

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

957



FROM: Executive Office

SUBMITTAL DATE:
May 13, 2013

SUBJECT: Best Practices in Contract Compliance for Public Works Professional Services and Construction Contract Management

RECOMMENDED MOTION: That the Board:

- 1) Approve the amendments to Board Policies H-7 Selection of Architectural, Engineering or Real Estate Services; B-11 Award of Public Works Contracts Pertaining to County Facilities and Other Improvements; B-22 Capital Improvement Program; and
- 2) Approve the Best Practices in Contract Management Policy A-69.

Departmental Concurrence

BACKGROUND: In January 2013, the County Executive Officer provided direction to evaluate our current professional services selection methods and construction management performance in order to improve our procurement and management practices that lead to developing these Best Management Practices. A Best Management Practice is defined as a technique, measure or structural control that is used to manage the quantity and improve the quality of contract management in a cost effective manner. The development of conceptual provisions of a Best Practices in Contract Management, and the integration of those concepts into the current County Policies is one step towards achieving a unified Best Practices among all county departments, agencies and districts.

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Serena Chow
Serena Chow, Principal Management Analyst

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	13-14

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: **APPROVE**
 BY: *George A. Johnson*
 County Executive Office Signature George A. Johnson

- Dep't Recomm.: Consent Policy
- Per Exec. Ofc.: Consent Policy

2013 MAY 13 PM 5:32
 RECEIVED RIVERSIDE COUNTY

RE: Best Practices in Contract Compliance for Public Works Professional
Services and Construction Management

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The Executive Office evaluated current contract management practices for public works projects implemented by internal county departments, interviewed several outside agencies, and researched available Best Practices publications. The departments participating in the development of the Best Practices in Contract Management Policy A-69 consist of the Executive Office, Purchasing/Fleet Services, County Counsel, Economic Development Agency/Facilities Management, Transportation and Land Management, and the Flood Control and Water Conservation District.

Adequate follow-up is essential to the success of the Best Practices policy. The Executive Office will coordinate the progress in the implementation of the policy and return with a report in one year.

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Policy:

Best Practices in Contract Management is a guiding principle for the management of all countywide contracts to achieve five essential goals:

- Achieve the highest quality project
- Deliver the project within budget limitations and schedule
- Control scope changes and accountability
- Maintain communication and concurrence with all stakeholders
- Create a transparent and accountable process for project delivery

This policy applies to all county departments, agencies, and districts herein called “Authorized Entities,” who may construct public works projects and procure professional services contracts pursuant to Board Policy H-7 as it relates to their specialized County mission.

It is the intent for this policy to be complementary to the provisions of Board Policy H-7 “Selection of Architectural, Engineering and Real Estate Related Services,” B-11 “Award of Public Works Contracts Pertaining to County Facilities and Certain Other Improvements,” and Board Policy B-22 “Capital Improvement Program.”

I. Best Practices of Contract Compliance: Professional Services Contracts for Public Works Projects

The following section of Best Practices of Contract Compliance is applicable to the *professional services contracts* (architectural, engineering, construction management, real estate related) for county public works projects managed by the Transportation and Land Management Agency, Regional Parks and Open Space & District, Flood Control and Water Conservation District, Economic Development Agency/Facilities Management, and Waste Management.

The Consultant Selection and Professional Services contracts should comply with United States Code (U.S.C.) Title 40-Chapter 11, Section 1101 -1104: Selection of Architects and Engineers (Brooks Act) or California Government Code Sections 25502.5(a) 4525-4529.5 (Mini-Brooks Act). Both Brooks Act (Federal) and Mini-Brooks Act (State) require that Professional Services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable fee with the best qualified firm.

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- A. Cost. Budget limitations are set and funding is approved early in the planning process, prior to the preliminary scoping process. Developing the scope of work is critical prior to the solicitation of proposals.
 - 1. The project budget and the project scope should be compatible with each other.
 - 2. Budget or scope changes later in the project increases the risk of exceeding available funding. Scope changes should be in writing and accompanied by budget and schedule approvals.

- B. Schedule. Establishment of a project schedule showing project tasks and deliverables aids in making the work tasks visible to the project team. The project schedule should also identify regulatory requirements, Board approval dates, utility coordination, benchmarks for deliverables, and other key project milestones. By making the work tasks visible, the project team can deploy additional staff resources and plan ahead to complete complex tasks.

- C. Quality Assurance. In order to deliver the highest quality project and ensure the project is delivered on time and within budget, the project manager should use as many tools necessary to achieve the highest quality project.
 - 1. Strong project management is critical to the success of efficient project delivery. Project managers will meet or exceed minimum education, training and field experience requirements.
 - 2. An evaluation team should consist of a minimum of three qualified County or other agency employees knowledgeable in the field or work solicited by the Request for Qualifications/Proposals (RFQ/RFP) that will evaluate the firms based on a predetermined set of detailed criteria and pre-defined weighting factors.

At minimum, one department stakeholder functioning as an evaluator in a procurement process should be from the requesting county department that will use the service or project. Evaluation team members should be free from any conflict of interest or appearance of conflict of interest and agree to and sign the "Evaluator's Code of Conduct and Ethics" statement (Form 116-321).

The Evaluation Team should review the written information submitted to determine if the supplier meets the minimum qualifications to successfully propose on the project and, if awarded, successfully complete the project within the proposed cost and scope of work.

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Selection should be qualifications-based pursuant to California Government Code Sections 25502.5(a) 4525-4529.5 (Mini-Brooks Act) or United States Code (U.S.C.) Title 40-Chapter 11, Section 1101 -1104: Selection of Architects and Engineers (Brooks Act) depending on the type of funds used in the contract. Cost should not be the determining factor in the selection criteria. Once the ranking list has been established, the fee proposal/cost can be negotiated with the most qualified consultant. Should negotiations fail or result in a price the department does not consider to be fair and reasonable, negotiations should be formally terminated and the department should then undertake negotiations with the second most qualified consultant. Due diligence of the Evaluation Team should be documented prior to the Evaluation Team's recommendation to the Board of Supervisors for the award of the professional services contract.

3. Constructability review. An independent, qualified professional outside the project team with technical knowledge and experience with the type of construction, should review the plans, specifications, and estimates for constructability prior to bidding and provide a cost estimate for the construction of the project. This estimate should be reconciled with the County's architect or engineer's estimate, if applicable, so that the county has an expectation of cost prior to receiving bids.

A line item cost for a constructability review of project scope and specifications should be included in the project budget.

4. Involvement and availability of key personnel to resolve issues
5. Each department should develop an internal standard procedures manual or project delivery manual to guide the project delivery as well as develop internal protocols.
6. Deliverable-based payments consistent with the schedule ensure that the budget is not expended before the project scope is completed. Regular reporting of deliverable-based payment and project schedule should be provided to stakeholders, or as required by regulatory agencies.
7. Regular rotation of consultants on any pre-qualified list of on-call

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consultants.

- D. Customer Service. Responsiveness to the county department's needs is important to carry out the department's mission while keeping within budget limitations.
1. Obtaining buy-in of stakeholders for any project changes prior to authorizing those project changes.
 2. Regular reporting budget status and project schedule to stakeholders
 3. Involvement and availability of key personnel to resolve issues
- E. Communication. Not all county departments may be familiar with the capital project development process, its tasks, costs, timelines, or regulatory requirements. Therefore, good communication between project management staff, the county department and funding entities is a vital part of customer service.
1. Good communication fosters better customer service
 2. The flow and quality of project information between stakeholders facilitates better and more-timely decision-making for critical changes that may affect project cost or schedule.
 3. A consistent method of documenting correspondence allows for the monitoring of project decisions that may affect the scope, cost, schedule or quality of the project delivery.
- F. Sustainable Building Design. Board Policy H-29 "Sustainable Building Policy" (Item 3.1 February 10, 2009) was adopted to establish the use of sustainable building practices in the design of county projects.
- Sustainable building design (sometimes referred to as "green building design") will help to reduce pollution, conserve natural resources, enhance asset value, and optimize building performance. At the same time, sustainable construction reduces operating costs associated with building mechanical systems, municipal water consumption, storm water management, solid waste disposal, and construction materials.
- G. Project Performance. Following the end of the professional services contract term, a post-project review should take place to summarize and document the final contract cost and additional services associated with the contract against the initial approved scope of work.

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1. Lessons learned should be documented in the project delivery manual to improve project controls.

Evaluation of changed conditions, errors and omissions, unforeseen conditions, or owner requests provides knowledge that can improve project delivery in similar, future projects.
2. Evaluation of the project should include the ability to provide deliverables, reaching project benchmarks, and communication with stakeholders.
3. Each department should develop their internal performance review checklist as it pertains to the specific project type or mission of their public works projects.
4. On or before May 1, an annual performance report of public works professional services contracts for which construction was completed in the prior fiscal year compiled by all county departments with a brief overview of the contract performance should be submitted to the Executive Office.

II. Best Practices of Contract Compliance: Construction Contracts for Public Works Projects

The following section of Best Practices of Contract Compliance is applicable to the construction contracts for county public works projects constructed by the Transportation and Land Management Agency, Regional Parks and Open Space & District, Flood Control and Water Conservation District, Economic Development Agency/Facilities Management, and Waste Management:

- A. Cost. Budget limitations are set and funding is approved early in the planning process, prior to the construction contract award.
- B. Schedule. The General Contractor should be required to submit a construction schedule for approval prior to issuance of Notice-to-Proceed and should regularly produce an updated schedule showing the order and dates in which the Contractor proposes to carry on the various parts of work; including estimated completion dates.
- C. Quality Assurance. In order to deliver the highest quality project and ensure the project is delivered on time and within budget, the project manager should use as

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many tools necessary to achieve the highest quality project.

1. Strong project management is critical to the success of efficient project delivery. Project managers will meet or exceed minimum education, training and field experience requirements.
 2. Involvement and availability of key personnel to resolve issues
 3. Each department should develop an internal standard procedures manual or project delivery manual to guide the project delivery as well as develop internal protocols.
- D. Customer Service. Responsiveness to the county department's needs is important to carry out the department's mission while keeping within budget limitations.
1. Obtaining buy-in of stakeholders for any project changes prior to authorizing those project changes.
 2. Regular reporting budget status and project schedule to stakeholders
 3. Involvement and availability of key personnel to resolve issues
- E. Communication. Not all county departments may be familiar with the capital project construction process, its tasks, costs, timelines, or regulatory requirements. Therefore, good communication between project management staff, the county department and funding entities is a vital part of customer service.
1. Good communication fosters better customer service.
 2. The flow and quality of project information between stakeholders facilitates better and more-timely decision-making for critical changes that may affect project cost or schedule.
 3. A consistent method of documenting correspondence allows for the monitoring of project decisions that may affect the scope, cost, schedule or quality of the project delivery.
- F. Project Performance. As part of the Notice of Completion, a post-project review should take place to describe the actual cost, final scope, number and type of change orders associated with the contract against the initial approved project components.

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1. Lessons learned should be documented in the project delivery manual to improve project controls.
2. Evaluation of change orders shall be by categories of errors and omissions, unforeseen conditions, or owner requests, and summarized by those that were avoidable, unavoidable and "other" with an explanation. This provides knowledge that can improve project delivery in similar, future projects.

For each construction project that requires Board approval for any Construction Change Order (CCO) and/or Notice of Completion (NOC), the following information should be included with an accompanying comparison table showing:

- Initial construction award amount
 - Number of Construction Change Orders (CCO)
 - Dollar amount of the Construction Change Orders
 - Percentage of CCOs to initial construction award amount
 - Total Construction Payments
3. Evaluation of the project should include the ability to provide deliverables, reaching project benchmarks, and communication with stakeholders.
 4. Each department should develop their internal performance review checklist as it pertains to the specific project type or mission of their public works projects.
 5. On or before May 1, an annual compilation report of public works construction contracts completed in the prior fiscal year compiled by all county departments with a brief summary of the contract performance should be submitted to the Executive Office.

Reference:

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Policy:

This policy provides specific guidance in selecting contracted Professional Facilities Services within cost and time constraints, to foster innovations in construction, provide economic opportunity for Riverside County firms, solicit expertise outside the County where it is advantageous to the County's interest, and award public contracts at fair and reasonable prices. The County shall strive for optimal results in capital outlay projects through careful selection of appropriately licensed and/or certified Professional Facilities Services. This policy is an exception to Board Policy A-18. With respect to policy H-7, Professional Facilities Services, as herein described, shall include contracted support services in: Architecture, Landscape Architecture, Structural and Civil Engineering, Geotechnical Analysis, Water Quality Management, Handicapped Accessibility Design, Energy Conservation, Construction Project Management and/or Engineering, Environmental Assessment Services, Regulatory Compliance Services and those Real Estate consulting services related to the construction, expansion, improvement, and/or master planning of a county facility; or the purchase, sale or leasing of real property that will be used, occupied or owned by a county entity. H-7 does not cover direct performance of construction or repair activities.

It is the intent of this policy to implement and/or be consistent with the provisions of Board Policy A-69 "Best Practices in Contract Management", Board Policy B-11 "Award of Public Works Contracts Pertaining to County Facilities", Board Policy B-22 "Capital Improvement Program" and California Government Code Sections 25502.5(a) 4525-4529.5 (Mini-Brooks Act). California Government Code Section 4525-4529.5 requires that Professional Facilities Services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices to the County, and prohibits practices which might result in unlawful activity including, but not limited to, rebates, kickbacks, or other unlawful consideration, and shall specifically prohibit government agency employees from participating in the selection process when those employees have a relationship with a person or business entity seeking a contract under this section which would subject those employees to the prohibition of California Government Code Section 87100.

Departments, agencies and districts, herein called "Authorized Entities", and with the exclusion of office construction or expansion, or real property acquisition, may procure professional facilities services pursuant to this policy as it relates to their specialized County mission. The Authorized Entities are: Regional Park and Open-Space District, Economic Development Agency/Facilities Management (EDA/FM), Flood Control and Water Conservation District, Transportation and Land Management Agency (TLMA), Housing Authority, and the Waste Management Department. These entities may also

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contract with the Economic Development Agency/Facilities Management for these services.

Professional services contracts for architectural, engineering, geotechnical services, water quality management, construction project management, real estate, environmental assessment, master planning, and regulatory compliance services are not stand-alone capital projects. The costs for such services as well as the cost of the associated public works construction shall be combined and submitted together to determine the project value.

The following Professional Facilities Services selection procedures shall apply to all County departments, agencies and special districts created by the County. For environmental assessment services tied to the California Environmental Quality Act (CEQA) or similar County regulations, the County Planning Department shall maintain a list of qualified consultants, and be notified of environmental assessments prepared by other departments, agencies and districts within the County..

I. Architectural, Engineering, Geotechnical Services, Water Quality Management, Construction Project Management, Real Estate, Environmental Assessment and Regulatory Compliance Services – combined costs of professional services and associated capital improvement costs over \$100,000.

- A. Pre-Approvals. Before negotiations can be initiated for professional services for proposed new construction, expansion, improvement, and/or master planning of a county facility; or the purchase, sale or leasing of real property that will be used, occupied, or owned by a county entity, the scope and funding plan for the project must be reviewed and approved by the County's Capital Improvement Program (CIP) Team, prior to or concurrent with "In-Principle Approval" of the project obtained from the Board of Supervisors in compliance with Board Policy B-22, Capital Improvement Program.
- B. Public notice of the Request for Qualification/Proposal (RFQ/RFP) will be given for each new project. Such notice will include publication in a newspaper of general circulation within the County and may also be posted on the County web site. Direct requests to known professional service providers may also be made.
 - 1. For each new project the Authorized Entity Director or designee shall appoint a Selection Committee consisting of at least three County employees knowledgeable in the field of work solicited by the Request for Qualifications/Proposals (RFQ/RFP) to review the written information submitted in response to the RFQ/RFP. Following review of written

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submission, the Selection Committee may also conduct interviews of qualified firms being considered for specific projects if determined appropriate.

2. The Selection Committee will review each firm's comparative qualifications and rank the firms based on their written response to the RFQ/RFP, in accordance with California Government Code 4525-4529.5. The Committee will combine the rankings from written RFQ/RFP proposal with the rankings from oral interview with the selection committee to develop the final ranking. A minimum of three firms should be chosen for interviews.
3. The Selection Committee will recommend selection of the most qualified firm based upon professional experience, qualifications in the work to be performed, including relative comparable experience, past experience in the County, demonstrated professional excellence, availability, capability and involvement of key personnel, excellence in cost control and scheduling, relative location of firm to project site, volume of recent and current work for the County, ability to perform the work within the established timeframe and any other criteria appropriate to specific project conditions.
4. When the Selection Committee recommendation is approved by the Authorized Entity Director, or designee, one of the following methods shall be used to make a final selection:

The highest ranked firm will be invited to negotiate fees for the Scope of Services. If such negotiations are not successful, the Authorized Entity Director may negotiate with the next most highly ranked firm or may reopen the RFP/RFQ process. If the top three (3) firms are equally qualified, the Authorized Entity may request bid proposals from all three of those firms and base selection on the most competitive bid.

II. Architectural, Engineering, Geotechnical, Water Quality Management, Construction Project Management, Real Estate, Environmental Assessment and Regulatory Compliance Services – combined costs of professional facilities services and associated capital improvements under \$100,000 in any calendar year.

- A. For combined costs of professional facilities services and associated capital improvements under \$100,000, a group of pre-qualified firms may be established by authorized Entities. Public notice for selection of this group will be given. Such notice will include publication in a newspaper of general circulation within the County and may also be posted on the County web site. The pre-qualified group shall have a valid term of up to three years. The

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selection procedure will reoccur at least every three years to allow all interested firms to participate. Additional firms may be added to the pre-qualified list as needed using the same processes as used initially. The three-year period allows authorized departments to have a reliable core of firms ready to provide Professional Facilities Services without the use of project specific RFP/RFQ's. Fees will be negotiated with a single firm selected from the Pre-qualified list of venders for the project services required. Performance of the firms on the qualified list shall be reviewed at the end of each project, but at least annually to determine whether the firm shall remain on the list. Authorized department directors may remove pre-qualified firms at their sole discretion based on performance or changed business conditions. The qualifications of the pre-qualified group will be based on the following election process:

1. Each Authorized Entity's director or designee shall appoint a Selection Committee consisting of at least three County employees knowledgeable in the field of work solicited by the RFQ/RFP for the information submitted in response to the Request for Qualifications (RFQ/RFP). The Committee may conduct interviews of qualified firms for consideration if deemed appropriate.
2. The Committee will review each firm's comparative qualifications and determine if they meet minimum standards based on their response to the RFQ/RFP, in accordance with California Government Code 4525-4529.5. A minimum of three firms should be chosen for interviews. The Committee will combine the rankings from the written proposal with the rankings from the oral interviews to develop the list. The committee will rank the firms based upon professional experience, qualifications in the work to be performed, including relative project experience, demonstrated design excellence, capability and involvement of key personnel, excellence in cost control and scheduling, relative location of firm to project site, volume of recent and current work for the County, ability to perform the work within the established timeframe and any other criteria appropriate to the general type of projects that will be considered over the length of the service. At a minimum the top three ranked firms will be selected as the approved qualified group. All selected firms shall be provided with written notice of their selection.
3. Following the above selection procedures, Authorized Entities must collectively or independently seek Board of Supervisor approval for their selected pool of firms. Fees for specific tasks may then be negotiated on a rotating basis with the firms on the qualified list as projects become

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available. Combined costs for professional facilities services contracts and associated capital improvements for individual projects must be less than \$100,000 with a cap of \$100,000 during any fiscal year. Firms will be retained on a rotating basis for the negotiated services including, but not limited to, agreement on the scope of work, terms, conditions, and fees.

4. For environmental assessment services, excluding hazardous materials assessments routinely performed as part of real estate acquisition or disposal (Phase I, Phase II), the County Planning Department shall maintain a pre-qualified list of consultants and shall be notified of environmental assessments and/or environmental impact reports prepared by other County departments, agencies and districts.
 5. Each Authorized Entity Director will have the authority to sign contracts for amounts up to \$2,500, except where additional authority level was delegated by separate Board action, subject to approval as to form by County Counsel. Signed contracts shall then be submitted to the respective purchasing agent/fiscal staff to process a Purchase Order. The Purchase Request should specifically indicate that the selection and negotiation procedures of this Board Policy have been followed. Awards for other than low bid over \$2,500, must have Board approval.
 6. Firms on the pre-qualified list of firms shall be rotated on a regular basis.
- B. Real Estate Related Services – Real Estate Consulting Services include by illustration: appraisal work, condemnation actions, space planning, land surveys, hazardous materials studies and remediation and record reviews, relocation assistance, real estate legal services, title reviews, title insurance, escrow services, project management and market and feasibility studies. Proposals shall be obtained from qualified providers for the work to be performed based on professional experience and qualifications for the nature of the work and ability to perform. Fees will be established through negotiations for each prospective project. If requested by an Authorized Entity, the Economic Development Agency/Facilities Management will make the selection and negotiate the terms of the Services Contract for the department, subject to each Authorized Entity's approval. To facilitate the procurement of real estate related services, the Authorized Entities will proceed as follows:
1. Quotations will be obtained from qualified service providers listing their professional experience, qualifications, and ability to perform.

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2. The Authorized Entities will select and establish a list of service providers based on criteria set forth above. Authorized Entities shall be allowed to contract with these service providers under said contract with negotiated fees for an amount not to exceed \$100,000 per project, during any fiscal year. The Authorized Entities shall review the qualifications of the selected service providers once a year and make changes as necessary.

C. Should the combined costs of professional facilities services and associated capital improvement exceed \$100,000 limit for a project after the professional facilities services contract is awarded, or should the above list created by the Authorized Entity not provide the expertise needed for the project, the selection procedures shall then proceed with the following procedures:

The revised scope and funding plan for the project must be reviewed and approved by the Capital Improvement Program Team prior to additional professional services contract award. In addition, concurrence from the department requesting the project must be obtained.

D. Where new net county cost is identified as the proposed source of funds for any portion of the professional services contracts and/or associated capital improvement, the selection procedures in this policy apply.

III. Contract Award of Professional Services Agreements – Architectural, Engineering, Geotechnical, Water Quality Management, Construction Project Management, Real Estate, Environmental Assessment and Regulatory Compliance Services.

A. Each authorized Entity Director will have the authority to sign contracts for amounts up to \$2,500, except where additional authority level was delegated by separate Board action, subject to approval as to form by County Counsel. Signed contracts shall then be submitted to the respective purchasing agent/fiscal staff to process a Purchase Order. The Purchase Request should specifically indicate that the selection and negotiation procedures of this Board Policy have been followed.

1. Where the combined costs for professional services contracts and associated improvements less than \$100,000 do not require specific Board action, the Authorized Entity Director may choose to direct the award through the County Purchasing Department in lieu of Board approval. If that option is chosen, a Purchase Request with contract, approved as to form by County Counsel, will be submitted to the Purchasing Department. The Purchasing Request should specifically

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indicate that the selection and negotiation procedures of this Board Policy have been followed.

2. Where new net county cost is identified as the proposed source of funds for any portion of the professional services contracts and/or associated capital improvement project, the selection procedures and negotiations listed in this policy shall apply prior to award of contract.

- IV. Documentation and Maintenance of Professional Services Contracts – Documentation related to the selection process, fee negotiations and management of the consultant contract will be maintained by the initiating department for five years after completion of the performance period. Documentation should be sufficient to provide clear indication of why a firm was selected and on what basis the fee was established.

Reference:

Minute Order 6.7 of 03/21/78
Minute Order 6.5 of 11/03/81
Minute Order 3.20 of 07/11/89
Minute Order 3.11 of 11/30/04
Minute Order 3.4 of 12/18/07

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Policy::

This policy provides specific guidance in selecting contracted Professional Facilities Services within cost and time constraints, to foster innovations in construction, provide economic opportunity for Riverside County firms, solicit expertise outside the County where it is advantageous to the County's interest, and award public contracts at fair and reasonable prices. The County shall strive for optimal results in capital outlay projects through careful selection of appropriately licensed and/or certified Professional Facilities Services. This policy is an exception to Board Policy A-18. With respect to policy H-7, Professional Facilities Services, as herein described, shall include contracted support services in: Architecture, Landscape Architecture, Structural and Civil Engineering, Geotechnical Analysis, Water Quality Management, Handicapped Accessibility Design, Energy Conservation, Construction Project Management and/or Engineering, Environmental Assessment Services, Regulatory Compliance Services and those Real Estate consulting services related to the -construction, expansion, improvement, and/or master planning of a county facility; or the development, purchase, sale or leasing of real property that will be used, occupied or owned by a county entity. H-7 does not cover direct performance of construction or repair activities.

It is the intent of this policy to implement and/or be consistent with the provisions of Board Policy A-69 "Best Practices in Contract Management", Board Policy B-11 "Award of Public Works Contracts Pertaining to County Facilities", Board Policy B-22 "Capital Improvement Program" and California Government Code Sections 25502.5(a) 45264525-4529.5 (Mini-Brooks Act). California Government Code Section 4526-4525-4529.5 requires that Professional Facilities Services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices to the County, and prohibits practices which might result in unlawful activity including, but not limited to, rebates, kickbacks, or other unlawful consideration, and shall specifically prohibit government agency employees from participating in the selection process when those employees have a relationship with a person or business entity seeking a contract under this section which would subject those employees to the prohibition of California Government Code Section 87100.

~~The director of Facilities Management is an officer of the county reporting to the County Executive Officer. This position serves as the designated building official for County owned facilities and has the responsibility to support and assist other County departments, agencies and districts by administering the selection of professional facilities services on behalf of County departments. Other Ddepartments, agencies and districts, herein called "Authorized -Entities", and with the exclusion of office construction or expansion, or real property acquisition, may procure professional facilities services pursuant to this policy as it relates to their specialized County mission. ~~In addition to~~~~

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~~Facilities Management,~~ The Authorized Entities are: Regional Park and Open-Space District, Economic Development Agency/~~Facilities Management~~ (EDA/~~FM~~), Flood Control and Water Conservation District, Transportation and Land Management Agency (TLMA), Housing Authority, ~~Redevelopment Agency,~~ and the Waste Management Department. These entities may also contract with the Economic Development Agency/Facilities Management for these services.

Professional services contracts for architectural, engineering, geotechnical services, water quality management, construction project management, real estate, environmental assessment, master planning, and regulatory compliance services are not stand-alone capital projects. The costs for such services as well as the cost of the associated public works construction shall be combined and submitted together to determine the project value.

The following Professional Facilities Services selection procedures shall apply to all County departments, agencies and special districts created by the County. For environmental assessment services tied to the California Environmental Quality Act (CEQA) or similar County regulations, the County Planning Department shall maintain a list of qualified consultants, and be notified of environmental assessments prepared by other departments, agencies and districts within the County.

I. Architectural, Engineering, Geotechnical Services, Water Quality Management, Construction Project Management, Real Estate, Environmental Assessment and Regulatory Compliance Services – combined costs of professional services and associated capital improvement costs over \$100,000.

A. Pre-Approvals. Before negotiations can be initiated for professional services for proposed ~~new buildings and major renovations~~ new construction, expansion, improvement, and/or master planning of a county facility; or the purchase, sale or leasing of real property that will be used, occupied, or owned by a county entity, the scope and ~~magnitude of cost~~ costfunding plan for the project must be reviewed and approved by the County's Capital Improvement Program (CIP) Team, prior to or concurrent with and an "In-Principle Approval" of the project obtained from the Board of Supervisors (~~Reference:in compliance with Board Policy B-22, Capital Improvement Program~~). ~~In addition, an "In-Principle Approval" from the Board is required as well for real estate leases which exceed the authority of the Director of Facilities Management prior to beginning the search and negotiation process.~~

~~II. The following Professional Facilities Services selection procedures shall apply to all County departments, agencies and special districts created by the County. For environmental assessment services tied to the California Environmental Quality Act~~

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~~(CEQA) or similar County regulations, the County Planning Department shall maintain a list of qualified consultants, and be notified of environmental assessments prepared by other departments, agencies and districts within the County.~~

~~A. Architectural, Engineering, Geotechnical Services, Construction Project Management, Real Estate, Environmental Assessment and Regulatory Compliance Services — professional services fees over \$100,000.~~

B. Public notice of the Request for Qualification/Proposal (RFQ/RFP) will be given for each new project. Such notice will include publication in a newspaper of general circulation within the County and may also be posted on the County web site. Direct requests to known professional service providers may also be made.

1. For each new project the Authorized Entity Director or designee shall appoint a Selection Committee consisting of at least three County employees knowledgeable in the field of work solicited by the Request for Qualifications/Proposals (RFQ/RFP) to review the written information submitted in response to the RFQ/RFP. Following review of written submission, the Selection Committee may also conduct interviews of qualified firms being considered for specific projects if determined appropriate.

~~2.~~ The Selection Committee will review each firm's comparative qualifications and rank the firms based on their written response to the RFQ/RFP, in accordance with California Government Code ~~4526-4525-4529.5.~~ ~~using a two step process.~~ The Committee will combine the rankings from written RFQ/RFP proposal with the rankings from oral interview with the selection committee to develop the final ranking. A minimum of three firms should be chosen for interviews.

~~2.3.~~ The Selection Committee will recommend selection of the most qualified firm based upon professional experience, qualifications in the work to be performed, including relative comparable experience, past experience in the County, demonstrated professional excellence, availability, capability and involvement of key personnel, excellence in cost control and scheduling, relative location of firm to project site, volume of recent and current work for the County, ability to perform the work within the established timeframe and any other criteria appropriate to specific project conditions.

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3.4. _____ When the Selection Committee recommendation is approved by the Authorized Entity Director, or designee, one of the following methods shall be used to make a final selection:

~~Alternative 1).~~ The highest ranked firm will be invited to negotiate fees for the Scope of Services. If such negotiations are not successful, the Authorized Entity Director may negotiate with the next most highly ranked firm or may reopen the RFP/RFQ process. ~~The fees for such services will be negotiated in accordance with procedures set forth by the American Society of Civil Engineers (ASCE) or in the American Institute of Architects (AIA) Manual on Practice where such processes are appropriate. All negotiations shall be in conformance to the Government Code.~~

~~Alternative 2).~~ If the top three (3) firms are equally qualified, the Authorized Entity may request bid proposals from all three of those firms and base selection on the most competitive bid.

BII. Architectural, Engineering, Geotechnical, ~~Water Quality Management,~~ Construction Project Management, ~~Real Estate,~~ Environmental Assessment and Regulatory Compliance Services – ~~combined costs of professional facilities services and associated capital improvements fees~~ under \$100,000 in any calendar year.

A. For combined costs of pProfessional fFacilities sServices and associated capital improvements under \$100,000, a group of pre-qualified firms may be established by authorized Entities. Public notice for selection of this group will be given. Such notice will include publication in a newspaper of general circulation within the County and may also be posted on the County web site. ~~Direct requests to known professional service providers may also be made.~~ The pre-qualified group shall have a valid term of up to three years. The selection procedure will reoccur at least every three years to allow all interested firms to participate. Additional firms may be added to the pre-qualified list as needed using the same processes as used initially. The three-year period allows authorized departments to have a reliable core of firms ready to provide Professional Facilities Services without the use of project specific RFP/RFQ's. Fees will be negotiated with a single firm selected from the Pre-qualified list of venders for the project services required. Performance of the firms on the qualified list shall be reviewed at the end of each project, but at least annually to determine whether the firm shall remain on the list. Authorized department directors may remove pre-qualified firms at their sole discretion based on performance or changed business conditions. The qualifications of the pre-qualified group will be based on the following election process:

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1. Each ~~authorized~~ Authorized Entity's department's director or designee shall appoint a Selection Committee consisting of at least three County employees knowledgeable in the field of work solicited by the RFQ/RFP for the information submitted in response to the Request for Qualifications (RFQ/RFP). The Committee ~~will~~ may conduct interviews of qualified firms for consideration if deemed appropriate.
2. The Committee will review each firm's comparative qualifications and determine if they meet minimum standards based on their response to the RFQ/RFP, in accordance with California Government Code ~~4526~~4525-4529.5. A minimum of three firms should be chosen for interviews. The Committee will combine the rankings from the written proposal with the rankings from the oral interviews to develop the list. The committee will rank the firms based upon professional experience, qualifications in the work to be performed, including relative project experience, demonstrated design excellence, capability and involvement of key personnel, excellence in cost control and scheduling, relative location of firm to project site, volume of recent and current work for the County, ability to perform the work within the established timeframe and any other criteria appropriate to the general type of projects that will be considered over the length of the service. At a minimum the top three ranked firms will be selected as the approved qualified group. All selected firms shall be provided with written notice of their selection.
3. Following the above selection procedures, Authorized Entities must collectively or independently seek Board of Supervisor approval for their selected pool of firms. Fees for specific tasks may then be negotiated on a rotating basis with ~~any of~~ the firms on the qualified list as projects become available. Combined costs for professional facilities services contracts and associated capital improvements ~~Fees~~ for individual projects must be less than \$100,000 with a cap of \$100,000 during any fiscal year. Firms will be retained on ~~an as needed~~ a rotating basis for the negotiated services including, but not limited to, agreement on the scope of work, terms, conditions, and fees.
4. For environmental assessment services, excluding hazardous materials assessments routinely performed as part of real estate acquisition or disposal (Phase I, Phase II), the County Planning Department shall maintain a pre-qualified list of consultants and shall be notified of environmental assessments and/or environmental impact reports prepared by other County departments, agencies and districts.

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5. Each Aauthorized Entity Director will have the authority to sign contracts for amounts up to \$2,500, except where additional authority level was delegated by separate Board action, subject to approval as to form by County Counsel. Signed contracts shall then be submitted to the respective purchasing agent/fiscal staff to process a Purchase Order. The Purchase Request should specifically indicate that the selection and negotiation procedures of this Board Policy have been followed. Awards for other than low bid over \$2,500, must have Board approval.

5.6. Firms on the pre-qualified list of firms shall be rotated on a regular basis.

C.B. Real Estate
Related Services – Real Estate Consulting Services include by illustration: appraisal work, condemnation actions, space planning, land surveys, hazardous materials studies and remediation and record reviews, relocation assistance, real estate legal services, title reviews, title insurance, escrow services, project management and market and feasibility studies. Proposals shall be obtained from qualified providers for the work to be performed based on professional experience and qualifications for the nature of the work and ability to perform. Fees will be established through negotiations for each prospective project. If requested by an Authorized Entity, the Department of Economic Development Agency/–Facilities Management will make the selection and negotiate the terms of the Services Contract for the department, subject to each Authorized Entity’s approval. To facilitate the procurement of real estate related services, the Authorized Entities will proceed as follows:

1. Quotations will be obtained from qualified service providers listing their professional experience, qualifications, and ability to perform.
2. The Aauthorized Entities will select and establish a list of service providers based on criteria set forth above. Authorized Entities shall be allowed to contract with these service providers under said contract with negotiated fees for an amount not to exceed \$100,000 per project, during any fiscal year. The Aauthorized Entities shall review the qualifications of the selected service providers once a year and make changes as necessary.

3. C. Should the combined costs of professional facilities services and associated capital improvement exceed an authorized Entity exceed the \$100,000 limit for a project after the professional facilities services contract is awarded, during

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~~the contractual period~~, or should the above list created by the ~~A~~authorized Entity not provide the expertise needed for the project, the selection procedures ~~and negotiations listed above in II.C. will be adhered to, and the authorized Entity~~ shall then proceed with the following procedures:

The revised scope and funding plan for the project must be reviewed and approved by the Capital Improvement Program Team prior to additional professional services contract award. In addition, concurrence from the department requesting the project must be obtained.

- ~~a. For provider services contracts over the amount of \$100,000, authorized Entities will submit a provider services contract, approved as to form by County Counsel, with Form 11 to the Board for approval.~~
 - ~~b. For provider services contracts between \$25,000 and \$100,000, the authorized Entity Director will submit a purchase request with the consultant's signed contract, approved as to form by County Counsel, to the Purchasing Department for approval and processing. The purchase request should specifically indicate that the selection and negotiation procedures of this Board Policy have been followed.~~
 - ~~c. For provider services contracts from \$2,500 to \$25,000, the authorized Entity Director will submit a purchase request with the consultant's signed contract, approved as to form by County Counsel, and will submit to the respective purchasing agent/fiscal staff to process a Purchase Order through the Purchasing Department. The Purchase Request should specifically indicate that the selection and negotiation procedures of this Board Policy have been followed.~~
- D. Where new net county cost is identified as the proposed source of funds for any portion of the professional services contracts and/or associated capital improvement, the selection procedures in this policy apply.
- ~~d. Each authorized Entity Director will have the authority to sign contracts for amounts up to \$2,500, except where additional authority level was delegated by separate Board action, subject to approval as to form by County Counsel. Signed contracts shall then be submitted to the respective purchasing agent/fiscal staff to process a Purchase Order. The Purchase Request should specifically indicate that the selection and negotiation procedures of this Board Policy have been followed.~~

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III. Contract Award of Professional Services Agreements – Architectural, Engineering, Geotechnical, Water Quality Management, Construction Project Management, Real Estate, Environmental Assessment and Regulatory Compliance Services.

~~Documentation~~ — ~~Documentation related to the selection process, fee negotiations and management of the consultant contract will be maintained by the initiating department for five years after completion of the performance period. Documentation should be sufficient to provide clear indication of why a firm was selected and on what basis the fee was established.~~

A. Each authorized Entity Director will have the authority to sign contracts for amounts up to \$2,500, except where additional authority level was delegated by separate Board action, subject to approval as to form by County Counsel. Signed contracts shall then be submitted to the respective purchasing agent/fiscal staff to process a Purchase Order. The Purchase Request should specifically indicate that the selection and negotiation procedures of this Board Policy have been followed.

~~A. Following consultant selection and fee negotiations as prescribed above, the department will proceed as follows:~~

~~1. Submit a Form 11 with contract, approved as to form by County Counsel, to the Board of Supervisors or the appropriate agency board for approval. Where the combined costs for professional services contracts and associated improvements less than \$100,000 do not require specific Board action, the Authorized Entity Director~~

~~2.1. For Professional Facilities Services Agreements (PSAs)/Contracts of \$100,000 or less, the authorized Entity Director may choose to direct the award through the County Purchasing Department in lieu of Board approval. If that option is chosen, a Purchase Request with contract, approved as to form by County Counsel, will be submitted to the Purchasing Department. The Purchasing Request should specifically indicate that the selection and negotiation procedures of this Board Policy have been followed.~~

~~3.2. Where new net county cost is identified as the proposed source of funds for any portion of the professional services contracts and/or associated capital improvement project, the selection procedures and negotiations listed in this policy shall apply prior to award of contract. For Item II.B. above, the authorized Entity Director shall submit individual Form 11s to the Board of Supervisors for approval of each qualified group of professional service providers.~~

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- IV. Documentation and Maintenance of Professional Services Contracts – Documentation related to the selection process, fee negotiations and management of the consultant contract will be maintained by the initiating department for five years after completion of the performance period. Documentation should be sufficient to provide clear indication of why a firm was selected and on what basis the fee was established.

~~This policy will not apply to contracts covered under other County, state or federal policies, regulations, or Board Ordinances.~~

Reference:

Minute Order 6.7 of 03/21/78
Minute Order 6.5 of 11/03/81
Minute Order 3.20 of 07/11/89
Minute Order 3.11 of 11/30/04
Minute Order 3.4 of 12/18/07

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Policy:

This policy provides specific guidance for the approval/award of public works contracts, certain improvements for a county facility. Public works projects, as herein defined, are works which involve the erection, construction, alteration, painting, repair or improvement of any county structure, building or facility that will be used, occupied, or owned by a county entity.

This policy applies to departments, agencies, districts and authorities governed by the Board of Supervisors unless specifically exempted by the Board. This policy is not intended for capital projects carried out in the normal course of business by the Riverside County Flood and Water Conservation District, Regional Parks and Open Space District, Transportation and Land Management Agency (TLMA), Housing Authority, and the Waste Management Department. These agencies and districts must adhere to specific government statutes for their public works projects.

It is the intent of this policy to implement or otherwise to be consistent with provisions of Board Policy A-69 "Best Practices in Contract Management", Board Policy B-22 "Capital Improvement Program", Board Policy H-7 "Selection of Architectural, Engineering and Real Estate Services", California Government Code Sections 25502.5(a) 4525-4529.5 (Mini-Brooks Act), the California Public Contract Code, Uniform Public Construction Cost Accounting Act (UPCCA) procedures, other applicable state codes, and ordinances, resolutions or policies of the county which may govern the approval of projects and contracts for erection, construction, alteration, repair or improvement of county structures, buildings, or facilities.

A Capital Improvement Program (CIP) team consisting of members from the Executive Office, Economic Development Agency/Facilities Management, and the Riverside County Information Technology Department has been created to oversee the stewardship of the county's capital improvement plan (Board Policy B-22).

I. Definitions

- A. With respect to this Policy, a public works contract "Contract", as herein defined, is the legally binding agreement that prescribes the work or services for a public works project pertaining to a county facility.

- B. A public works project "Project" shall mean the sum of the public works contracts which prescribe the work or services pertaining to a county facility. Services include, but are not limited to: architectural, engineering, geotechnical services, water quality management, construction project management, real estate, environmental assessment and regulatory compliance services.

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- C. A public works project pertaining to a county facility that exceeds \$100,000 shall have the same meaning as a capital improvement project as defined in Board Policy B-22 "Capital Improvement Program".
- D. "Authorized Entity" shall mean the designated department providing project management responsibilities for the project and having the authorization to construct public works projects.

II. Award of Contracts

- A. Public works projects of twenty-five thousand dollars (\$25,000) or less may be performed by the Authorized Entity on a purchase order let by the county purchasing agent (or designee) as set forth in Section 22032 of the California Public Contract Code.
- B. Public works projects of one hundred thousand dollars (\$100,000) or less may be let to contract on behalf of the Authorized Entity by the county purchasing agent (or designee) following "informal bidding procedures" as set forth in Section 22034 of the California Public Contract Code and as set forth in County Ordinance 757.2. Public works projects of \$100,000 or less do not require specific Board approval. However, the following provisions do apply:
 - 1. The program, plans, specifications and project budget must be approved by the Authorized Entity with concurrence from the requesting county department, agency, district, or authority.
 - 2. The project budget must include a contingency allowance equal to at least 5% but not more than 10% of the construction cost estimate.
 - 3. The plans must incorporate the county's design standards for materials and equipment.
 - 4. Where new net county cost is identified as the proposed source of funds for any portion of the professional services contract or public works improvements, Board Policy B-22 shall apply.
 - 5. Public works contracts may not be split or separated into smaller work orders or projects for the purpose of evading the provisions of Board Policy B-22.
- C. Public works projects of more than one hundred thousand dollars (\$100,000) are subject to the requirements of Board Policy B-22 and must be approved by the

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Board of Supervisors and will, except as otherwise provided in this policy, be let to contract utilizing "formal bidding procedures" as specified in Section 22036, et seq of the California Public Contract Code. The selection process shall comply with California Government Code Sections 25502.5(a) 4525-4529.5 (Mini-Brooks Act).

1. Where a public works project is to be performed, a notice inviting formal bids shall be mailed by the Clerk of the Board to all construction trade journals. The notice shall be published at least fourteen (14) calendar days before the date of opening the bids in a newspaper of general circulation, printed and published in Riverside County. The notice will state the time and place for the receiving and opening of sealed bids and distinctly describe the capital facilities project. In addition to notice specified, the Clerk may also give such other notice as it is directed by the Board.
2. The plans and specifications for all projects must be presented to the Board of Supervisors prior to the initiation of the formal bidding process. Board approval of the plans, specifications and project budget will constitute authority for the Clerk of the Board to advertise for bids and for the Chairman to sign a construction contract with the successful low bidder, provided that the lowest bid from a responsible bidder is within the total approved project budget approved by the Board, and the bid is fully responsive to the bidding documents. All contract documents are to be approved as to form by County Counsel.
3. The project plans and specifications, approved by the Board, will be made available for general public and bidder review.
4. All formal process bids are to be opened by the Clerk of the Board. If the low bid is within the total approved project budget, a contract with the low bidder, approved as to form by County Counsel, will be submitted to the Chairman of the Board for signature on the county's behalf. However, the Authorized Entity must submit the contract via a Form 11 to the Board for action when:
 - The low bid exceeds the estimated construction cost thus causing the total project cost to exceed the total approved project budget.
 - There is a formal protest by an unsuccessful bidder(s).
 - The low bidder is disqualified.
 - If two or more bids are the same and they are the lowest.

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- Whenever a bidder requests relief from a bid due to an error.
 - Anytime the Chairman decides that further Board action is warranted.
5. If no bids are received through the formal procedure, the Authorized Entity will review the process and determine if modifications can be made that will most likely result in a successful bid process if repeated. If the Authorized Entity determines that no modifications can be made and/or the second try is unsuccessful, the Authorized Entity will report this outcome to the Board via a Form 11 and request authorization to have the project performed by employees of the county, or to negotiate a contract consistent with the project budget without further bidding.
6. The Authorized Entity may submit to the Board of Supervisors recommendations for rejection of any capital project bids presented with a recommendation to either:
- Abandon the capital project or re-notice an invitation for bids in the manner described by this policy;
 - Adopt a resolution (requiring a four-fifths vote of the Board), which declares that the project can be performed more economically by employees of the county, thus having the project carried out by force account.

III. Changes and Additions

- A. Change orders are generally costly and require an inordinate amount of management effort. Therefore, it is the intent of this policy that change orders be held to a minimum and normally used to deal with unforeseen circumstances and constructability problems. Change orders are not normally to be used for elective changes that are not critical to function or costs.
- B. Whenever the Board enters into a contract for the erection, construction, alteration, or repair of any county structure, building or facility that will be used, occupied or owned by a county entity, the contract is not to be altered or changed in any manner except:
1. By order adopted by four-fifths vote of the Board, and the consent of the contractor;

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2. As provided for in the contract itself, or specifications; or
 3. By adoption of an ordinance, resolution, or board order, authorizing the Authorized Entity, to order changes or additions in the work being performed under construction contracts.
- C. When so authorized by the Board, changes or additions in the work may be ordered in writing by the Authorized Entity (or designated party). Any changes or additions will be in accordance with written contract procedures for changed work and be an integral part of the contract work, which cannot be accomplished feasibly and economically by separate contract. Delegated change order authority to the Authorized Entity shall be in accordance with Public Contract Code 20142 as follows:
1. Up to 10 percent of the amount of any original contract that does not exceed two hundred fifty thousand dollars (\$250,000).
 2. For contracts whose original cost exceeds two hundred fifty thousand dollars (\$250,000), the extra cost for any change or addition to the work so ordered will not exceed: Twenty-five thousand dollars (\$25,000), plus five (5) percent of the amount of the original contract cost in excess of two hundred fifty thousand dollars (\$250,000) to a maximum of \$150,000.

IV. Emergency Action

In the case of an emergency (as defined by Public Contract Code Section 1102, "... [which] means a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services"), the Board of Supervisors may by four-fifths vote (in accordance with Public Contract Code Section 22050) repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes. The Board by four-fifths vote may elect to delegate by resolution or ordinance, to an appropriate non-elected county officer, authority to order the preceding actions on its behalf.

Through Resolution No. 2003-23, the Board delegated to the director of the Economic Development Agency/Facilities Management, authority for emergency repairs and replacement within the county facilities without giving notice for bids to let contracts subject to the requirements and reporting procedures described in Chapter 2.5 of the California Public Contract Code, commencing with Section 22050.

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Upon utilization of this authority a report will be made to the Board for ratification of all actions which exceed contractual authority of the director of the Economic Development Agency/Facilities Management or the county purchasing agent.

V. Approving a Substitution of Subcontractors

The director of the Economic Development Agency/Facilities Management is delegated the following authority with regard to requests for substitution of subcontractors on County projects:

- A. Review all requests by construction contractors to allow the substitution of subcontractors.
- B. Determine whether the requirements of Public Contract Code Section 4100 et seq. for substitution of subcontractors have been met and, if so, whether the change is in the best interest of the awarding authority.
- C. If the determination made in paragraph 2 above are affirmative, approve or deny a request by a construction contractor to substitute a new subcontractor for a listed subcontractor when the listed subcontractor consents in writing, or does not submit a timely objection to the substitution.
- D. Act as a hearing official and make recommendations to the Board of Supervisors in cases where:
 1. The listed subcontractor objects to a substitution as provided in Public Contract Code Section 4107 (a).
 2. The prime contractor claims to have made a clerical error in listing subcontractors and has given the proper notice as prescribed by Public Contract Code Section 4107.5.

Reference:

Minute Order 3.20 of 09/03/85
Minute Order 3.17 of 05/02/89
Minute Order 3.17 of 09/11/90
Minute Order 3.34 of 05/12/92
Minute Order 3.21 of 04/06/93
Minute Order 3.13 of 11/04/03
Minute Order 3.3 of 04/10/07

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This policy provides specific guidance for the approval/award of public ~~facilities-works~~ contracts, certain improvements ~~or work under the purview of the Riverside County Board of Supervisors; and vests the authority for its implementation with certain officers, departments, and bodies established by the Board~~for a county facility. Public ~~facilities works~~ projects, as herein defined, are works which involve the erection, construction, alteration, painting, repair or improvement of any county structure, building or facility that will be used, occupied, or owned by a county entity.

This policy applies to departments, agencies, districts and authorities governed by the Board of Supervisors unless specifically exempted by the Board. This policy is not intended for capital projects carried out in the normal course of business by the Riverside County Flood and Water Conservation District, Regional Parks and Open Space District, Transportation and Land Management Agency (TLMA), Housing Authority, and the Waste Management ~~Department or the Redevelopment Agency~~. These agencies and districts must adhere to specific government statutes for their public works projects.

It is the intent of this policy to implement or otherwise to be consistent with provisions of Board Policy A-69 "Best Practices in Contract Management", Board Policy B-22 "Capital Improvement Program", Board Policy H-7 "Selection of Architectural, Engineering and Real Estate Services", California Government Code Sections 25502.5(a) 4525-4529.5 (Mini-Brooks Act), the California Public Contract Code, Uniform Public Construction Cost Accounting Act (UPCCA) procedures, other applicable state codes, and ordinances, resolutions or policies of the county which may govern the approval of projects and contracts for erection, construction, alteration, repair or improvement of county structures, buildings, or facilities.

~~The director of Facilities Management is an officer of the county reporting to the County Executive Officer. This position serves as the designated building official for county-owned facilities and has the responsibility to support other county departments and agencies by administering the countywide facilities management program, which includes public facilities construction.~~ A Capital Improvement Program (CIP) team consisting of members from the Executive Office, Economic Development Agency/Facilities Management, and the Riverside County Information Technology Department ~~Economic Development Agency~~ has been created to oversee the stewardship of the county's capital improvement plan (Board Policy B-22).

I. Definitions

Project Management

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- A. With respect to this Policy, a public works contract "Contract", as herein defined, is the legally binding agreement that prescribes the work or services for a public works project pertaining to a county facility.
- B. A public works project "Project" shall mean the sum of the public works contracts which prescribe the work or services pertaining to a county facility. Services include, but are not limited to: architectural, engineering, geotechnical services, water quality management, construction project management, real estate, environmental assessment and regulatory compliance services.
- C. A public works project pertaining to a county facility that exceeds \$100,000 shall have the same meaning as a capital improvement project as defined in Board Policy B-22 "Capital Improvement Program".
- D. "Authorized Entity" shall mean the designated department providing project management responsibilities for the project and having the authorization to construct public works projects.

~~The designated project manager is responsible for the management and oversight of all assigned capital facilities projects. The project manager will continuously maintain and make available for reporting and administrative review, a checklist to ensure that all critical tasks are accomplished during the life of a project. Among other things, this list will include the program document, environmental impact report (EIR), life safety approvals, geological testing, special site requirements, various inspections, program verification, architect selection, Americans with Disabilities Act (ADA) review, budget tracking, schedule verification, CIP reviews and approvals, and all construction related tasks. The project manager is responsible for making sure that all critical tasks related to the specific project have been identified and are tracked on the checklist throughout the duration of the project.~~

~~II. Program Development~~

~~The success of a project is directly tied to the quality of the planning effort that is put forth at the beginning of the project. Therefore it is important that the project manager, working with the user department, develop a comprehensive program to identify why the project is needed and exactly how the new or remodeled facility will meet the needs of the user department(s). On smaller projects, this can be a simple one or two page document. On larger projects, this includes a comprehensive study of site constraints and impacts, site-related design guidelines, diagrammatic floor and stacking plans, space planning, a summary schedule and cost model. The programming phase should also include a funding strategy. No project can move forward into the design phase until the programming~~

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~~document is complete and signed off by the director of Facilities Management and the user department(s).~~

~~III. Design Phase~~

~~The next step in the important planning process is the design phase of the project. Careful consideration must be made in the selection of the architectural/engineering (A/E) consultant to ensure that the best qualified firm is selected for the project (Board Policy H-7). It is the responsibility of the A/E firm to follow the program objectives and to develop cost estimates at various stages of the design phase to ensure that the final design is consistent with the overall project budget. In addition, the A/E firm should be developing alternative solutions that meet the needs of the user department while conforming to the county's design guidelines. On all projects where the construction cost is estimated to exceed \$3,000,000, Facilities Management will engage the services of a qualified construction cost estimating consultant. The consultant will review the A/E design documents and develop an independent probable construction cost estimate. This estimate will be compared to the A/E estimate. If the two estimates are not in reasonable parity, the project shall not proceed to the next phase until the disparity is resolved.~~

~~IVII. Award of Contracts~~

- ~~A. Public facilities-works projects of twenty-five thousand dollars (\$25,000) or less may be performed by Facilities Management employees the Authorized Entity ~~or initiated by the project manager~~ on a purchase order let by the county purchasing agent (or designee) as set forth in Section 22032 of the California Public Contract Code.~~
- ~~B. Public facilities-works projects of one hundred thousand dollars (\$100,000) or less may be let to contract on behalf of the project manager Authorized Entity by the county purchasing agent (or designee) following "informal bidding procedures" as set forth in Section 22034 of the California Public Contract Code and as set forth in County Ordinance 757.2. Public works projects ~~Contracts with construction costs of~~ \$100,000 or less do not require specific Board approval. However, the following provisions do apply:
 - ~~1. The program, plans, specifications and project budget must be approved by the director of Facilities Management Authorized Entity with concurrence from the requesting county department, agency, district, or authority.~~
 - ~~2. The project budget must include a contingency allowance equal to at least 5% but not more than 10% of the construction cost estimate.~~~~

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3. The plans must incorporate the county's design standards for materials and equipment.
 4. Where new net county cost is identified as the proposed source of funds for any portion of the professional services contract or public works improvements, Board Policy B-22 shall apply.
 5. Public works contracts may not be split or separated into smaller work orders or projects for the purpose of evading the provisions of Board Policy B-22.
- C. Public ~~facilities~~works projects of more than one hundred thousand dollars (\$100,000) are subject to the requirements of Board Policy B-22 and must be approved by the Board of Supervisors and will, except as otherwise provided in this policy, be let to contract utilizing "formal bidding procedures" as specified in Section 22036, et seq of the California Public Contract Code. The selection process shall comply with California Government Code Sections 25502.5(a) 4525-4529.5 (Mini-Brooks Act).
1. Where a public works project is to be performed, a notice inviting formal bids shall be mailed by the Clerk of the Board to all construction trade journals. The notice shall be published at least fourteen (14) calendar days before the date of opening the bids in a newspaper of general circulation, printed and published in Riverside County. The notice will state the time and place for the receiving and opening of sealed bids and distinctly describe the capital facilities project. In addition to notice specified, the Clerk may also give such other notice as it is directed by the Board.
 2. The plans and specifications for all projects must be presented to the Board of Supervisors prior to the initiation of the formal bidding process. Board approval of the plans, specifications and project budget will constitute authority for the Clerk of the Board to advertise for bids and for the Chairman to sign a construction contract with the successful low bidder, provided that the lowest bid from a responsible bidder is within the total approved project budget approved by the Board, and the bid is fully responsive to the bidding documents. All contract documents are to be approved as to form by County Counsel.
 3. The project plans and specifications, approved by the Board, will be made available for general public and bidder review.
 4. All formal process bids are to be opened by the Clerk of the Board. If the low bid is within the total approved project budget, a contract with the low bidder,

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approved as to form by County Counsel, will be submitted to the Chairman of the Board for signature on the county's behalf. However, the ~~director of Facilities Management~~Authorized Entity must submit the contract via a Form 11 to the Board for action when:

- The low bid exceeds the estimated construction cost thus causing the total project cost to exceed the total approved project budget.
 - There is a formal protest by an unsuccessful bidder(s).
 - The low bidder is disqualified.
 - If two or more bids are the same and they are the lowest.
 - Whenever a bidder requests relief from a bid due to an error.
 - Anytime the Chairman decides that further Board action is warranted.
5. If no bids are received through the formal procedure, the ~~director of Facilities Management~~Authorized Entity will review the process and determine if modifications can be made that will most likely result in a successful bid process if repeated. If the ~~director of Facilities Management~~Authorized Entity determines that no modifications can be made and/or the second try is unsuccessful, the ~~director of Facilities Management~~Authorized Entity will report this outcome to the Board via a Form 11 and request authorization to have the project performed by employees of the county, or to negotiate a contract consistent with the project budget without further bidding.
6. The ~~director of Facilities Management~~Authorized Entity may submit to the Board of Supervisors recommendations for rejection of any capital project bids presented with a recommendation to either:
- Abandon the capital project or re-notice an invitation for bids in the manner described by this policy;
 - Adopt a resolution (requiring a four-fifths vote of the Board), which declares that the project can be performed more economically by employees of the county, thus having the project carried out by force account.

VIII. Changes and Additions

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- A. Change orders are generally costly and require an inordinate amount of management effort. Therefore, it is the intent of this policy that change orders be held to a minimum and normally used to deal with unforeseen circumstances and constructability problems. Change orders are not normally to be used for elective changes that are not critical to function or costs.
- B. Whenever the Board enters into a contract for the erection, construction, alteration, or repair of any ~~public building or other structure~~county structure, building or facility that will be used, occupied or owned by a county entity, the contract is not to be altered or changed in any manner except:
1. By order adopted by four-fifths vote of the Board, and the consent of the contractor;
 2. As provided for in the contract itself, or specifications; or
 3. By adoption of an ordinance, resolution, or board order, authorizing the ~~director of Facilities Management~~Authorized Entity, to order changes or additions in the work being performed under construction contracts.
- C. When so authorized by the Board, changes or additions in the work may be ordered in writing by the ~~director of Facilities Management~~Authorized Entity (or designated party). Any changes or additions will be in accordance with written contract procedures for changed work and be an integral part of the contract work, which cannot be accomplished feasibly and economically by separate contract. Delegated change order authority to the ~~director of Facilities Management~~Authorized Entity shall be in accordance with Public Contract Code 20142 as follows:
1. Up to 10 percent of the amount of any original contract that does not exceed two hundred fifty thousand dollars (\$250,000).
 2. For contracts whose original cost exceeds two hundred fifty thousand dollars (\$250,000), the extra cost for any change or addition to the work so ordered will not exceed: Twenty-five thousand dollars (\$25,000), plus five (5) percent of the amount of the original contract cost in excess of two hundred fifty thousand dollars (\$250,000) to a maximum of \$150,000.

VIIV. Emergency Action

In the case of an emergency (as defined by Public Contract Code Section 1102, "... [which] means a sudden, unexpected occurrence that poses a clear and imminent

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danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services”), the Board of Supervisors may by four-fifths vote (in accordance with Public Contract Code Section 22050) repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes. The Board by four-fifths vote may elect to delegate by resolution or ordinance, to an appropriate non-elected county officer, authority to order the preceding actions on its behalf.

Through Resolution No. 2003-23, the Board delegated to the director of the Economic Development Agency/Facilities Management, authority for emergency repairs and replacement within the county facilities without giving notice for bids to let contracts subject to the requirements and reporting procedures described in Chapter 2.5 of the California Public Contract Code, commencing with Section 22050.

Upon utilization of this authority a report will be made to the Board for ratification of all actions which exceed contractual authority of the director of the Economic Development Agency/Facilities Management or the county purchasing agent.

V. Approving a Substitution of Subcontractors

The director of the Economic Development Agency/Facilities Management is delegated the following authority with regard to requests for substitution of subcontractors on County projects:

- A. Review all requests by construction contractors to allow the substitution of subcontractors.
- B. Determine whether the requirements of Public Contract Code Section 4100 et seq. for substitution of subcontractors have been met and, if so, whether the change is in the best interest of the awarding authority.
- C. If the determination made in paragraph 2 above are affirmative, approve or deny a request by a construction contractor to substitute a new subcontractor for a listed subcontractor when the listed subcontractor consents in writing, or does not submit a timely objection to the substitution.
- D. Act as a hearing official and make recommendations to the Board of Supervisors in cases where:
 - 1. The listed subcontractor objects to a substitution as provided in Public Contract Code Section 4107 (a).

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2. The prime contractor claims to have made a clerical error in listing subcontractors and has given the proper notice as prescribed by Public Contract Code Section 4107.5.

Reference:

Minute Order 3.20 of 09/03/85
Minute Order 3.17 of 05/02/89
Minute Order 3.17 of 09/11/90
Minute Order 3.34 of 05/12/92
Minute Order 3.21 of 04/06/93
Minute Order 3.13 of 11/04/03
Minute Order 3.3 of 04/10/07

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Policy:

The Capital Improvement Program (CIP) is a method for providing the Board of Supervisors with a comprehensive document containing immediate and long term capital needs with their financing and budget requirements. The CIP will be used for planning of new public works projects pertaining to county facilities, major facility expansions and purchases of large capital assets. The CIP will be the central vehicle for all major capital projects within the county. This policy applies to departments, agencies, districts and authorities governed by the Board of Supervisors unless specifically exempted by the Board. Except for office construction, expansion, or real property acquisition, this policy is not intended for capital projects carried out in the normal course of business by the Riverside County Flood and Water Conservation District, Regional Parks and Open Space District, Transportation and Land Management Agency (TLMA), Housing Authority, and the Waste Management Department. These agencies and districts must adhere to specific state and federal statutes for their public works projects.

It is the intent of this policy to be consistent with the provisions of Board Policy A-69 "Best Practices in Contract Management", Board Policy H-7 "Selection of Architectural, Engineering and Real Estate Related Services," B-11 "Award of Public Works Contracts Pertaining to County Facilities and Certain Other Improvements," California Government Code Sections 25502.5(a) 4526, Uniform Public Construction Cost Accounting Act (UPCCA) procedures, Federal Clean Water Act, State of California Porter-Cologne Water Quality Control Act, other applicable state codes, and ordinances, resolutions or policies of the county which may govern the approval of projects and contracts for acquisition of land or structures, construction, alteration, repair or improvement of county facilities.

I. Definitions

- A. A "Capital Improvement Project" shall mean a tangible fixed asset or public works project pertaining to a county facility project of significant value that extends beyond the current year. With respect to policy B-22, "Significant Value", as herein described, shall include the professional facilities services and its associated capital improvements, including but not limited to: master planning for county facilities, acquisition of land for a county facility, acquisition of buildings, construction or expansion of county facilities, fixed assets, or enhancements to county facilities -- that will be used, occupied or owned by a county entity, with a combined project value over \$100,000; major leases OR any county facilities project requiring new net county cost.

- B. "Major Lease" shall mean any lease where the value of the asset to be leased is at least \$1,000,000 or the term of the lease is greater than five (5) years.

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- C. "Capital Improvement Budget" (CIB) shall mean a listing of capital projects, their funding sources and construction schedules, being recommended for approval by the Board of Supervisors during annual budget deliberations.
- D. "County Department(s)" shall mean all departments, agencies, districts and authorities that are governed by the Riverside County Board of Supervisors, except those departments exempted above, or other appropriate approving board.
- E. "Managing Department" shall mean the designated department managing the project and having authorization to procure professional facilities services pursuant to Board Policy H-7.
- F. Project value shall mean the sum of public works contract(s) which prescribe the work or services pertaining to a county facility. Contracts may not be split or separated into smaller work orders or projects for the purpose of diminishing the project value.
- G. "Program Document" shall mean a written assessment and description of core space requirements that make up the capital improvement project. The Program Document establishes the project scope, size, and funding need.
- H. The Capital Project Review Committee shall mean the committee formed by approval of the Board of Supervisors in November 2006 to provide cost oversight and review of any change order or need which results in a particular project exceeding the 10% contingency established in the project budget.

II. Capital Improvement Plan Policy

- A. The guiding strategy of the CIP will be to allow the County of Riverside to fully account and plan for such capital projects that will have a major impact to the county's annual budget, future staffing levels and service to the public. The CIP will allow the county to anticipate and plan for its future capital needs, as well as prioritize multiple projects to maximize the use of the county's limited capital funds.
- B. Capital improvement projects shall not be separated from the costs of their associated professional facilities services, including but not limited to architectural, engineering, geotechnical services, water quality management, construction project management, real estate, environmental assessment and regulatory compliance services. Instead, the costs of the capital improvement as well as the cost for

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professional facilities services shall be combined and submitted together to determine total project value.

- C. The CIP team, chaired by the Executive Office and consisting of Facilities Management/Economic Development Agency, and Information Technology staff, is designated to oversee the stewardship of the CIP.
- D. The CIP team will develop a multi-year Capital Improvement Program (CIP) with a time horizon of five to ten years listed annually.
- E. The CIP team will develop a capital improvement budget annually.
- F. The CIP team will coordinate the development of the capital improvement program with the annual update of the public facilities needs list. The needs list will include those projects that may be partially or fully funded through the collection of development impact fees.
- G. The CIP team will coordinate the development of the capital improvement program and the capital improvement budget with the development of the county annual operating budget.
- H. The CIP team will coordinate the development of the quarterly CIP report with the development of the county quarterly budget report.
- I. The CIP team shall work with county departments to identify and use the least costly method of financing for all capital improvements.
- J. All capital improvements must be a component of the CIP before any county department can submit a grant or issue an RFP related to the capital improvement.
- K. All capital improvement projects underway must be reviewed at various stages and approved by the CIP team before submittal to the Board of Supervisors or appropriate authorizing board for approval.
- L. Unfunded or partially funded capital improvement projects may not incur costs beyond the funding amounts committed by Board action. These projects may not proceed until further funding is identified by the Executive Office.

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III. Capital Improvement Plan Process

- A. The CIP team will issue an annual call for projects to all county departments. The annual call will include requests for county facility projects including but not limited to: master planning for county facilities, acquisition of land for a county facility, acquisition of buildings, construction or expansion of county facilities, fixed assets requiring general funds or enhancements to county facilities, and their associated professional facilities services -- that will be used, occupied or owned by a county entity, with a combined total value over \$100,000; major leases and changes/revisions to current projects on the CIP list; OR any county facilities project requiring new net county cost.
- B. County departments will revise/add to their CIP list covering the next five fiscal years and provide an initial justification for new projects, which will include preliminary and/or future staff needs, anticipated space needs and funding sources.
- C. The CIP team will review all submittals by departments, which will include prioritizing and compiling the projects into a multi-year CIP. During the review, the CIP team may consult with the county departments, and Executive Office analysts, to review costs, identify funding sources, analyze space needs and determine applicability to the CIP plan.
- D. The CIP team will prepare a proposed multi-year CIP for the Board of Supervisors. After review by the Board of Supervisors, any changes requested will be incorporated into the proposed multi-year CIP.
- E. The CIP team will update and present the multi-year CIP annually to the Board of Supervisors as a companion document to the county annual operating budget. The multi-year CIP document will make recommendations for department priority projects to the Board based upon available funding.

IV. Project Priority

A. Evaluation:

The following are some of the considerations that will be used by the CIP team for evaluation of projects to be included in the multi-year CIP:

- Health and safety considerations regarding the project;
- Agency/department's input regarding phasing and sequencing resulting from

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- contingent events;
- Type and level of mandate regarding service provision;
- Impact and overall level of benefit to the county CIP and the county's citizens;
- Outside (state, federal or other) funding for projects;
- Program alternatives, if any;
- Cost effectiveness of program alternatives, where applicable;
- Estimated costs of project;
- If appropriate, information on service demands (e.g. caseloads) may be considered for particular projects;
- Other considerations not identified and which may be applicable to a specific project.

B. Prioritization:

The CIP team will evaluate county department project priorities and make recommendations to the Board based on a priority ranking as follows:

Priority I – Imperative: Projects that cannot reasonably be postponed without harmful or otherwise unacceptable consequences.

Priority II – Essential: Projects meeting clearly demonstrated needs or objectives.

Priority III – Important: Projects benefiting the community that could be delayed without impairing basic services.

Priority IV – Desirable: Projects that would benefit the community but are not included in the plan because of funding limitations.

V. Roles and Responsibilities

A. Capital Improvement Program Team

1. The CIP team will have the lead responsibility for coordinating the capital needs requests for all county departments, for preparing a multi-year CIP, a capital improvement budget (CIB), and a quarterly CIP report.
2. The CIP team will assist county departments in identifying appropriate funding sources for the projects.

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3. The CIP team shall be responsible for prioritizing each project listed in the CIP based on the project priority ranking outlined in IV. B. above.
4. The CIP team will be responsible for developing an order of magnitude cost range for those projects included in the CIP that have been assigned a CIP Priority I (one) ranking.
5. The CIP team will verify estimates of project construction costs, operating and maintenance costs, and departmental staffing costs submitted by county departments.

B. County Departments

1. In consultation with the CIP Team, county departments will be responsible for the development of a long-range capital improvement plan for their department.
2. County departments will be responsible for submitting a prioritized list of current capital needs as well as future needs during the annual call for projects.
3. County departments will be responsible for writing the justification for their projects and including sufficient detail to assist the CIP team in recommending projects to the Board.
4. County departments will be responsible for identifying appropriate funding sources for the project prior to initiating the capital improvement project. (The CIP team will assist as needed).
5. County departments will be responsible for identifying staffing, operating and maintenance costs for each of the projects requested with the assistance of their Executive Office budget analyst prior to initiating the capital improvement project. (Facilities Management/Economic Development Agency will assist with maintenance and utility cost projections).

C. Managing Department

1. The designated managing department is responsible for the management and oversight of its assigned capital facilities projects. The managing department will continuously maintain and make available for reporting and administrative review, a checklist to ensure that all critical tasks are accomplished during the life of a project. Among other things, this list will include the program document, environmental impact report (EIR), life safety approvals, geological testing,

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special site requirements, various inspections, Water Quality Management Plan (WQMP), program verification, architect selection, Americans with Disabilities Act (ADA) review, budget tracking, schedule verification, CIP reviews and approvals, and all construction related tasks.

2. The managing department is responsible for all CIP team reviews and Board approval requirements related to the specific project.
3. The managing department is responsible for referring the project to the CIP team in the event of major changes to the project scope, size, or funding expectations in the approved "In-Principle" Form-11.
4. The managing department is responsible for obtaining county department concurrence on all CIP Board approvals required in Section VIII or when the project financially impacts their department.

VI. Capital Projects Identified Outside the CIP Process

All capital improvements shall go through the capital planning process. When a capital improvement is identified outside the annual CIP process, the requesting county department will submit a request to add the project to the CIP. The request shall be submitted to the CIP team in the same format, with the same information required in the annual call process. The request will be reviewed by the CIP team for consideration of inclusion into the current CIP.

VII. Capital Improvement Budget

- A. The capital improvement budget (CIB) will be prepared by the CIP team for inclusion with adoption of the proposed county operating budget.
- B. The CIB will include identification of the project, order of magnitude cost range, priority, desired occupancy date, funding sources, departmental operating budgets affected and the current fiscal year's estimated costs. The CIB will also include summarized information for future fiscal year's costs and funding sources.

VIII. CIP Approvals

A county department may initiate a CIP project in coordination with a managing department. CIP team review and Board approval is required at the following stages of the project. The managing department shall obtain concurrence from the county department head or its designee on all CIP Board approvals when the project financially

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impacts their department as detailed below:

- “In-Principle Approval”
- “Notice of Intent to Purchase / Authorization to Purchase Real Property”
- Approval of professional facilities services contracts
- Program and schematic design approval
- “Approval of Construction Documents and Authorization for the Clerk of the Board to Advertise for Bids”
- Approval of contract award
- Change orders / contract amendments (if necessary)

A. In-Principle Approval

Before award of professional facilities services for the construction, expansion, improvement, and/or master planning of a facility; or the purchase, sale or leasing of real property that will be used, occupied or owned by a county entity -- where the combined costs of capital improvements and associated professional facilities service is over \$100,000; major leases and changes/revisions to current projects on the CIP list; OR any county facilities project requiring new net county cost:

The managing department shall submit the scope and funding plan for the public facilities project for review and approval by the county’s capital improvement program (CIP) team prior to or concurrent with “In-Principle” Form 11 approval by the Board of Supervisors.

B. Notice of Intent to Purchase Real Property and Authorization to Purchase Real Property

1. The managing department shall submit the “Notice of Intent or Authorization to Purchase Real Property” for review and approval by the county’s capital improvement (CIP) team prior to or concurrent with the approval by the Board of Supervisors.
2. The “Authorization to Purchase Real Property” Form-11 shall include the estimated purchase price, including an estimate of escrow, closing costs, and transaction fees in the total cost.

C. Approval of Professional Facilities Services Contracts

1. Professional services contracts for architectural, engineering, geotechnical services, water quality management, construction project management, real

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estate, environmental assessment and regulatory compliance services shall be approved by the Board of Supervisors or other appropriate authorizing Board.

2. Where new net county cost is identified as the proposed source of funds for any portion of the professional services contracts and/or associated capital improvements, the selection procedures and negotiations listed above in Section A will be adhered to prior to award of contract.
3. All proposed contracts must be reviewed and approved as to form by the County Counsel in compliance with Board Policy A-5.

D. Program & Schematic Design Approval

1. The architect or the managing department will prepare a Program Document for the project. This activity will include an assessment of core requirements of the project to keep the project within reasonable scope, size, and funding expectations in the approved "In-Principle" Form-11.
2. The architect, under the direction of the managing department, will develop the schematic drawings for the project. This activity will include a review of the program requirements and a verification of project order of magnitude cost range from the architect. In addition, the anticipated construction schedule will be reviewed.
3. The managing department will submit the completed program document and schematic drawings to the CIP team for review to ensure they are consistent with the approved scope and funding plan in the "In-Principle" Form-11 in VIII.A. The CIP team will review the architect's estimated cost and schedule for the project, and verify funding assumptions and financing strategies.
4. The managing department will prepare a Form 11 to the Board of Supervisors for approval of the program document and completed schematic design drawings and authorization to proceed with the Design Development phase (DD's) and develop Construction Drawings (CD's) and specifications. The refined "order of magnitude cost range" for the project will be included in the background information on the Form 11.
5. The managing department will work with the architect during the design development phase of the project. This will include program verification and value engineering to keep the design of the project within the "order of magnitude" cost range. The Executive Office will review and approve (or deny) any significant program or scope changes.

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6. Environmental findings are not required to be reviewed by the CIP team but are subject to Board approval if required by the Federal Clean Water Act, State of California Porter-Cologne Water Quality Control Act, or other applicable state and federal laws.
 7. The managing department will obtain a cost estimate from the design architect based upon the Construction Drawings (CD's) and specifications. For projects over \$3 million in cost the managing department will obtain a cost estimate from an independent construction cost estimator and if necessary, will reconcile the estimates.
- E. Approval of Construction Documents and Authorization for the Clerk of the Board to Advertise for Bids
1. The managing department will submit completed construction drawings, specifications, and cost estimates will be submitted to the CIP team for review to ensure they are consistent with the program document and schematic design approval Form-11 in VIII.C. The CIP review will include verification of funding sources and cost estimates.
 2. The managing department will submit the project to the Board of Supervisors via a Form 11 for approval of construction drawings, specifications, and authorization for the Clerk of the Board to advertise for bids. An estimated project budget will be included in the background information on the Form-11.
 3. All formal process bids shall comply with Policy H-7.
- F. Approval of Contract Award
- A construction company will be chosen from those responding to the RFP per county Board Policy H-7 and B-11. The managing department will submit the selected company and bid amount to the Board of Supervisors or other appropriate authorizing board via a Form 11 for approval. The Form 11 will include a complete project budget among the board motions.

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G. Change Orders / Contract Amendments

Change orders are generally costly and require an inordinate amount of management effort. Therefore, it is the intent of this policy that change orders be held to a minimum and normally used to deal with unforeseen circumstances and constructability problems. Change orders are not normally to be used for elective changes that are not critical to function or costs.

1. Change orders above the delegated authority of the managing department shall be submitted via a Form-11 for approval by the Board of Supervisors. The CIP team will review and sign off on the Form-11.
2. Change orders exceeding the 10% contingency established in the project budget are subject to review by the Capital Project Review Committee by the referral of the Executive Office. The committee, consisting of two board members, may convene to review such change orders and render final recommendations to the Board of Supervisors to approve or deny the change order request.
3. Amendments to contracts shall comply with Policy H-7.

IX. Construction Administration

- A. For all CIP projects approved and in process, the managing department, will prepare and submit quarterly status reports to the CIP team. It will be the managing department's responsibility to ensure that the quarterly status reports are provided to the CIP team for their respective projects.
- B. The CIP team will prepare and submit a CIP quarterly report as a companion to the county's quarterly budget report.
- C. The CIP team may determine additional reporting requirements depending upon the scope of the project.
- D. The "Notice of Completion" is a document filed with the Clerk of the Board and approved by the Board of Supervisors when the capital improvement project is substantially complete. The managing department shall submit a courtesy copy to the CIP team for tracking purposes only.

Reference:

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Policy:

The Capital Improvement Program (CIP) is a method for providing the Board of Supervisors with a comprehensive document containing immediate and long term capital needs with their financing and budget requirements. The CIP will be used for planning of new public works projects pertaining to county facilities, major facility expansions and purchases of large capital assets. The CIP will be the central vehicle for all major capital projects within the county. This policy applies to departments, agencies, districts and authorities governed by the Board of Supervisors unless specifically exempted by the Board. Except for office construction, expansion, or real property acquisition, this policy is not intended for capital projects carried out in the normal course of business by the Riverside County Flood and Water Conservation District, Regional Parks and Open Space District, Transportation and Land Management Agency (TLMA), Housing Authority, and the Waste Management Department or the Redevelopment Agency. These agencies and districts must adhere to specific state and federal statutes for their public works projects.

It is the intent of this policy to be consistent with the provisions of Board Policy A-69 "Best Practices in Contract Management", Board Policy H-7 "Selection of Architectural, Engineering and Real Estate Related Services," B-11 "Award of Public Works Contracts Pertaining to County Facilities and Certain Other Improvements," California Government Code Sections 25502.5(a) 4526, Uniform Public Construction Cost Accounting Act (UPCCA) procedures, Federal Clean Water Act, State of California Porter-Cologne Water Quality Control Act, other applicable state codes, and ordinances, resolutions or policies of the county which may govern the approval of projects and contracts for acquisition of land or structures, construction, alteration, repair or improvement of county facilities.

I. Definitions

- A. A "Capital Improvement Project" shall mean a tangible fixed asset or public works project pertaining to a county facility project of significant value that extends beyond the current year. With respect to policy B-22, "Significant Value", as herein described, shall include the professional facilities services and its associated capital improvements, including but not limited to: master planning for county facilities, acquisition of land for a county facility, acquisition of buildings, construction or expansion of county facilities, fixed assets, or enhancements to county facilities -- that will be used, occupied or owned by a county entity, with a combined project value over \$100,000; major leases OR any county facilities project requiring new net county cost.

- B. "Major Lease" shall mean any lease where the value of the asset to be leased is at least \$1,000,000 or the term of the lease is greater than five (5) years.

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- C. "Capital Improvement Budget" (CIB) shall mean a listing of capital projects, their funding sources and construction schedules, being recommended for approval by the Board of Supervisors during annual budget deliberations.
- D. "County Department(s)" shall mean all departments, agencies, districts and authorities that are governed by the Riverside County Board of Supervisors, except those departments exempted above, or other appropriate approving board.
- E. "Managing Department" shall mean the designated department managing the project and having authorization to procure professional facilities services pursuant to Board Policy H-7.
- F. Project value shall mean the sum of public works contract(s) which prescribe the work or services pertaining to a county facility. Contracts may not be split or separated into smaller work orders or projects for the purpose of diminishing the project value.
- G. "Program Document" shall mean a written assessment and description of core space requirements that make up the capital improvement project. The Program Document establishes the project scope, size, and funding need.
- H. The Capital Project Review Committee shall mean the committee formed by approval of the Board of Supervisors in November 2006 to provide cost oversight and review of any change order or need which results in a particular project exceeding the 10% contingency established in the project budget.

II. Capital Improvement Plan Policy

- A. The guiding strategy of the CIP will be to allow the County of Riverside to fully account and plan for such capital projects that will have a major impact to the county's annual budget, future staffing levels and service to the public. The CIP will allow the county to anticipate and plan for its future capital needs, as well as prioritize multiple projects to maximize the use of the county's limited capital funds.
- B. Capital improvement projects shall not be separated from the costs of their associated professional facilities services, including but not limited to architectural, engineering, geotechnical services, water quality management, construction project management, real estate, environmental assessment and regulatory compliance services. Instead, the costs of the capital improvement as well as the cost for

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professional facilities services shall be combined and submitted together to determine total project value.

- C. The CIP team, chaired by the Executive Office and consisting of Facilities Management/Economic Development Agency, and Information Technology staff, is designated to oversee the stewardship of the CIP.
- D. The CIP team will develop a multi-year Capital Improvement Program (CIP) with a time horizon of five to ten years listed annually.
- E. The CIP team will develop a capital improvement budget annually.
- F. The CIP team will coordinate the development of the capital improvement program with the annual update of the public facilities needs list. The needs list will include those projects that may be partially or fully funded through the collection of development impact fees.
- G. The CIP team will coordinate the development of the capital improvement program and the capital improvement budget with the development of the county- annual operating budget.
- H. The CIP team will coordinate the development of the quarterly CIP report with the development of the county quarterly budget report.
- I. The CIP team shall work with county departments to identify and use the least costly method of financing for all capital improvements.
- J. All capital improvements must be a component of the CIP before any county department can submit a grant or issue an RFP related to the capital improvement.
- K. All capital improvement projects underway must be reviewed at various stages and approved by the CIP team before submittal to the Board of Supervisors or appropriate authorizing board for approval.
- L. Unfunded or partially funded capital improvement projects may not incur costs beyond the funding amounts committed by Board action. These projects may not proceed until further funding is identified by the Executive Office.

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III. Capital Improvement Plan Process

- A. The CIP team will issue an annual call for projects to all county departments. The annual call will include requests for county facility projects including but not limited to: master planning for county facilities, acquisition of land for a county facility, acquisition of buildings, construction or expansion of county facilities, fixed assets requiring general funds or enhancements to county facilities, and their associated professional facilities services -- that will be used, occupied or owned by a county entity, with a combined total value over \$100,000; major leases and changes/revisions to current projects on the CIP list; OR any county facilities project requiring new net county cost.
- B. County departments will revise/add to their CIP list covering the next five fiscal years and provide an initial justification for new projects, which will include preliminary and/or future staff needs, anticipated space needs and funding sources.
- C. The CIP team will review all submittals by departments, which will include prioritizing and compiling the projects into a multi-year CIP. During the review, the CIP team may consult with the county departments, and Executive Office analysts, to review costs, identify funding sources, analyze space needs and determine applicability to the CIP plan.
- D. The CIP team will prepare a proposed multi-year CIP for the Board of Supervisors. After review by the Board of Supervisors, any changes requested will be incorporated into the proposed multi-year CIP.
- E. The CIP team will update and present the multi-year CIP annually to the Board of Supervisors as a companion document to the county annual operating budget. The multi-year CIP document will make recommendations for department priority projects to the Board based upon available funding.

IV. Project Priority

A. Evaluation:

The following are some of the considerations that will be used by the CIP team for evaluation of projects to be included in the multi-year CIP:

- Health and safety considerations regarding the project;
- Agency/department's input regarding phasing and sequencing resulting from

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contingent events;

- Type and level of mandate regarding service provision;
- Impact and overall level of benefit to the county CIP and the county's citizens;
- Outside (state, federal or other) funding for projects;
- Program alternatives, if any;
- Cost effectiveness of program alternatives, where applicable;
- Estimated costs of project;
- If appropriate, information on service demands (e.g. caseloads) may be considered for particular projects;
- Other considerations not identified and which may be applicable to a specific project.

B. Prioritization:

The CIP team will evaluate county department project priorities and make recommendations to the Board based on a priority ranking as follows:

Priority I – Imperative: Projects that cannot reasonably be postponed without harmful or otherwise unacceptable consequences.

Priority II – Essential: Projects meeting clearly demonstrated needs or objectives.

Priority III – Important: Projects benefiting the community that could be delayed without impairing basic services.

Priority IV – Desirable: Projects that would benefit the community but are not included in the plan because of funding limitations.

V. Roles and Responsibilities

A. Capital Improvement Program Team

1. The CIP team will have the lead responsibility for coordinating the capital needs requests for all county departments, for preparing a multi-year CIP, a capital improvement budget (CIB), and a quarterly CIP report.
2. The CIP team will assist county departments in identifying appropriate funding sources for the projects.

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3. The CIP team shall be responsible for prioritizing each project listed in the CIP based on the project priority ranking outlined in IV. B. above.
4. The CIP team will be responsible for developing an order of magnitude cost range for those projects included in the CIP that have been assigned a CIP Priority I (one) ranking.
5. The CIP team will verify estimates of project construction costs, operating and maintenance costs, and departmental staffing costs submitted by county departments.

B. County Departments

1. In consultation with the CIP Team, county departments will be responsible for the development of a long-range capital improvement plan for their department.
2. County departments will be responsible for submitting a prioritized list of current capital needs as well as future needs during the annual call for projects.
3. County departments will be responsible for writing the justification for their projects and including sufficient detail to assist the CIP team in recommending projects to the Board.
4. County departments will be responsible for identifying appropriate funding sources for the project prior to initiating the capital improvement project. (The CIP team will assist as needed).
5. County departments will be responsible for identifying staffing, operating and maintenance costs for each of the projects requested with the assistance of their Executive Office budget analyst prior to initiating the capital improvement project. (Facilities Management/Economic Development Agency will assist with maintenance and utility cost projections).

C. Managing Department

1. The designated managing department is responsible for the management and oversight of its assigned capital facilities projects. The managing department will continuously maintain and make available for reporting and administrative review, a checklist to ensure that all critical tasks are accomplished during the life of a project. Among other things, this list will include the program document, environmental impact report (EIR), life safety approvals, geological testing,

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special site requirements, various inspections, Water Quality Management Plan (WQMP), program verification, architect selection, Americans with Disabilities Act (ADA) review, budget tracking, schedule verification, CIP reviews and approvals, and all construction related tasks.

2. The managing department is responsible for all CIP team reviews and Board approval requirements related to the specific project.
3. The managing department is responsible for referring the project to the CIP team in the event of major changes to the project scope, size, or funding expectations in the approved "In-Principle" Form-11.
4. The managing department is responsible for obtaining county department concurrence on all CIP Board approvals required in Section VIII or when the project financially impacts their department.

VI. Capital Projects Identified Outside the CIP Process

All capital improvements shall go through the capital planning process. When a capital improvement is identified outside the annual CIP process, the requesting county department will submit a request to add the project to the CIP. The request shall be submitted to the CIP team in the same format, with the same information required in the annual call process. The request will be reviewed by the CIP team for consideration of inclusion into the current CIP.

VII. Capital Improvement Budget

- A. The capital improvement budget (CIB) will be prepared by the CIP team for inclusion with adoption of the proposed county operating budget.
- B. The CIB will include identification of the project, order of magnitude cost range, priority, desired occupancy date, funding sources, departmental operating budgets affected and the current fiscal year's estimated costs. The CIB will also include summarized information for future fiscal year's costs and funding sources.

VIII. CIP Approvals

A county department may initiate a CIP project in coordination with a managing department. CIP team review and Board approval is required at the following stages of the project. The managing department shall obtain concurrence from the county department head or its designee on all CIP Board approvals when the project financially

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impacts their department as detailed below:

- “In-Principle Approval”
- “Notice of Intent to Purchase / Authorization to Purchase Real Property”
- Approval of professional facilities services contracts
- Program and schematic design approval
- “Approval of Construction Documents and Authorization for the Clerk of the Board to Advertise for Bids”
- Approval of contract award
- Change orders / contract amendments (if necessary)

A. In-Principle Approval-

Before award of professional facilities services for the construction, expansion, improvement, and/or master planning of a facility; or the purchase, sale or leasing of real property that will be used, occupied or owned by a county entity -- where the combined costs of capital improvements and associated professional facilities service is over \$100,000; major leases and changes/revisions to current projects on the CIP list; OR any county facilities project requiring new net county cost:

The managing department shall submit the scope and funding plan for the public facilities project for review and approval by the county’s capital improvement program (CIP) team prior to or concurrent with “In-Principle” Form 11 approval by the Board of Supervisors.

B. Notice of Intent to Purchase Real Property and Authorization to Purchase Real Property

1. The managing department shall submit the “Notice of Intent or Authorization to Purchase Real Property” for review and approval by the county’s capital improvement (CIP) team prior to or concurrent with the approval by the Board of Supervisors.
2. The “Authorization to Purchase Real Property” Form-11 shall include the estimated purchase price, including an estimate of escrow, closing costs, and transaction fees in the total cost.

C. Approval of Professional Facilities Services Contracts

1. Professional services contracts for architectural, engineering, geotechnical services, water quality management, construction project management, real

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estate, environmental assessment and regulatory compliance services shall be approved by the Board of Supervisors or other appropriate authorizing Board.

2. Where new net county cost is identified as the proposed source of funds for any portion of the professional services contracts and/or associated capital improvements, the selection procedures and negotiations listed above in Section A will be adhered to prior to award of contract.
3. All proposed contracts must be reviewed and approved as to form by the County Counsel in compliance with Board Policy A-5.

D. Program & Schematic Design Approval

1. The architect or the managing department will prepare a Program Document for the project. This activity will include an assessment of core requirements of the project to keep the project within reasonable scope, size, and funding expectations in the approved "In-Principle" Form-11.
2. The architect, under the direction of the managing department, will develop the schematic drawings for the project. This activity will include a review of the program requirements and a verification of project order of magnitude cost range from the architect. In addition, the anticipated construction schedule will be reviewed.
3. The managing department will submit the completed program document and schematic drawings to the CIP team for review to ensure they are consistent with the approved scope and funding plan in the "In-Principle" Form-11 in VIII.A. The CIP team will review the architect's estimated cost and schedule for the project, and verify funding assumptions and financing strategies.
4. The managing department will prepare a Form 11 to the Board of Supervisors for approval of the program document and completed schematic design drawings and authorization to proceed with the Design Development phase (DD's) and develop Construction Drawings (CD's) and specifications. The refined "order of magnitude cost range" for the project will be included in the background information on the Form 11.
5. The managing department will work with the architect during the design development phase of the project. This will include program verification and value engineering to keep the design of the project within the "order of magnitude" cost range. The Executive Office will review and approve (or deny) any significant program or scope changes.

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6. Environmental findings are not required to be reviewed by the CIP team but are subject to Board approval if required by the Federal Clean Water Act, State of California Porter-Cologne Water Quality Control Act, or other applicable state and federal laws.
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1. The managing department will submit completed construction drawings, specifications, and cost estimates will be submitted to the CIP team for review to ensure they are consistent with the program document and schematic design approval Form-11 in VIII.C. The CIP review will include verification of funding sources and cost estimates.
 2. The managing department will submit the project to the Board of Supervisors via a Form 11 for approval of construction drawings, specifications, and authorization for the Clerk of the Board to advertise for bids. An estimated project budget will be included in the background information on the Form-11.
 3. All formal process bids shall comply with Policy H-7.
- F. Approval of Contract Award
- A construction company will be chosen from those responding to the RFP per county Board Policy H-7 and B-11. The managing department will submit the selected company and bid amount to the Board of Supervisors or other appropriate authorizing board via a Form 11 for approval. The Form 11 will include a complete project budget among the board motions.

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G. Change Orders / Contract Amendments

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IX. Construction Administration

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- C. The CIP team may determine additional reporting requirements depending upon the scope of the project.
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