



## Travis County Commissioners Court Agenda Request

**Meeting Date:** April 24, 2012

**Prepared By/Phone Number:** Belinda Powell, Strategic Planning Manager, Planning & Budget Office (512) 854-9506

**Elected/Appointed Official/Dept. Head:** Roger Jefferies, County Executive of Justice and Public Safety (512) 854-4759

A handwritten signature in black ink, appearing to be "R. Jefferies", written over the name of the elected official.

**Commissioners Court Sponsor:** County Judge Samuel T. Biscoe

### **AGENDA LANGUAGE:**

CONSIDER AND TAKE APPROPRIATE ACTION ON A REPORT BY ERNST & YOUNG REGARDING A NEW CIVIL AND FAMILY COURT HOUSE, INCLUDING BUT NOT LIMITED TO:

- A. ACCEPTANCE OF THE REPORT OF FEASIBILITY ANALYSIS OF DELIVERY OPTION AND VALUE-FOR-MONEY ANALYSIS;
- B. APPOINTMENT OF A COURTHOUSE RECOMMENDATION COMMITTEE;
- C. APPOINTMENT OF AN INTERNAL PROJECT MANAGER AND EXTERNAL SUPPORT;
- D. METHOD OF PROJECT DELIVERY; AND
- E. OTHER RELATED ISSUES.

### **BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:**

On January 3, 2012 the Commissioners Court contracted with Ernst & Young (E&Y) to develop an analysis of options to deliver a new Civil and Family Court House at the site located at 308 Guadalupe.

On April 17, 2012 Ernst & Young presented the results of their report on the feasibility of options to procure a Civil and Family Court House and a value for money analysis. The attached memo provides a framework for a discussion of possible next steps.

**AGENDA REQUEST DEADLINE:** All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, [Cheryl.Aker@co.travis.tx.us](mailto:Cheryl.Aker@co.travis.tx.us) by **Tuesdays at 5:00 p.m.** for the next week's meeting.

**STAFF RECOMMENDATIONS:**

Please see attached memo.

**ISSUES AND OPPORTUNITIES:**

Please see attached memo.

**FISCAL IMPACT AND SOURCE OF FUNDING:**

Please see attached memo.

**REQUIRED AUTHORIZATIONS:**

N/A

**ATTACHEMENTS:**

Memo to the Commissioners Court from Roger Jefferies.

Copies to:

The Honorable John Dietz, 250<sup>th</sup> District Court  
The Honorable Lora Livingston, 261<sup>st</sup> District Court  
The Honorable Rosemary Lehmberg, District Attorney  
The Honorable Eric Shepperd, County Court at Law #2  
The Honorable David Escamilla, County Attorney  
The Honorable Amalia Rodriguez-Mendoza, District Clerk  
The Honorable Dana DeBeauvoir, County Clerk  
David Escamilla, County Attorney  
Peg Liedtke, Civil Court Administrator  
Cyd Grimes, Purchasing Agent  
Susan Spataro, County Auditor  
James Collins, First Assistant County Attorney  
Roger Jefferies, County Executive Justice and Public Safety  
Steven Manilla, County Executive of TNR and FMD  
Roger El Khoury, Director Facilities Management  
John Hille, Assistant County Attorney  
Tom Nuckols, Assistant County Attorney  
Leslie Stricklan, Senior Project Manager, FMD

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## **JUSTICE & PUBLIC SAFETY DIVISION**

**Roger Jefferies, County Executive**

**P.O. Box 1748 Austin, Texas 78767 Phone (512) 854-4415 Fax (512) 854-4417**

**Criminal Justice Planning**  
Roger Jefferies  
(512) 854-4415

**Counseling & Education Services**  
Caryl Colburn  
(512) 854-9540

**Juvenile Public Defender**  
Kameron D. Johnson  
(512) 854-4128

Date: April 24, 2012

To: Sam Biscoe, County Judge  
Ron Davis, Commissioner, Precinct 1  
Sarah Eckhardt, Commissioner, Precinct 2  
Karen Huber, Commissioner, Precinct 3  
Margaret Gomez, Commissioner, Precinct 4

From: Roger Jefferies, County Executive, JPS 

**SUBJECT: FOLLOW UP TO REPORT BY ERNST & YOUNG REGARDING A NEW CIVIL AND FAMILY COURT HOUSE**

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As a follow up to the presentation made by Ernst & Young on April 17<sup>th</sup> regarding the feasibility of options to procure a new civil and family court house for Travis County, the following item has been placed on the Commissioners Court agenda for April 24<sup>th</sup>:

**CONSIDER AND TAKE APPROPRIATE ACTION ON A REPORT BY ERNST & YOUNG REGARDING A NEW CIVIL AND FAMILY COURT HOUSE, INCLUDING BUT NOT LIMITED TO:**

**A. ACCEPTANCE OF THE REPORT OF FEASIBILITY ANALYSIS OF DELIVERY OPTIONS AND VALUE-FOR-MONEY ANALYSIS;**

The Court House Internal Team is respectfully requesting approval and acceptance by the Commissioners Court of the report prepared by Ernst & Young which included a feasibility analysis of delivery options for a Civil and Family Court House and a Value-for Money analysis.

**B. APPOINTMENT OF A COURTHOUSE RECOMMENDATION COMMITTEE;**

Ernst & Young recommended two possible immediate next steps for consideration by the Commissioners Court –

1. Go forward with the information provided by Ernst & Young, debate amongst yourselves the merits of each option, and at an appropriate time take a vote on which option(s) you choose to consider. One possibility might be to have discussion of options in a Work Session prior to any contemplation of a vote.
2. Form a Court House Recommendation Committee of outside experts (e.g. real estate, finance, and legal experts). Using the information in the Ernst & Young report, as well as the expertise of the committee members, charge the Court House Recommendation Committee with making a recommendation to the Commissioners Court on an appropriate option. One possibility to form the committee might be to have each Commissioner appoint an expert.

### **C. SELECTION OF AN INTERNAL PROJECT MANAGER AND EXTERNAL SUPPORT**

1. The Ernst & Young report recommended that the County should select an internal project manager. This role is defined as a single point of contact for the Commissioners Court for the overall delivery of the project.
2. The report also recommended hiring external support regardless of which option was selected by the Commissioners Court because of the magnitude of the project. The Civil and Family Court House will be largest single construction project ever taken on by the County.
3. External support could take the form of a client's representative. The role of a client's representative is to bring outside project management and construction execution expertise. A client's representative would be necessary for the Design Build option.
4. External support could also take the form of a financial/risk manager. The role of a financial/risk manager is to advise the Commissioners Court and the project manager on project issues and recommend corrective action. A financial risk manager would be necessary if the P3 option is selected.
5. As discussed by Eric Petersen of HDW, special legal counsel is recommended for a P3 option. This can include bond counsel as well as P3 counsel.

### **D. METHOD OF PROJECT DELIVERY; AND**

1. The Ernst & Young report highlighted three possible procurement options – Design Bid Build, Design Build, and Design Build/Finance/Maintain/Operate or P3.
2. Design Bid Build has been Travis County's traditional method to construct buildings. The estimated cost of construction only under this approach is \$293 million. The Value-for-Money analysis showed that over the life of the project the net present cost of this option, including construction and operating costs, is \$324 million.
3. Design Build is also a more traditional construction model and is different from Design Bid Build in that it offers greater risk transfer and cost control by contracting for the design and construction under one agreement rather than two. Construction costs under this scenario are \$284 million. The Value-for-Money analysis demonstrated a net present cost of \$313 million for this option, which would be 3.6% savings over the net present cost of the Design Bid Build option over the life of the project.
4. Design/Build/Finance/Maintain/Operate is the P3 option. Construction only costs for this option is \$269 million. The construction cost would rise to \$404 million if the proposed office tower is included and the cost of the office tower is privately financed. The net present cost for this option for the court house only is \$312 million, a 3.7% savings over the Design Bid Build model. The difference in this contracting scheme from the Design Bid Build option is that all design, construction, financing, maintenance and operations costs are negotiated under a single service

agreement rather than multiple contracts. Again, the advantage is a greater transfer to the private sector of risks associated with the project.

**E. OTHER RELATED ISSUES.**

The Court House Internal Team is also respectfully requesting any direction you would like to give us to assist you with your decision making process.

Please contact me at x44759 or Belinda Powell at x49506 if you have any questions.