

TO: BSCC Chair and Members

DATE: April 9, 2015

**SUBJECT: Senate Bill 81, Round Two Local Youthful Offender
Rehabilitative Facility Construction Financing
Program, Executive Steering Committee (ESC)
Proposed Conditional Awards: Requesting Approval.**

AGENDA ITEM: M

ACTION: X

RESOURCE PERSON: Allison Ganter

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Summary: This agenda item requests Board of State and Community Corrections (BSCC) approval for conditional awards under the Senate Bill (SB) 81 Round Two Local Youthful Offender Rehabilitative Facility (LYORF) Construction Financing Program, as recommended by the Executive Steering Committee (ESC). Approval of these conditional awards will enable the BSCC to disburse \$79.2M in remaining funds from the SB 81 Round One financing program.

Background:

SB 81 Round One (Stats. 2007, Chapter 175) authorized \$100M in state lease-revenue bond financing for the acquisition, design, renovation, or construction of LYORFs; Assembly Bill 1628 (Stats. 2010, Chapter 729) added \$200 million in financing. Conditional awards were made to thirteen counties under the SB 81 Round One LYORF Construction Financing Program; two projects have been completed and several are active in the State Public Works Board process.

After this Round One financing was conditionally awarded, \$79.2M in state lease-revenue bond financing remained for the acquisition, design, renovation, or construction of LYORFs; SB 365 (Stats. 2013, Chapter 627) authorized the BSCC to release the remainder in lease-revenue bond financing under the SB 81 Round Two program.

On March 13, 2014, (attachment M-1), the BSCC approved the membership of the SB 81 Round Two ESC and authorized the ESC to develop a request for proposals (RFP) for the remainder of financing. Board members Michelle Brown and Scott Budnick were appointed as co-chairs of the ESC. During April and June of 2014, the ESC met and developed the RFP, including rating criteria for the LYORF financing awards. While many facets of the Round Two RFP remain similar to the Round One RFP, the ESC agreed to allow submittal of proposals for non-secure, non-residential program space under Round Two, and included a summary of juvenile justice best practices in the Round Two RFP, to serve as a resource to applicants.

On September 11, 2014, (attachment M-2), the BSCC Board authorized the release of the SB 81 Round Two Construction of Local Youthful Offender Rehabilitative Facilities RFP. Proposals were due to BSCC staff on December 19, 2014.

On October 16, 2014, BSCC staff held a Bidders' Conference to allow prospective applicants the opportunity to ask clarifying questions relative to the RFP and the lease-revenue bond financing process.

By December 19, 2014, BSCC staff had received eight (8) proposals for SB 81 Round Two financing. A Raters' Training was held for ESC members on January 8, 2015; members individually evaluated and rated the proposals based on the RFP criteria and submitted scores to BSCC Research Staff by January 30, 2015.

The ESC convened for a final rating discussion and county presentations meeting on February 5, 2015. At this meeting, members had the opportunity to discuss scores and make necessary adjustments based upon ESC feedback and/or county presentations. The ESC ultimately agreed to recommend conditional awards in the full amounts requested to seven (7) counties, and a partial conditional award to one (1) county. Awards will remain conditional until projects are established pursuant to the State Public Works Board process and the requirements of state lease-revenue bond financing.

The ESC recommends the approval of the seven (7) full conditional awards and one (1) partial conditional award, which constitutes the balance of the SB 81 Round Two financing program, totaling \$79,201,455. Attached is a list of those counties where financing is recommended (attachment M-3).

Recommendation/Action Needed:

Staff recommends approval of the proposed list of conditional awards, as recommended by the SB 81 Round Two ESC:

1. Approve full conditional awards to seven (7) counties, totaling \$63,303,000.
2. Approve partial conditional award to Riverside in the amount of \$15,898,455.

Attachments:

- M-1: March 13, 2014 BSCC Agenda Report, Agenda Item K
- M-2: September 11, 2014 BSCC Agenda Report, Agenda Item I
- M-3: SB 81 Round Two Proposed Conditional Awards