[MS-0398.039.010.002]

COUNTY OF SAN DIEGO

CHIEF ADMINISTRATIVE OFFICE
AGENDA ITEM

BOARD OF SUPERVISORS
BRIAN P. BILBRAY FIRST DISTRICT
GEORGE F. BAILEY SECOND DISTRICT
SUSAN GOLDING THIRD DISTRICT
LEON L. WILLIAMS FOURTH DISTRICT
JOHN MACDONALD FIFTH DISTRICT

DATE: June 11, 1991

TO: Board of Supervisors

SUBJECT: Request for Proposals for Downtown Court and Office Space

SUMMARY:

Reference:
Your Board has approved in principle expansion of Courts in Downtown San Diego, and requested additional information (May 28, 1991), regarding: the process for procuring additional Court/Office space; and, the possible tenants for this facility.

Recommendation(s)
CHIEF ADMINISTRATIVE OFFICER:

1. Approve the use of a two step process of acquiring additional court/office space with a Request for Qualifications (RFQ) to be followed by a Request for Proposals (RFP).

Advisory Statement
No advisory statement was sought.

Fiscal Impact
The evaluation of responses to the proposed RFQ and RFP can be handled within existing staff resources. Consultant expenses that may be required to evaluate responses to the Request for Proposals would be financed by non refundable deposits submitted by the proposers.

Background:

I. <u>BOARD ACTIONS</u>

On May 28, 1991 (71) the Board adopted a number of recommendations dealing with the expansion of Courts in Downtown San Diego. A summary of the Chief Administrative Officer's recommendations which were approved by the Board are as follows:

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1. Approved in principle subject to environmental review going forward with a Request for Proposals (RFP) for a new court/office building in Downtown San Diego.

2. Directed that the Chief Administrative Officer renegotiate an agreement with the City of San Diego Redevelopment Agency for the funding of additional courtrooms in Downtown San Diego.

3. Directed that if Proposition A revenue becomes available that a Criminal Courts Annex be constructed.

4. Determined not to lease interim space for Superior Court courtrooms.

5. Determined to retain an architect/master planner to assist in preparing a master plan for the expansion of the Downtown Courthouse.

6. Directed that legislation be sought to increase funds for Courthouse construction.

7. Directed that environmental findings be prepared.

8. Directed that a status report on the financial implications of the proposed actions and the RFP process be prepared within 60 days.

In addition the Board added several directions to the Chief Administrative Officer: These are as follows:

1. Continue to investigate suburban Court needs.

2. Investigate and report on the use of the existing Courthouse for a ten year period.

3. Directed that County Counsel advise the Board of Supervisors on the legalities/limits of Public Work projects as well as the bidding process.

4. Continue the decision on the Downtown Courthouse time until a Proposition A decision.

5. With respect to the Request for Proposals for a new Court/Office building, it was directed that the RFP:

   - Stipulate that the County prefers to have the facility available for occupancy within three years from June 11, 1991.

- Indicate that the search area for additional space should indicate that the County prefers to have the facility within three blocks of the existing Courthouse but that proposals beyond three blocks would be considered.

- Transportation issues (eg. proximity to public transit) are to be considered.

- Indicate that there will be substantial delay penalties for not completing the project on time.

6. Directed that the Chief Administrative Officer work with the City Manager of the City of San Diego to consider a Government Center, possibly using County property in Downtown San Diego.

7. Finally it was recommended that the Chief Administrative Officer report back on June 11, 1991 on which departments would be located in the new Court/Office facility and the process for bidding out the project.

The purpose of this letter is to outline the process for procuring additional Court/Office space, indicate a preliminary list of possible tenants for the new facility, and indicate the progress on several of the Board actions outlined above.

The report will be organized as follows:

- Process for selection of a proposal for a Court/Office proposal.

- Funding of Architectural master planning and environmental consulting services.

- Proposed tenant mix.

- Architectural master planning consultant.

- Renegotiation of agreement for funding of additional courtrooms downtown.

II. PROCESS FOR SELECTION OF A PROPOSAL FOR A COURT/OFFICE BUILDING.

It is recommended that a two step process be used for selection of a development team to provide the County additional space. The first step would be to issue a Request for

Qualifications. This step would allow the County to compile a "short list" of pre-qualified proposers who would then be allowed to respond to an RFP. The responses to the RFQ are expected to be short, simple and rather straightforward. It is not envisioned to be a significant time consuming process for the development community. The responses to the RFP will have to be much more detailed.

There are the following advantages to this approach:

1. The County will be dealing early on with proposers, who have the demonstrated financial capability, expertise, and experience in completing a major capital project for a public agency.

2. There will be fewer proposals to evaluate because of the strict criteria used to place proposers on the short list. This will reduce the amount of time it will take to evaluate proposals.

3. Because of the stringent criteria that must be met in order to be selected to respond to the RFP, less qualified and/or underfunded teams will likely not be put to the expense of responding to an RFP.

4. While the RFQ is being solicited, and its proposals evaluated, the County can be preparing and refining the details that must be included in the RFP.

A more detailed description of this process is found below:

- Development of a Request for Qualifications. This would occur between June 11 and June 24. It is anticipated that the RFQ would be available on June 25.

- Request for Qualifications Solicitation. It is recommended that the RFQ be due back in 30 days (July 24). Approximately two weeks after the RFQ is solicited there would be a meeting between County staff and proposers in order to answer questions and clarify any aspects of the RFQ. The purpose of the RFQ is to narrow the number of proposers to those developers who have the proven ability and financial capability to complete a major capital project for a public agency such as the County. The specific criteria for the evaluation of the proposers would include the following:

  - Control over the proposed development site (if on privately owned land). The proposer should be able to demonstrate their ability to provide facilities

on the project site. This "proof of control" would include outright ownership of the land, an exclusive development agreement with a public agency (eg. City of San Diego Redevelopment Agency), and if under multiple ownership a notarized letter from all landowners that they would agree to the proposed development. The proposer should also demonstrate that the site's zoning and infrastructure (eg. utilities) can support the proposed development. It should be noted that the proposers would also be given the option to develop on County property (Front/B).

- Qualified Development Team. It is recognized that there will be few if any development teams (ie. architects, construction managers, construction firms, developers) which have completed a major build to suit Court/Office building. However, there are individual architects, construction firms, etc. which have worked on project for public agencies. The County should require that members of the proposed development team have experience in completing projects which have involved to some extent justice related facilities. It is also recommended that these projects be should have been at least $50 million dollars/250,000 Gross Square Feet (the preliminary estimated project cost/size of the proposed facility).

- Bonding Capability. The developer should have the demonstrated ability to post construction bonds to complete at least a $50 million dollar project.

- Ability to Finance Construction. It is recommended that the RFQ and RFP indicate that the County eventually intends to acquire the facility through the use of tax exempt financing. This is most likely to occur through the use of the San Diego County Capital Assets Leasing Corporation (SANCAL). However it is possible that tax exempt financing could be provided through the use of a Joint Powers Authority. In order to expedite completion of the project it is the County's intent to use design/build approach. It will be necessary to demonstrate the ability to provide interim financing while the building is under construction and permanent financing prior to the County's exercise of option to purchase.

- Ability to Complete a Project in Three Years. The developer would be required to submit examples of their ability to complete a project within three years (ie. from conceptual approval to available for occupancy). The developer will also be required to submit a proposed schedule for project completion.

There are several other factors/considerations which are proposed to be included in the RFQ:

- Non refundable deposit. It will be indicated that the successful proposers will be required to submit a non-refundable $10,000 deposit in order to submit a response to the RFP. The deposits will assist in financing consultant expenses required for evaluation of the proposals and offset some staff costs.

- Three Block Preference. Pursuant to Board direction, it will be indicated that the preference of the County is to have the facility within three blocks of the existing Courthouse.

- Expansion Capability. It will be indicated that the County may only have enough funds now to acquire around $50 million worth of space but, that it prefers to have the option for acquiring additional space as funds become available.

Request for Qualifications Evaluation.

The evaluation of the proposals should be completed in two weeks (August 7). The evaluation committee will consist of County staff, Williams Kuebelbeck and Associates (Real Estate Consultant), a representative from the District Attorney, Centre City Development Corporation staff, the Superior Court, a Banker and a Developer.

Request for Proposal Solicitation.

As indicated previously, the RFP will require much more detailed information from the proposers than the RFQ. The specific County requirements such as tenant mix, number of secured entrances/exits, square footage requirements by department/agency, and type/quality of construction. The proposer would be required to submit in much greater detail the specific details on the financial plan, planning/design and construction schedule, and experience/expertise. It is recommended that the RFP be distributed on August 8 and due back in 45 days (September 23). It is expected that the

proposers who believe that they will be selected as being qualified will begin preparing for their submission of the response to the RFP during the RFQ solicitation period. It is expected that the evaluation of the proposals would take approximately two months. Attachment 1 is a summary of the RFP/RFQ schedule.

III. FUNDING OF ARCHITECTURAL MASTER PLANNING AND ENVIRONMENTAL CONSULTANT SERVICES.

On March 27, 1991 the SB 668 (County Courthouse Temporary Facility Construction Fund) Advisory Committee approved allocating $500,000 in FY 90/91 revenue to the North County and/or Downtown Courthouse expansions. It is anticipated that the July 9 Board meeting will contain a recommendation for the funding of the EIR and master planning/design services from SB 668. The rest of the $500,000 is likely to be needed by the North County project. Additional revenue will be sought (eg. part of the $3.0 million that had been designated for El Cortez) for the full amount of required master planning/design services.

IV. PROPOSED TENANT MIX.

The table below presents a preliminary list of existing leases that could be consolidated into the proposed Court/Office building. Other potential occupants for the facility will be identified over the next several months and included in the RFP:

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TABLE I

POTENTIAL LEASES FOR
COURT/OFFICE BUILDING OR COURTHOUSE

	SQ. FEET [2]	ANNUAL OCCUPANCY COST
District Attorney	37,368	1,008,936
District Attorney (Files)	6,390	83,580
Grand Jury	3,141	95,028
Adult Probation	19,552	184,632
Adult Supervision [1]	23,954	309,096
San Diego Hotel (Superior Court)	23,352	541,200
San Diego Hotel (Municipal Court)	2,762	63,960
Sheriff - Internal Affairs	4,489	90,492
Law Enforcement Review Board	2,681	72,384
	123,689	2,449,308

(1) This is not located downtown.

(2) These are validated square footage requirements and estimated/actual costs of providing this space.

In addition to these $2,449,308 in lease savings, Alternate Defense, Alternate Defense Counsel, and Public Defender occupy 45,278 net square feet of space costing $659,240 annually. These functions would likely be relocated to the Courthouse. These savings could then be applied to funding the new building.

It should be noted that on May 28, 1991 the Board directed that the Law Library be considered for inclusion in the building. The number of courtrooms in the facility will be dictated by the amount of revenue available. It is suggested

that the entire District Attorney operations downtown be considered for inclusion in the building. The existing estimated space requirements is around 95,000-100,000 sq. ft. Presently the District Attorney occupies 46,499 square feet in the Courthouse and 43,758 in lease space for a total of 90,257 square feet. In 1990 OMNI identified a need then for 93,400 square feet.

V. ARCHITECTURAL/MASTER PLANNING CONSULTANT.

It is anticipated that the RFP for these services will be solicited on June 11. The process for evaluation of the proposals will be similar to that used for the North County Court/Office master plan. The architect will assist in identifying such factors as asbestos mitigation, HVAC improvements, as well as prepare a detailed master plan for the Downtown Courthouse expansion. The architect will also interface with the developer's architect and will design the tenant improvements within the existing Courthouse.

VI RENEGOTIATION OF AGREEMENT FOR FUNDING OF ADDITIONAL COURTROOMS DOWNTOWN.

A draft of the proposed changes in this agreement is being prepared this week and a meeting with Centre City Development Corporation has been scheduled for June 13. It is anticipated that there will be discussions regarding additional funding beyond the $3.0 million that the Redevelopment Agency had committed for the addition of nine additional courtrooms.

Respectfully submitted,

NORMAN W. HICKEY
Chief Administrative Officer

BOARD OF SUPERVISORS
AGENDA ITEM
INFORMATION SHEET

SUBJECT: Request for Proposals for Downtown Court and Office Space

SUPV. DIST.: 1

COUNTY COUNSEL APPROVAL: Form and Legality ( )Yes ( )N/A
( )Standard Form ( )Ordinance ( )Resolution

AUDITOR APPROVAL: ( )N/A ( )Yes 4 VOTES: ( )Yes (X)No

FINANCIAL MANAGEMENT REVIEW: ( )Yes (X)No

CONTRACT REVIEW PANEL: ( )Approved_____ (X)N/A

CONTRACT NUMBER(S): N/A

PREVIOUS RELEVANT BOARD ACTION: 5/28/91 (71) Board approved acquiring additional Court/Office space.

BOARD POLICIES APPLICABLE: N/A

CITIZEN COMMITTEE STATEMENT: N/A

CONCURRENCE(S):

CONTACT PERSON: Rich Robinson (S30) - 531-4848 (A227)
Nick Marinovich (S30) - 531-5275 (A227)

ORIGINATING DEPARTMENT: Chief Administrative Officer

_____ June 11, 1991
DEPARTMENT AUTHORIZED REPRESENTATIVE MEETING DATE

ATTACHMENT 1

DOWNTOWN COURT/OFFICE RFQ, RFP SCHEDULE

o RFQ Available	June 25
o RFQ Due	July 24
o RFQ Evaluation Complete	August 7
o RFP Distribution	August 8
o RFP Due	September 23
o RFP Evaluation Complete(1)	Late November

(1) estimate - may be much less if few proposals submitted

rfqpsced.nm