





## COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Public Works  
Rob Ruiz, Capital Projects Manager

VIA: Dave Flynn, Deputy Director of Public Works

DATE: 8/21/2018

SUBJECT: Submittal of a resolution adopting the Pre-Qualification Program for Design-Build entities for the New Animal Services Facility Project and authorize the Director of Public Works to pay stipends, in the amount of \$5,000, if needed, to the unsuccessful Design-Build entities. All Districts.

### **RECOMMENDATION**

1. Adopt the attached resolution:
  - a. Authorizing the advertising of a pre-qualification program for those Design-Build entities interested in proposing on the New Animal Services Facility Design-Build project;
  - b. Adopting the attached RSOQ as the County's Template; and
  - c. Authorizing the Director of Public Works, or his designee, to issue the RSOQ, and to make modification addendums, extend the return date and administer the appeals process and make final decisions associated with the RSOQ, as necessary so long as modifications are compliant with Public Contract Code Sections 22160-22169.
2. Authorize the Director of Public Works, or his designee, to pay a stipend, in the amount of \$5,000 each, if needed, following the submission and review of the Request for Proposals for the two (2) top-ranking Design-Build entities that do not receive a contract award for the project.

### **Discussion**

#### **□ Background □**

The current Animal Services Facility was constructed around 1975 on a former landfill utilized in the 1940's by the U.S. Army and Camp San Luis Obispo. Current industry standards and public expectations for animal services facilities have changed and the existing Services Facility's original design features are now outdated or inconsistent with the current understanding of humane animal services.

Past efforts to incrementally improve the facility have been hampered by a multitude of issues, and on April 7, 2015, the Board recognized that further investment in the current facility would not be cost effective.

On April 12, 2016, the Board directed staff to proceed with development of a New Animal Services Facility utilizing the Design-Build project delivery method. On February 28, 2017, the Board created a capital improvement project, approved a budget to fund the project through the Request for Proposals phase, and approved execution of a consultant services agreement with Kitchell for construction management and master architect services consistent with the first phase of the Design-Build process.

On November 7, 2017, the Board approved negotiations between an Ad-Hoc Committee created by the County and the North County cities.

On June 19, 2018 the Board approved Amendment No. 1 to the Memorandum of Agreement with the cities of Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach, and San Luis Obispo, which increases the County's cost share by \$1 M.

Staff is now seeking approval to pre-qualify Design-Build teams through adoption of the attached resolution authorizing the advertisement of a pre-qualification program for those Design-Build entities interested in proposing on the New Animal Services Facility Design-Build project.

With the RSOQ process, the County will rank statements of qualifications and select up to three (3) top ranked Design-Build entities to move forward in the Design-Build process. Through a subsequent Request for Proposal design competition between the top three (3) firms selected from RSOQ applicants, the County will eventually award the Design-Build contract to the firm whose proposal is judged to provide the "best value" according to ranking criteria. The Design-Build "best value" selection process allows the option of using stipends for the unsuccessful proposers during this subsequent design competition. The use of stipends partially off-sets the costs for the unsuccessful two (2) pre-qualified firms in the design competition. Stipends typically range from \$5,000-\$75,000 depending on the magnitude of the proposal effort, and staff is recommending approval of a stipend of up to \$5,000 for each unsuccessful Design-Build entity on this project, should staff determine that such stipends are necessary to encourage competition.

It is also recommended that the Board approve the attached County Template and authorize the Director of Public Works, or his designee, to issue the RSOQ, make addendums, extend the return date and administer an Appeals Panel, if necessary, and reference the use of stipends in the RSOQ.

Upon receipt of the pre-qualification submittals, a selection committee will review, rank and select up to three (3) qualified Design-Build teams. Upon approval of the bridging documents (scheduled for late 2018) and associated environmental document, the pre-qualified Design-Build teams will undertake a detailed Design-Build proposal for consideration and selection of a final Design-Build team (scheduled for early 2019).

Pre-qualification of Design-Build entities is an important step towards managing the risks associated with the development of the New Animal Services Facility Project. Given the technical complexity and size of the project, it is in the County's best interest to have Design-Build entities who are experienced in the Design-Build process, project requirements, and are fiscally capable of performing the required work.

The pre-qualification criteria that will be used places emphasis on requiring the general contractor, subcontractor, and design professional firms to have experience on similar projects. The County hosted an informational meeting with prospective contractors and designers to engage their interest, which will hopefully result in a fair number of RSOQ submittals.

The content of the RSOQ is in conformance with requirements listed in Public Contract Code Section 22164(b)(3). The process included in the RSOQ contains an appeal panel and procedure which will render the County's final determination on qualifying firms for the subsequent Design-Build request for proposals.

### **Other Agency Involvement/Impact**

A Steering Committee was formed to direct project implementation and includes County representatives from Administration, for finance oversight and governance, Public Works, as the project manager, and the Health Agency, as client department and operator. The Steering Committee also includes city representatives from Atascadero, Grover Beach, Paso Robles and San Luis Obispo as project participants per the "Agreement for Allocation of Construction and Financing Costs for an Animal Services Facility at 865 Oklahoma Avenue in San Luis Obispo, CA between the Cities of Atascadero, Arroyo Grande, Grover Beach, Morro Bay, Paso Robles, Pismo Beach and San Luis Obispo and the County of San Luis Obispo", as approved by the County on February 28, 2017, and amended on June 19, 2018.

### **Financial Considerations**

The New Animal Services Facility Project - WBS 320088 is a multi-year project in the Facilities Capital Fund.

The current total project is estimated at \$13.9 M, plus financing costs.

The construction and financing costs will be allocated among the County of San Luis Obispo and seven participating cities, per the agreed upon Memorandum of Agreement.

On June 19, 2018, the Board approved Amendment No. 1, reducing the outside participants' construction cost allocation by \$1 M, and equally increasing the County of San Luis Obispo's allocation of construction costs. The County-only portion of the current estimated construction costs is approximately \$1.5 M, including demolition of the existing building. The approximate shared construction costs allocated to the County and Cities is estimated at \$12,176,500 (See Exhibit D).

Preliminary estimates of financing costs range from approximately \$6.7 M to \$10.8 M, and annual debt payments are estimated to range from \$756,000 to \$970,000. Staff intends to finance the project with a combination of bond financing and County funds. Staff will bring a specific financing plan to the Board for approval at a later date.

Please see Exhibit "A" for the current cost of the design phase and Exhibit "D" for total estimated shared costs of the entire project.

## **Results**

Approval of the recommended actions will authorize County staff to proceed with issuance of the RSOQ for the New Animal Services Facility Project and begin the pre-qualification process for Design-Build entities. Support of the project's progress and the ability to continue to the next phases will lead to the development of a public facility which will result in a safe, healthy and well-governed community.

## **ATTACHMENTS**

1. Vicinity Map
2. Exhibit A - Current Project Cost Estimates
3. Exhibit B - New Animal Services Facility - Proposed Milestone Timeline
4. Exhibit C - Timeline of Board Actions
5. Exhibit D - Total Estimated Project Costs
6. Resolution Adopting the Pre-Qualification Program for Design-Build Entities for the New Animal Services Facility Project

File: 320088

Reference: 18AUG21-C-3

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