

FILE NO. 000088

ORDINANCE NO. 40-00

1 [County Jail No. 3 Replacement Project]
2 AUTHORIZING THE SHERIFF'S DEPARTMENT, THE DEPARTMENT OF PUBLIC WORKS,
3 THE CITY ARCHITECT, THE CITY ATTORNEY'S OFFICE AND THE MAYOR'S OFFICE OF
4 PUBLIC FINANCE TO NEGOTIATE A DESIGN-BUILD CONTRACT WITH PRISON REALTY
5 TRUST FOR THE COUNTY JAIL NO. 3 REPLACEMENT PROJECT SUBJECT TO
6 FURTHER BOARD APPROVAL

7 Be it ordained by the People of the City and County of San Francisco:

8 Section 1. FINDINGS. The Board of Supervisors of the City and County of San
9 Francisco hereby finds and declares as follows:

10 A. County Jail No. 3 ("Jail"), located in San Mateo County, opened in 1932. In
11 1991, inmates housed in the Jail filed suit against the City challenging the constitutionality of
12 conditions in the Jail. On July 18, 1997, the United States District Court concluded that
13 conditions in the Jail violated the United States Constitution. The Court specifically found that
14 the Jail posed fire safety and seismic risks, had inadequate plumbing and lighting and was
15 unconstitutionally noisy. The Department of Public Works ("DPW") determined that it would
16 not be cost effective or practical to attempt to seismically upgrade and repair the existing Jail.
17 The Sheriff determined that, even if upgraded, the Jail's outmoded design and structure would
18 not comply with State standards and would continue to pose risks to deputies and inmates.
19 Further, the current jail system is overcrowded, even with the full use of the existing Jail and
20 extensive use of drug treatment facilities and other alternatives to incarceration. The Sheriff
21 therefore determined that the City will continue to need the housing capacity of County Jail
22 No. 3 in order to protect public safety and house inmates in safe and humane conditions.

23 B. In order to settle the inmates' lawsuit, the City agreed, subject to the approval of
24 the Board of Supervisors, to build a replacement jail facility on the site of the existing Jail
25 ("County Jail No. 3 Replacement Project" or "Project"). DPW has determined that the City

SHERIFF'S DEPARTMENT AND DEPARTMENT OF PUBLIC WORKS
BOARD OF SUPERVISORS

1 will achieve cost savings and time efficiencies by utilizing the design-build method of
2 construction for the County Jail No. 3 Replacement Project. The Mayor's Office of Public
3 Finance has determined that there are not sufficient public funds available to undertake the
4 County Jail No. 3 Replacement Project. As a result, the Director of DPW sought proposals in
5 1998 for the design-build/finance of the County Jail No. 3 Replacement Project in accordance
6 with San Francisco Administrative Code section 6.09.

7 C. Two teams submitted competitive proposals for the design-build/finance of the
8 Project in accordance with Administrative Code section 6.09. In accordance with said section,
9 the scoring panels considered cost to the City, expediency in completing the Project,
10 qualifications to design-build/finance the Project and compliance with affirmative action goals
11 and the requirements of Administrative Code sections 12B, 12C and 12D, amongst other
12 factors. The proposal submitted by Prison Realty Trust ("PRT") was the highest-ranked
13 proposal.

14 D. After PRT was notified, the Sheriff, Mayor's Office of Public Finance and DPW
15 concluded that the cost of the Project as proposed by PRT, as well as the cost proposed by
16 the second-ranked proposer, was prohibitive. Thereafter, the Director of Public Works and
17 the City Architect entered into negotiations with PRT to reduce the scope and price of the
18 Project. These negotiations have resulted in a significant reduction in the cost of the Project
19 and an understanding between the City and PRT as to the major provisions to be included in
20 a contract for the design-build/finance of the Project.

21 E. On July 9, 1998, the Planning Department published a Final Environmental
22 Impact Report ("FEIR") for the Project contemplated by this ordinance. Implementation of the
23 Project includes the adoption of the ordinance authorizing the design-build/finance contract.
24 On July 23, 1998, the Planning Commission certified the FEIR by Planning Commission
25 Motion No. 14663.

1 F. On January 3, 2000, the Department of City Planning issued a Memorandum to
2 City Planning File No. 97.368E pursuant to California Environmental Quality Act ("CEQA")
3 Guidelines Section 15164 including an Addendum to the FEIR for the Project (the
4 "Addendum"), a copy of which is on file with the Clerk of the Board of Supervisors in File No.
5 000087, determining that changes to the Project proposed as a result of negotiations between
6 the City and PRT would not result in any new significant environmental effects beyond those
7 disclosed and analyzed in the FEIR, that no new information has become available since
8 certification of the FEIR in July, 1998 that would require major revisions to the FEIR or its
9 conclusions, that there are no substantial changes with respect to the circumstances under
10 which the Project is to be undertaken since the certification of the FEIR that would cause new
11 significant environmental impacts and that no further environmental analysis is required for
12 the Project. This Board of Supervisors has reviewed and considered the information
13 contained in the FEIR and the Addendum.

14 G. The Board of Supervisors adopted Resolution No. 192-00 on 3-6-00,
15 making findings pursuant to CEQA, the State CEQA Guidelines and Chapter 31 of the San
16 Francisco Administrative Code and adopting a mitigation monitoring program. The Board of
17 Supervisors hereby adopts and incorporates the environmental findings contained in such
18 Resolution by reference as though such findings were fully set forth in this Ordinance.

19 Section 2. The Offices of the City Attorney, City Architect, Mayor's Office of Public
20 Finance, Sheriff's Department and DPW are hereby authorized to complete negotiations with
21 PRT, or its successor by merger or acquisition, for the design-build/finance of the Project
22 substantially in accordance with the following terms:

23 a. The total cost of Project will be as follows: the contract with PRT for the design-
24 build portion of the Project will not exceed \$115,000,000 (One Hundred Fifteen Million
25 Dollars); the City's expenses for project management, construction management, support

1 services and demolition of the existing Jail will not exceed \$17,200,000 (Seventeen Million
2 Two Hundred Thousand Dollars).

3 b. All construction subcontracts costing \$500,000 or more, including at least 80%
4 of all labor, equipment, material and supply subcontract costs, will be competitively bid to at
5 least three qualified bidders for each subcontract bid package. Subcontracts will be awarded
6 by PRT with the review and approval of the City based on a weighted scale of cost,
7 achievement of Human Rights Commission goals and workforce availability. The total Project
8 cost shall be adjusted by the amount, if any, that the subcontract bids differ from the
9 estimates upon which the proposed cost of \$115,000,000 is based; provided that the
10 contract with PRT shall require PRT to complete all project work in accordance with the
11 agreed upon design criteria for a not-to-exceed price of \$115,000,000.

12 c. PRT will be responsible for providing all design and construction services
13 necessary for receipt of an occupancy permit for a facility meeting or exceeding all design and
14 specification requirements that have been agreed upon between the City and PRT, all
15 industry standards and all applicable codes and regulations. The Project will meet the
16 program needs identified by the Sheriff and agreed upon between the parties, including but
17 not limited to the following: 384 cells each accommodating two prisoners, kitchen and eating
18 facilities, medical and administration facilities and support services. PRT will provide all
19 design consultants necessary for the design and construction and administration services
20 through permitted occupancy and final closeout. DPW reserves the right to provide design or
21 construction services through its own forces, in which case there will be an equitable
22 reduction in fees for the Project, which amount shall accrue to the benefit of the City.

23 d. The proposed cost of \$115,000,000 for the design-build portion of the Project
24 includes estimated amounts to be paid by PRT to its general contractor and design team,
25 which amount will be adjusted after bids have been received on the subcontractor bid

1 packages. The amount to be paid by PRT to its general contractor for general conditions and
2 fee (supervision, overhead and profit) and to its design team for all design services as
3 described herein, collectively, will be no more than 25% of the actual cost of construction of
4 the Project. The total cost for the design-build portion of the Project will be adjusted
5 accordingly from the proposed cost of \$115,000,000.

6 e. PRT will produce a bid package schedule which minimizes the construction
7 duration.

8 f. PRT will, at the City's discretion, re-design and re-bid subcontractor bid
9 packages if the low bid exceeds the budgeted amount. The cost of re-design shall be paid
10 50% by PRT and 50% from the re-designed bid package price.

11 g. PRT assumes responsibility for all change orders which do not arise from DPW
12 requested changes to the Project's program.

13 h. PRT assumes responsibility for on-budget, on-schedule delivery of the Project
14 regardless of its contractual agreements with parties other than the City. The Project will be
15 completed within 36 months after the City issues the Project's notice to proceed.

16 Section 3. PRT will assist the City in issuing certificates of participation to finance the
17 costs of the Project, subject to further Board approval. The maximum principal amount of
18 certificates of participation to finance the costs of the Project is not expected to exceed
19 \$177,195,000. Consistent with the Project analyzed in the FEIR and the Addendum, the
20 Board intends that the certificates of participation will finance the design-build portion of the
21 Project under the contract with PRT that is the subject of this ordinance for all design and
22 construction Project costs in the anticipated amount of \$115,000,000 as well as all City
23 Project costs in the anticipated amount of \$17,200,000, including the demolition of the existing
24 Jail, which is contemplated to be carried out later under a separate contract.



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Ordinance

File Number: 000088

Date Passed:

Ordinance authorizing the Sheriff's Department, the Department of Public Works, the City Architect, the City Attorney's Office and the Mayor's Office of Public Finance to negotiate a design-build contract with Prison Realty Trust for the County Jail No. 3 replacement project; subject to further Board of Supervisors approval.

March 6, 2000 Board of Supervisors — PASSED, ON FIRST READING

Ayes: 10 - Ammiano, Becerril, Brown, Katz, Kaufman, Leno, Newsom, Teng,
Yaki, Yee

Absent: 1 - Bierman

March 13, 2000 Board of Supervisors — FINALLY PASSED

Ayes: 6 - Ammiano, Brown, Leno, Newsom, Teng, Yee

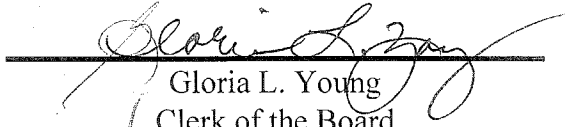
Absent: 5 - Becerril, Bierman, Katz, Kaufman, Yaki

File No. 000088


I hereby certify that the foregoing Ordinance
was **FINALLY PASSED** on March 13, 2000
by the Board of Supervisors of the City and
County of San Francisco.

MAR 24 2000

Date Approved



Gloria L. Young
Clerk of the Board



Mayor Willie L. Brown Jr.