



County of El Dorado

Chief Administrative Office

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February 28, 2017

TO: Members, Honorable Board of Supervisors

FROM: Laura Schwartz, Deputy Chief Administrative Officer

SUBJECT: February 28, 2017, Public Safety Facility Update

This is to provide you with an update on the progress of the Public Safety Facility through February 15, 2017.

On February 10, 2017, the United States Department of Agriculture (USDA) conducted a field visit with three representatives from the USDA and staff from the CAO's office and County Counsel. The meeting was productive and the USDA is pleased with the County's progress. Attachment A, the draft timeline for the Public Safety Facility, was shared and the USDA was satisfied with the timeline.

MAJOR MILESTONES

Request for Proposal (RFP) for Construction Management (CM) firms – The County received three RFP's from Construction Management firms and the review team has begun the evaluation process. The timeline projected BOS approval and CM award on March 7, 2017. There is additional information that is currently being evaluated and gathered related to the proposals which will delay this award, but at this time we do not anticipate any impacts to the project timeline as a result of this delay.

Request for Qualification (RFQ) for the Design Build contract – The draft RFQ is being finalized in preparation for USDA review. Currently this process is on schedule with the final RFQ being published towards the end of February.

Interim Financing – The Chief Administrative Office is currently working with our financial consultant on an analysis of costs and availability of interim financing. Included in the letter of conditions from the USDA is the option to waive interim financing if it is deemed to be at unreasonable rates and terms. Our initial analysis has concluded that rates and terms may be unreasonable and we are in the process of finalizing a letter requesting to waive the interim financing. If this request is granted, the USDA will loan the County the required funds during construction as funds are needed. Interest will be paid at an interest rate of 2.375% and the principal will be deferred for a

period up to 36 months and then amortized for a period of 37 years. The current estimate indicates that this method could save the County close to \$1M in interim financing costs.

CRITICAL ISSUES

In regards to the timeline, the issue of weather being an important variable relative to the beginning of mass grading was discussed in detail with the USDA. The USDA agreed with the County's position that the decision to begin grading will be carefully monitored and that grading may be pushed out from October, 2017 to the Spring of 2018 if wet weather is forecasted. If this decision is made, the construction completion date of May, 2019, will be extended.

At this time we are not aware of any other issue that will materially impact the complete date.

The next Public Safety update is scheduled to be provided in March 2017.

If you have any questions or need additional information, please let me know.

