



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 1/14/2020	(3) CONTACT/PHONE Robert M. Ruiz Capital Project Manager (805) 781-2114	
(4) SUBJECT Request to authorize use of the Design-Build project delivery method for the delivery of a new County Probation Building in San Luis Obispo; authorize the release of the Request for Proposals for Construction Manager/Master Architect services for Phase 1 of the design-build project; and submittal of a resolution to allow the reimbursement of previously incurred New Probation Building project expenditures from the proceeds of a future debt issuance. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Authorize use of the Design-Build project delivery method for the delivery of a new County Probation Building in San Luis Obispo; and 2. Authorize the release of the Request for Proposals for Construction Manager/Master Architect services for Phase 1 of the design-build project; and 3. Adopt the attached resolution to allow the reimbursement of previously incurred New Probation Building project expenditures from the proceeds of a future debt issuance. 			
(6) FUNDING SOURCE(S) Fund Center 230 – Capital Projects	(7) CURRENT YEAR FINANCIAL IMPACT Preliminary Project Funding = \$150,000.00	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW Kristin Eriksson			
(18) SUPERVISOR DISTRICT(S) All Districts			

Reference: 19.158



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Public Works
Robert M. Ruiz, Capital Project Manager

VIA: Jeff Werst, Design Division Manager

DATE: 1/14/2020

SUBJECT: Request to authorize use of the Design-Build project delivery method for the delivery of a new County Probation Building in San Luis Obispo; authorize the release of the Request for Proposals for Construction Manager/Master Architect services for Phase 1 of the design-build project; and submittal of a resolution to allow the reimbursement of previously incurred New Probation Building project expenditures from the proceeds of a future debt issuance. All Districts.

RECOMMENDATION

It is recommended that the Board:

1. Authorize use of the Design-Build project delivery method for the delivery of a new County Probation Building in San Luis Obispo; and
2. Authorize the release of the Request for Proposals for Construction Manager/Master Architect services for Phase 1 of the design-build project; and
3. Adopt the attached resolution to allow the reimbursement of previously incurred New Probation Building project expenditures from the proceeds of a future debt issuance.

DISCUSSION

In 2017, the County of San Luis Obispo's Probation Department hired Frasier-Seiple Architects to conduct a Feasibility and Planning Study for a New Probation Building. The Probation Department's current Bishop Street facility (referred to as Casa Loma) was built in 1940 and is in need of constant repair, short on space and ill-suited for today's Probation Department needs. After looking at three potential sites for the new building and reviewing current and future programmatic needs for the Probation Department, the report concluded that a new, two-story Probation building of approximately 31,500 square feet should be located on the existing Health Campus site, off Bishop Street and behind the existing structures.

In 2018 the County completed a Conceptual Plan for County facilities located within the City of San Luis Obispo. A key goal of the Conceptual Plan is to improve department adjacencies, consolidate similar functions and create core campuses for enhancing public services. The Conceptual Plan's recommendation for the Johnson Avenue Campus is to consolidate all Health and Probation functions onto one site. When complete, then New Probation Building will allow the Probation Department to relocate from its current facility into the new facility on the Johnson Avenue Campus, in accordance with the Conceptual Plan's recommendation.

Since the existing Probation building is past its useful life, and knowing that the County's Conceptual Plan called for consolidating several uses on the Johnson Avenue site, in January of 2019 the County developed a master plan specific to the Johnson Avenue Campus. The Johnson Avenue Campus Master Plan included a programmatic study to determine the square footage required for all functions/departments recommended to be located on the campus over a 20-year timeframe. The Johnson Avenue Campus Master Plan was developed assuming a phased buildout of the Campus with development of the New Probation Building and associated parking included in Phase 1. The Master Plan considers circulation, parking and infrastructure needs of all uses.

Design-Build Project Delivery

In April of 2016, the Board approved Design-Build (D-B) as the project delivery method for two County projects: the new Animal Services and Co-Located Dispatch Center facilities. In approving D-B as the delivery method for these two pilot projects, the Board concurred with staff's recommendation that, for the right type of project, D-B offers several potential benefits to the County over the traditional Design-Bid-Build (D-B-B) project delivery method (see Attachment 2).

In the traditional D-B-B project delivery method, the County manages separate contracts for the design, and then the construction of the facility after public bidding. The nature of a low-bid construction contract can often put the designer and contractor in a contentious position, with the County caught in the middle. The contentious environment may lead to delays, added cost and quality acceptance issues. With D-B project delivery, the County manages one contract with a single point of responsibility: the Design-Build Entity (D-BE). The D-BE is selected using a best value approach to perform both the design and the construction of the project, where the Architect and the Contractor are on the same team, providing unified recommendations, while theoretically addressing issues during design and construction in a collaborative manner. An integrated team works to successfully complete a project faster, more cost effectively and with fewer change orders.

The two pilot projects are currently at different stages of completion but have been moving forward and the County anticipates a successful outcome on both. Your Board awarded the D-B contract for Animal Services in December 2019, with the design competition bringing forward what will be a quality facility. Negotiations on final scope and cost was a transparent and collaborative process. For the Co-Located Dispatch project, six quality submittals were received from interested D-B firms in response to a Request for Statements of Qualifications, and the County has selected the top three D-BEs, who are all local, to receive the Request for Proposal (RFP) later this year. Given the experience thus far on these two pilot projects, it is Public Work's recommendation that D-B is a good fit for the New Probation Building project, and that it be used as the delivery method for the project.

This item also recommends release of the project's RFP for solicitation of a Construction Manager/Master Architect (CM/MA) consultant. Contracting a CM/MA to assist the County with the delivery of this major project is the first phase of the D-B delivery process. If approved, today's action will authorize staff to proceed with preparation of and issuance of said RFP. Upon the selection of a CM/MA consultant and successful contract negotiation, staff will return to the Board for authorization to award the Consultant contract. Once the CM/MA contract is awarded, the CM/MA will develop the project's design criteria and bridging documents that will be used for the subsequent phases to select the D-BE. The CM/MA will also help raise local contractor interest in the project by helping develop the contractor outreach program. Attachment 3 provides an overview of the D-B delivery method phases.

Approval of the attached resolution will express, as required under Internal Revenue Service regulations, the County's intent to issue tax exempt obligations to reimburse itself for the New Probation Building project expenditures. Adopting the resolution prior to debt issuance allows the County to reimburse itself with debt proceeds for project expenditures made, including the expense for the Phase 1 CM/MA contract, prior to the debt issuance.

It should be noted that while it is likely the County will choose to issue tax exempt obligations to finance the New Probation Building, approval of the resolution will not commit the County to pursue external financing for any portion of the project or to any form of debt instrument. Rather, the sole purpose of this action is to permit the County to use debt proceeds to reimburse itself for project costs incurred prior to debt issuance, should the County choose to issue tax exempt obligations for the project.

A future item will be brought to your Board to review and approve the D-B qualifications and proposed language in the RFP designed to encourage local labor participation, as applicable and allowable under existing law.

OTHER AGENCY INVOLVEMENT/IMPACT

A Steering Committee has been assembled to guide the project through delivery. The Steering Committee includes representatives from Public Works, the Probation Department, the Administrative Office, County Counsel, Information Technology, and the Auditor-Controller-Treasurer-Tax Collector-Public Administrator (ACTTCPA).

Project environmental review will occur once the project description is better defined. County Counsel will provide legal advice on the project and ACTTCPA will help secure future financing for the project. County Counsel also reviewed and approved the attached resolution as to legal form and effect.

FINANCIAL CONSIDERATIONS

This is a multi-year project budgeted in the Capital Projects Fund – WBS 320112 New Probation Building Project.

The project is currently funded with \$150,000 for preliminary project costs. Staff will return to the Board with recommendations to request necessary budget adjustments to award the CM/MA services contract.

RESULTS

Approval of the recommended actions will allow the County to proceed with the development of a key needed public facility which will contribute to an ongoing safe, healthy and well-governed community.

ATTACHMENTS

- 1 Vicinity Map
- 2 Benefits of Design-Build Project Delivery
- 3 Design-Build Project Delivery
- 4 Resolution in Connection with the Financing of the New Probation Building and Declaring Its Intent to Reimburse Certain Expenditures from Tax-Exempt Obligations

File: WBS 320112 New Probation Building Project

Reference: 19.158

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