supervisors.

Having separate technical advisors at this stage is advisable because the initial scopes of work are primarily focused on validating the unique needs of each organization and performing respective financial feasibility analyses. The County's Technical Advisor will be assisting in developing comparative analysis of potential new County Government Center options, including alternative locations, for future Board consideration; creating a community and staff engagement plan regarding options; and revalidating the Service Delivery Vision and program element of the previously-adopted Comprehensive County Facilities Plan. The City's Technical Advisor will work on similar, but City-specific, inquiries such as confirming space needs, performing a parking analysis, evaluating City Hall site options, and financial feasibility given City budgets. If direction is given to move forward with pursuing a downtown Santa Rosa development opportunity or other joint effort, staff anticipate that the City and County staff and technical advisor teams will closely collaborate.

Next Steps - Additional services, such as outside legal services and environmental assessment consulting, will be needed in support of the technical advisor and any new County Government Center plan. The determination for whether any such services are needed, and the timing of such, will depend on the progress and recommendations made by the Technical Advisor. For example, should non-traditional models of project financing and delivery be recommended, outside services likely would be needed for understanding related issues such as legal authority and risks. Should it become apparent that such outside support will be needed, staff (and County Counsel, for any legal services) will return to your Board as appropriate for securing those services. It is anticipated that the overall project budget for the County Center will be increased at that time to allow for direct charge of both internal and external Counsel services.

**Prior Board Actions:**

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**

| <b>Expenditures</b>                | <b>FY 19-20<br/>Adopted</b> | <b>FY20-<br/>21Projected</b> | <b>FY 21-22<br/>Projected</b> |
|------------------------------------|-----------------------------|------------------------------|-------------------------------|
| Budgeted Expenses                  | 410,000                     |                              |                               |
| Additional Appropriation Requested |                             |                              |                               |
| <b>Total Expenditures</b>          | <b>410,000</b>              |                              |                               |
| <b>Funding Sources</b>             |                             |                              |                               |
| General Fund/WA GF                 | 410,000                     |                              |                               |
| State/Federal                      |                             |                              |                               |
| Fees/Other                         |                             |                              |                               |
| Use of Fund Balance                |                             |                              |                               |
| Contingencies                      |                             |                              |                               |
| <b>Total Sources</b>               | <b>410,000</b>              |                              |                               |

**Narrative Explanation of Fiscal Impacts:**

Approval of this item allows the Director of General Services to execute a contract with PFAL for a defined scope of base services for a not to exceed budget of \$300,000. The contract allows for increases, as authorized by the Board of Supervisors, for additional services and scope work options, contingent on available funding. There are sufficient appropriations in the FY 19-20 County Government Center capital budget to cover the Base Scope of Work. The contract deliverables have an aggressive timeline including cost recoverable staff work to be performed in the current fiscal year. Staff also anticipate current costs in the amount of \$60,000 for internal County Counsel services and \$50,000 for County Administrator Office staffing, for a total of \$110,000 in FY 19-20. As noted above it is anticipated that external Counsel services will be necessary and brought forward as a separate action at a later date. Appropriations from the Facilities Improvement/Deferred Maintenance Fund were included in the FY 19-20 Supplemental Budget Adjustments.

| <b>Staffing Impacts:</b>        |  |                               |                               |
|---------------------------------|--|-------------------------------|-------------------------------|
| <b>Position Title (Payroll)</b> | <b>Monthly Salary Range (A - I Step)</b> | <b>Additions<br/>(number)</b> | <b>Deletions<br/>(number)</b> |
|                                 |  |                               |                               |
|                                 |  |                               |                               |
|                                 |  |                               |                               |

**Narrative Explanation of Staffing Impacts (If Required):**

None

**Attachments:**

Attachment A: PFAL Professional Services Agreement



Attachment B: Report on Solutions for Addressing the Growing County Government Center Administrative Building Maintenance Costs

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

None