



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: January 3, 2017
Board Meeting Date: January 24, 2017
Special Notice / Hearing: None
Vote Required: Majority
4/5ths (for ATR)

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Creation of the Project Development Unit in the County Manager's Office

RECOMMENDATION:

Adopt resolutions:

- A) Authorizing the creation of the Project Development Unit in the County Manager's Office to assume the responsibility of project management for all new major construction projects; and
- B) Authorizing an Appropriation Transfer Request (ATR) in the amount of \$154,158,062, transferring \$1,263,304 from Non-Departmental Services to the County Manager's Office Project Development Unit, and transferring revenue and expenditure appropriations of \$76,447,379 from Capital Projects to the Other Capital Construction Fund.

BACKGROUND:

The County Manager's Office has historically been responsible for the oversight of large capital projects, most recently the Crime Lab which was completed in early 2003 and the Youth Services Center which was completed in 2006. When the great recession hit in late 2008, no large scale capital projects were on the immediate horizon, and the CMO Capital Projects staff were absorbed into the Department of Public Works to work on smaller scale capital maintenance and remodel projects. With an improved economy and the passage of the **Measure K** sales tax, over the last several years the County has embarked on the development of several large scale capital projects, including the Maple Street Corrections Center completed in March of 2016, as well as the Regional Operations Center and the Skylonda Fire Station which are currently under construction. The County is also currently master planning all of its major campuses, including the Redwood City Government Center, San Mateo Medical Center, Tower Road, and North County Facilities. It is expected that as many as ten major capital

projects may be undertaken over the next decade, requiring a considerable amount of time, resources and expertise.

The County's Department of Public Works is a large department with responsibility for multiple flood control, sewer, water and lighting districts, watershed protection, transportation planning, vehicle fleet, road services, facility management and maintenance, two general aviation airports, and capital projects. In order to allow the Department of Public Works to focus on their core responsibilities, and provide an appropriate level of expertise and resources to major capital projects, it is recommended that the Project Development Unit ("PDU") be re-established in the County Manager's Office to assume the responsibility of project management for all new major construction projects.

DISCUSSION:

The PDU will be a division of the County Manager's Office and report directly to the Assistant County Manager. The Unit will be responsible for all new major project planning, design and "ground up" (green field) construction. The PDU will explore and adopt the most effective project delivery method for each project as well as leverage consultant expertise to expedite project delivery on time and within budget.

The PDU will initially be staffed with approximately eight positions, including: one new Director; one Senior Capital Project Manager (transferred from the Department of Public Works); two Management Analysts (one transferred from Public Works and one new); three Project Managers (two transferred from Public Works and one new); and one new Senior Accountant. These staff would be supported by contract consultants when appropriate. Additional Project Managers may be added in the future as necessitated by the number and scope of projects approved by this Board. The Department of Public Works will also transfer extra-help staff, contracts and resources associated with several existing projects. Those projects, totaling approximately \$76.5 million in existing project funding, will be transferred to the Unit as well.

The PDU will physically sit at the current Jail Planning Unit facility located at 1402 Maple Street in Redwood City, which consists of land leased from the City of Redwood City and County leased portable buildings. The anticipated budget for the PDU, including personnel, services and supplies and other overhead costs is \$3.03 million per year. These costs will initially be covered through the attached Appropriation Transfer Request from Non-Departmental Services and will be included in recommended budgets in future fiscal years. Staff will work to develop and implement a system to capitalize the costs associated with the projects.

County Counsel has reviewed and approved the resolutions as to form.

Creation of the Project Development Unit contributes to the Shared Vision 2025 outcome of a Collaborative Community and goal of open, responsive, and effective Government by focusing the necessary resources and expertise towards important construction projects that are an investment in the future of the County.

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FISCAL IMPACT:

The estimated budget for the remainder of FY 2016-17 is \$1,263,304. Approximately \$76.5 million in existing projects will initially be taken over by the PDU as well. An existing program unit in the County Manager's Office - 1230P, is repurposed and a new budget unit - 8470B, is created in the Other Capital Construction Fund.

The Appropriation Transfer Request transfers \$1,263,304 from Non-Departmental Services to the new Project Development Unit for staff and administrative costs, and transfers \$76,447,379 from Capital Projects to the Other Capital Construction Fund for project costs.