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MAY 16 2022

MARY JO SPINO
COUNTY CLERK

JCDC Partners, LLC

Briefing Sheet

5/02/22

Scope / Fee Authorization for Continuation of Owner's Representative Services

Previously approved:

Master Agreement for Owner's Representative Services

- 1.0 Validation of Need
- 2.0 Programming
- 3.0 Design Criteria
- 4.1 Site Selection
- 4.2 Design/Build Entity Procurement

Overall duration: 28 months from January 6, 2020 – Present

Seeking funding authorization for Final Component Services in our Owner/Consultant Agreement

- 4.3 Design and Construction Phase Services
- 5.0 Transition Activation Services

Anticipated duration: not to exceed 37 months from Notice-to-Proceed

Following is a summary of the JCDC Partners scope of work per phase:

JCDC provides value to Jackson County in two overarching ways in the services enumerated below:

The first is the deep expertise of our subject matter experts in the planning, design, construction, operations, and maintenance of detention centers. Having this expert and knowledgeable voice watching over the project as an advocate for the County helps assure that the facility that is designed and built will serve the mission of Jackson County in the most operationally efficient and cost-effective way; and will serve the County for many years to come.

The second is providing real-time and constant project management and oversight of all aspect of the design, construction, budget, schedule and transition of the project on behalf of Jackson County

These core assets are at the heart of the services provided herein.

Component Services Agreement 4.3 Design and Construction Phase Services

Work Plan / Project Controls:

- Develop Procedures Manual and Quality Control Plan
- Develop internal and external communication plan
- Develop comprehensive master budget and design/construction/occupancy schedule
- Identify milestones and critical path for decisions
- Update total cost of ownership model

Coordination with other County Agencies and City of Kansas City:

- Coordinate public-sector approvals (SUP, Development Plans, Plat, Flood Plain permit, wetlands, etc.)

Compile Source Data:

- Obtain site information including soils, environmental, topographic and boundary survey

Public Relations:

- Assist county with communication and information campaigns/activities
- Production of supporting materials and presentations

Project Orientations for Design/Build Entity

- Coordinate Project kick-off meetings with review of Criteria, Program and Site
- Integrate Design/Builder into project development process

Design and Compliance Review:

- Attend all project design meetings
- Monitor compliance with key Owner directives
- Provide review, consultation of design to ensure budget compliance

Management Information Control System:

- Information tracking, reporting and administration
- Project accounting and cost reports
- Monitor master schedule
- Track budgets, commitments, payments, retainage, and anticipated cost

Bid / Award Representation:

- Monitor Design/Builder bidders list and bid documents including supplier diversity plan

Construction Representation:

- Provide on-site construction representation
- Monitor progress against schedule and address quality
- Coordinate information flow and special inspections
- Assist in resolving conflicts
- Provide compiled monthly comprehensive payment applications, accounting reports and updates
- Provide monthly schedule reports
- Provide value engineering recommendations
- Identify risks to the project

Special Professional Services Management:

- Draft technical requirements for Commissioning Agent RFQ/RFP and contract agreement
- Review Commissioning Agent proposals and assist with interviews, selection, and negotiations
- Coordinate activities of the Commissioning Agent including schedules, documentation and compliance

Component Services Agreement 5.0 Transition Activation Services

New Detention Center Financing Options

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Original Plan of Finance for New Detention Center

Basic Assumption:

- Low interest rates and favorable borrowing market for several years.
- Design-Builder handles financing from design through substantial project completion.

Plan:

- County issues 30-year bonds in late 2024 and essentially buys the jail from the design-builder for guaranteed maximum construction price plus agreed cost of financing.
- County debt services begins with the 2025 budget.

Advantages

- Interest rates between private and public financing were relatively close in cost.
- Private financing could be more project efficient. Only borrowing what is needed when it is needed versus public approach of just one or two large issuances and paying interest on idle funds.
- Deferring debt service payments until 2025 allows the County Improvement Fund to be used for other important County needs before large chunk of it is needed for debt service.

New or Revised Plan of Finance for New Detention Center

Basic Assumption:

- Rising interest rates and unstable borrowing market make it unwise to go into capital market at this time.
- Private sector financing while still more efficient may no longer be cost effective.

Further Assumption:

- All previous options remain on the table, but need to be reevaluated

New Plan:

- County will finance the first phase of design for \$2.9 million or first 120 days and has the option to pay itself back later. This is the absolute cheapest way to start the project with available cash.
- Design-Builder (JE Dunn) will finance at least the next \$50 million in project costs using their existing capital reserves. Modest interest costs to us and allows the project to proceed into 2023 without delay.
- Over next six months County, County bond counsel (Gimore & Bell), JE Dunn, and County financial advisor will study the option of proceeding with private financing as originally proposed or issuing traditional County debt.
 - Options include temporary or construction financing with the County paying the interest costs associated but gaining the efficiency on only borrowing what you need when you need it. 30 year bonds issued by County at later date.
 - County could also issue capital appreciation bonds now which defer principal and some interest until 2025

Advantages:

- in a rising interest rate market, County needs to closely monitor when to go to market to achieve lowest possible rates. In current period of instability, we should stay out of the market until there is some stability. Rates may fall again if inflation slows or begin to decline.
- Temporary financing allows project to proceed now at lowest possible cost

From Greg Schulte, County Administrator

