



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
AD HOC BUILDING OVERSIGHT COMMITTEE MEETING

COMMITTEE MEMBERS

CAROLE GROOM – CHAIR
SCOTT HAGGERTY
LIZ KNISS

ERIC MAR – VICE-CHAIR
DAVID HUDSON
JAMES SPERING

WEDNESDAY
SEPTEMBER 23, 2015
9:30 A.M.

7th FLOOR BOARD ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109

AGENDA

1. **CALL TO ORDER – ROLL CALL**

The Committee Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members.

2. **PUBLIC COMMENT ON NON-AGENDA MATTERS** (*Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3*) *Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at Air District headquarters, 939 Ellis Street, San Francisco, CA, and at the Air District's website www.baaqmd.gov at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.*

3. **APPROVAL OF THE MINUTES OF APRIL 15, 2015** **Clerk of the Boards/5073**

The Committee will consider approving the attached draft minutes of the Ad Hoc Building Oversight Committee meeting of April 15, 2015.

4. **BAY AREA METRO CENTER - 375 BEALE STREET – PROJECT STATUS REPORT – SEPTEMBER 2015** **J. Broadbent/5052**
jbroadbent@baaqmd.gov

The Committee will receive a status report on the Bay Area Metro Center project at 375 Beale Street.

5. **UPDATE ON THE PROPOSED SHARED SERVICES ORGANIZATION** **J. Broadbent/5052**
jbroadbent@baaqmd.gov

The Committee will receive an update on the proposed shared services organization at the Bay Area Metro Center.

6. **UPDATE ON DESIGN AND FINANCING OF NEW INFORMATION TECHNOLOGY (IT) INFRASTRUCTURE** **J. Broadbent/5052**
jbroadbent@baaqmd.gov

The Committee will receive an update on the design selected for new Information Technology (IT) infrastructure at the new building and an overview of the costs and proposed financing of this equipment.

7. **UPDATE ON PARKING FOR AIR DISTRICT OPERATIONS** **J. Broadbent/5052**
jbroadbent@baaqmd.gov

The Committee will receive an update on parking solutions being analyzed by staff to meet operational needs at the Bay Area Metro Center.

8. **COMMITTEE MEMBER COMMENTS/OTHER BUSINESS**

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2).

9. **TIME AND PLACE OF NEXT MEETING:** *At the Call of the Committee Chair.*

10. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
939 ELLIS STREET, SAN FRANCISCO, CA 94109
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(415) 749-5016
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- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the “Members of the Ad Hoc Building Oversight Committee” and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Committee meeting. Any correspondence received after that time will be presented to the Committee at the following meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Clerk’s Office should be given in a timely manner, so that arrangements can be made accordingly.

Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District’s offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

SEPTEMBER 2015

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|--|------------|-------------|-------------|-------------|
| Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month) -</i> CANCELLED | Wednesday | 16 | 9:45 a.m. | Board Room |
| Board of Directors Climate Protection Committee <i>(Meets 3rd Thursday of every other Month)</i> | Thursday | 17 | 9:30 a.m. | Board Room |
| Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i> CANCELLED | Monday | 21 | 9:30 a.m. | Board Room |
| Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i> | Monday | 21 | 9:30 a.m. | Board Room |
| Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i> CANCELLED | Wednesday | 23 | 9:30 a.m. | Board Room |
| Board of Directors Ad Hoc Building Oversight Committee Meeting <i>(Meets at the Call of the Chair)</i> | Wednesday | 23 | 9:30 a.m. | Board Room |
| Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i> | Wednesday | 23 | 10:30 a.m. | Board Room |
| Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i> | Thursday | 24 | 9:30 a.m. | Board Room |

OCTOBER 2015

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|--|------------|-------------|-------------|-------------|
| Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i> | Wednesday | 7 | 9:45 a.m. | Board Room |
| Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i> | Monday | 19 | 9:30 a.m. | Board Room |
| Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i> | Monday | 19 | 10:30 a.m. | Board Room |
| Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i> | Wednesday | 21 | 9:45 a.m. | Board Room |

OCTOBER 2015

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|---|------------|-------------|-------------|-------------|
| Board of Directors Public Engagement Committee <i>(Meets at the Call of the Chair)</i> | Monday | 26 | 9:30 a.m. | Board Room |
| Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i> | Wednesday | 28 | 9:30 a.m. | Board Room |

NOVEMBER 2015

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|---|------------|-------------|-------------|-------------|
| Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i> | Wednesday | 4 | 9:45 a.m. | Board Room |
| Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i> | Monday | 16 | 9:30 a.m. | Board Room |
| Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i> | Monday | 16 | 10:30 a.m. | Board Room |
| Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i> | Wednesday | 18 | 9:45 a.m. | Board Room |
| Board of Directors Climate Protection Committee <i>(Meets 3rd Thursday of every other Month)</i> | Thursday | 19 | 9:30 a.m. | Board Room |
| Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i> | Wednesday | 25 | 9:30 a.m. | Board Room |
| Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i> | Thursday | 26 | 9:30 a.m. | Board Room |

HL – 9/11/15 (10:10 a.m.)

P/Library/Forms/Calendars/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Carole Groom and Members
of the Ad Hoc Building Oversight Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 9, 2015

Re: Approval of the Minutes of April 15, 2015

RECOMMENDED ACTION

Approve attached draft minutes of the Ad Hoc Building Oversight Committee (Committee) meeting of April 15, 2015.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meeting on April 15, 2015.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sean Gallagher
Reviewed by: Maricela Martinez

Attachment: Draft Minutes of the Committee Meeting of April 15, 2015

AGENDA 3 – ATTACHMENT

Draft Minutes – Ad Hoc Building Oversight Committee Meeting of April 15, 2015

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5073

DRAFT MINUTES

Summary of Board of Directors
Ad Hoc Building Oversight Committee Meeting
Wednesday, April 15, 2015

1. CALL TO ORDER – ROLL CALL

Chairperson Carole Groom called the meeting to order at 9:09 a.m.

Present: Chairperson Carole Groom; Vice-Chairperson Eric Mar; and Directors Scott Haggerty, David Hudson and Jim Spering.

Absent: Director Liz Kniss.

Also Present: None.

2. PUBLIC COMMENT ON NON-AGENDA MATTERS: No requests received.

3. APPROVAL OF THE MINUTES OF DECEMBER 15, 2014

Ad Hoc Building Oversight Committee (Committee) Comments: None.

Public Comments: No requests received.

Committee Action:

Director Spering made a motion, seconded by Director Mar, to approve the minutes of December 15, 2014; and the motion carried by the following vote of the Committee:

AYES: Groom, Hudson, Mar and Spering.

NOES: None.

ABSTAIN: None.

ABSENT: Haggerty and Kniss.

4. 375 BEALE STREET – PROJECT STATUS REPORT – APRIL 2015

Jack Broadbent, Executive Officer/Air Pollution Control Officer (APCO), introduced the topic and Mary Ann Okpalaugo, Strategic Facilities Planning Manager of the Executive and Administrative Resources Division, who gave the staff presentation *Regional Agency Headquarters – 375 Beale Street, Project Status Report – April 2015*, including a construction

update; photographs of construction; status of furniture procurement; move coordination; and next steps.

The Committee and staff discussed, at slide 3, *Construction Update*, the varying additional costs expected for the parties.

Ms. Okpalaugo concluded the presentation.

NOTED PRESENT: Director Haggerty was noted present at 9:17 a.m.

Committee Comments:

The Committee and staff discussed when the furnishing would be complete and the expected move-in date for each agency; the impact of data center work and parking logistics on the move-in date; which construction work on other floors of the building may impact the move-in date for the Air District; the size of the Air District automobile fleet; whether existing Air District furniture, specifically the board room chairs, will be used for the same purpose at 375 Beale Street; a suggestion to find a use for the board room chairs if not used in the board room; and the importance of establishing a modern, comfortable and effective shared work space.

Public Comments: No requests received.

Committee Action: None; receive and file.

5. UPDATE ON THE PROPOSED SHARED SERVICES ORGANIZATION

Damian Breen, Deputy APCO, gave the staff presentation *Update on the Proposed Shared Services Organization*, including an examination of the value of shared services; a summary of business and information technology operations identified for sharing; concept and models for shared services organization; costs; and next steps.

The Committee and staff discussed, at slide 7, *Costs*, if the total is almost \$4 million; why the building share was purchased but is repeatedly referred to as “a lease;” what percentage of 375 Beale Street will be owned by the Air District when the entire process is complete; and a suggestion to avoid the term “lease” and instead use “debt service.”

Mr. Breen concluded the presentation.

Committee Comments:

The Committee and staff discussed the number of unresolved variables and when they are expected to settle enough to take action; the last-minute nature of real estate transactions in general; a recommendation that the Committee meet more frequently until the move; whether money from the sale of 939 Ellis Street will be applied to 375 Beale Street after rent payments cease; and an overview of the investment of sale proceeds and the rent schedule.

Public Comments: No requests received.

Committee Action: None; receive and file.

6. **COMMITTEE MEMBER COMMENTS / OTHER BUSINESS:** None.
7. **TIME AND PLACE OF NEXT MEETING:** At the call of the Chairperson.
8. **ADJOURNMENT:** The meeting adjourned at 9:49 a.m.

Sean Gallagher
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Carole Groom and Members
of the Ad Hoc Building Oversight Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 8, 2015

Re: Bay Area Metro Center - 375 Beale Street – Project Status Report- September 2015

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The Bay Area Air Quality Management District (Air District) is currently scheduled to relocate its operations to the newly named Bay Area Metro Center located at 375 Beale Street in the first quarter of 2016.

Construction of the Bay Area Metro Center began in January, 2013, with excavation, foundation strengthening, and demolition of the interior of the building including the atrium demolition that concluded in January, 2014. The framing of offices and installation of utilities work began in July, 2014, and is continuing on Levels 1, 2, 6, 7 and 8.

DISCUSSION

Construction

Since the Drug Enforcement Agency vacated the building, construction work has continued to progress rapidly on Levels 1, 2, 6, 7, and 8 at the Bay Area Metro Center. The critical item for move-in to the Bay Area Metro Center is the data center build-out completion date. The Bay Area Headquarters Authority (BAHA) estimates that the data center will be turned over to the Air District's IT group on October 1, 2015 to begin infrastructure buildout. Additionally, the construction manager at McCarthy Building Companies, Inc. (McCarthy) has prepared a revised build out schedule that shows the substantial completion of agency space on December 17, 2015.

Recent construction photos are included in Attachment A.

Furniture Procurement

The ordering of furniture for workstations and private offices is in process following the issuance of purchase orders by BAHA to contractor, Hogue Knoll, for the 6th and 7th floors. The ordering

includes: frosted glass for workstations and a kit to install sit/stand desks. Subsequent orders will include: custom bench seating, seating (task, guest, conference, etc.), conference room tables; the Level 8 executive suites; and furniture for public spaces, ancillary rooms, and teaming areas.

Staff are also working with move contractor, ReloConnect, to identify existing furniture that can be reused at the Bay Area Metro Center (e.g., existing conference room chairs, conference room tables).

Move Coordination

In preparation for the agencies relocating to the new building, a request for proposals (RFP) for movers, was issued on August 25, 2015. A mandatory proposers walk through was held at both the Air District and Metropolitan Transportation Commission/Association of Bay Area Governments buildings on August 31, 2015. The due date for submittal of proposals is Friday, September 11, 2015.

The Ad Hoc Building Oversight Committee will receive additional updates on the project at its September 23, 2015, meeting. The items to be covered will include an update on construction; naming of conference rooms; furniture procurement; and move coordination.

BUDGET CONSIDERATION

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mary Ann Okpalaugo
Reviewed by: Damian Breen

Attachment A: Construction Photos

Figure 1: Exterior painting of the front of the building in progress



Figure 2: Level 1: Painting of the exterior with installation of exterior framing/glass



Figure 3: Level 1 - Painting of the Board room is complete; installation of wood ceiling finishes in progress



Figure 4: Level 6 - Completion of private offices and conference room build outs and painting



Figure 5: Level 6 - Installation of wood ceiling detail



Figure 6: View from roof of atrium skylight – installation of wood framing and atrium glass enclosure



BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Carole Groom and Members
of the Ad Hoc Building Oversight Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 8, 2015

Re: Update on the Proposed Shared Services Organization

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The Air District is currently scheduled to relocate its operations to the new Bay Area Metro Center located at 375 Beale Street in the first quarter of 2016.

The vision for the Bay Area Metro Center includes the sharing of business operations and technology solutions among the Bay Area Air Quality Management District (Air District), Metropolitan Transportation Commission (MTC), and Association of Bay Area Governments (ABAG), at move in to improve co-operation and efficiency. In order to accomplish these and other goals in advance of the move into the Bay Area Metro Center, the 375 Beale Committee was formed. This committee is comprised of the Executive Directors/Officer from the Air District, MTC, and ABAG, (the Agencies) and has been structured to be able to make binding decisions in advance of creating the 375 Beale Street Condominium Corporation.

The 375 Beale Committee identified approximately 30 business operations and technology solutions the Agencies were interested in sharing. It then engaged consultants, Accenture, to study models and principles for the Agencies to work together in these areas now and in the future. As part of this report, staff will remind the Ad Hoc Building Oversight Committee (the Committee) of the services targeted for sharing; the concept of a shared services organization (SSO); and the model for sharing services. Air District staff will also update the Committee on the proposed budget and staffing for the SSO, and the ongoing work between the agencies on service level agreements and business rules for shared services.

DISCUSSION

One of the key principles behind the move to the Bay Area Metro Center is, that by co-locating, the Agencies will look to reduce costs, improve efficiency and co-operation by sharing equipment, operations, supplies, etc., where it makes sense. In order to take the first steps towards this type of sharing, staff from the business and IT groups at the Agencies worked together to recommend 30 separate areas where it was believed that cooperation could lead to

improved efficiencies and cost savings. These areas are split into business and IT functions, and are as follows:

Table 1 - Business and IT Operations identified for sharing by the Agencies

| Business Operations | IT Operations |
|--|---|
| <p>General Services</p> <ol style="list-style-type: none"> 1) Receptionist/Visitor Management 2) Secured Card Access 3) Conference Room Scheduling 4) Conference Room Setup/Equipment 5) Copy/Print Services 6) Pantries and Supply Rooms 7) Shuttle Services 8) Fleet Management 9) Wellness Center 10) Agency Mail Distribution/Processing <p>Building Services</p> <ol style="list-style-type: none"> 1) Building Management with Agency Liaisons 2) Building Security with Agency Liaisons 3) Secured Mail Delivery Room 4) Bike Racks 5) Retail Food Vendors | <p>Office Productivity</p> <ol style="list-style-type: none"> 1) Email 2) Calendaring/Meeting Scheduling 3) Conference Room Scheduling 4) Visitor Scheduling and Management 5) Video Conferencing 6) Webcasting 7) Conference Room Audio/Visual Support Systems 8) Printers/Copiers <p>IT Infrastructure</p> <ol style="list-style-type: none"> 1) Electronic File Storage and Information Collaboration Services 2) Telephone Systems 3) Converged Network, Cabling, and Components 4) Wireless (Wi-Fi) network 5) Internet Connectivity 6) Server Rooms 7) IDF Rooms |

Having identified these services as being likely candidates for sharing, questions arose as to: how these services would actually operate in practice; how would they be organized and governed; and how would they be structured so that any model used for sharing now could be scaled to larger portions of the Agencies operations in the future. In order to address these questions, the 375 Beale Street Committee hired consultancy firm, Accenture, because of its extensive experience in setting up shared services for both private and public entities.

The Shared Services Organization Concept

Based on its analysis, Accenture recommended that the Agencies explore the concept of a Shared Services Organization (SSO). The idea of a SSO is that it operates independently from the functions of the individual agencies, freeing them up to focus on their core missions. SSO acts as a service provider to each agency via agreements that describe the levels of service required for each of the services being shared. While the concept is simple, the governance and rules around the levels of service and operation of the SSO take time to put in place and need to be well thought out to be effective.

Models for an SSO

In order to determine what SSO structure would work best for the Agencies, Accenture and staff examined a number of different organizational models for this type of entity including:

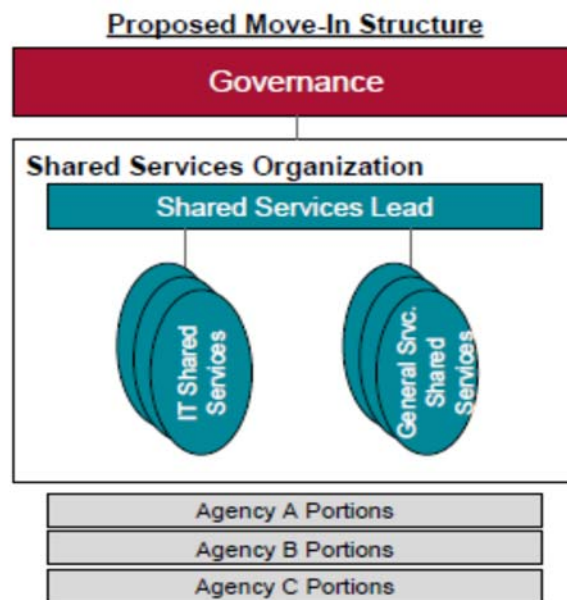
- A fully centralized SSO organization staffed with contractors to perform all of the shared services;
- A hybrid model that included the maximum number of Agency staff to perform SSO duties with limited contractor backup; and
- A hybrid model where individual Agencies are responsible for portions of the SSO functions with limited contractor back up and a small number of centralized functions.

Analysis of these models was further complicated by:

- The relationships each of the agencies have with their workforce, for example both the Air District and ABAG have bargaining units and labor contracts, where MTC has neither;
- Agency chains of command and reporting structures; and
- The fact that some of these functionalities are new and possibly represent new cost to the Agencies.

In the end, staff determined that a hybrid model where individual Agencies are responsible for portions of the SSO functions with limited contractor back up and a small number of centralized functions was the best and most scalable model to begin the sharing process with.

Figure 1-Proposed Model for Shared Services Organization at Move In



This SSO would be structured to report to the 375 Beale Street Condominium Corporation, with individual agencies performing services for the others based on agreements between the Agencies. Additionally, a small core of employees would work in a centralized SSO organization, outside of the Agencies, to run common condominium operations (building functions like security and elevator operation; the building wireless network; the core IT network; etc.) with the support of contract employees.

Current Plans for SSO

Since the Ad Hoc Committee's last update on this item in April, staff has worked with its agency partners to put in place a budget and staff for the SSO organization (See Attachment 1). The staffing and budget covers the core condominium operations and provides additional services and functionality not available at 939 Ellis Street:

- Multiple configurable public meeting spaces;
- Video conferencing and webcasting in multiple rooms;
- Agency receptionist;
- Additional security; and
- Additional amenities – wellness center, stocked pantries, etc.

Staff continues to work with its agency partners on the following and expects to conclude these agreements before the end of 2015 to give time for the SSO and agency teams to put them in place:

- Agency responsibilities and service level agreements;
- Business rules for shared services; and
- Legal and contractual requirements for SSO structures.

BUDGET CONSIDERATION / FINANCIAL IMPACT

SSO and 375 Beale Street Condominium Costs were included in programs 709, and 707, of the Fiscal Year Ending 2016 Budget. The proposed costs of the SSO fall within the project costs in these accounts.

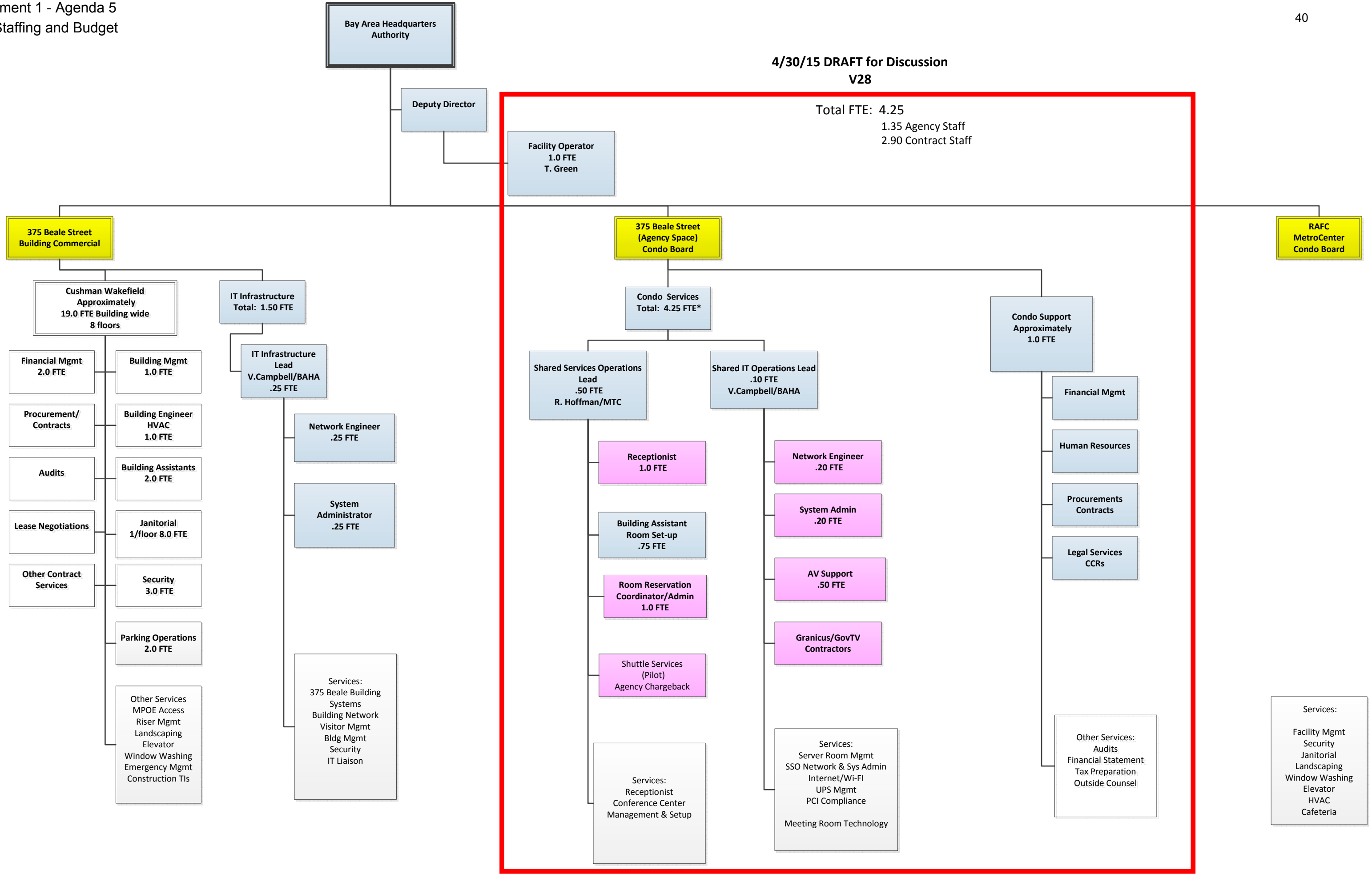
Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen

Attachment 1: Proposed SSO Budget and Organizational Chart

4/30/15 DRAFT for Discussion
V28



375 Beale Street - Budget Framework
4-30-2015 Revised

| | | | | |
|--|------------------|-----------------|------------------------|-------------------------------------|
| #1 Building Common Costs (Cusman Wakefield) | Agency SF | \$ 15.00 | FY 15-16 | |
| Cost/sf including electrical (estimated) | 221,200 | \$ 3,318,000 | 6 months budget | Awaiting final cost/sf from Cushman |
| Total Building Common Costs (i.e. Janitorial, security, landscaping, parking, HVAC, elevator, fire/life safety) | | | Share | |
| Agency | SF | Prorata* | Share | |
| MTC Spaces | 113,505 | 51.31% | \$ 1,702,573 | \$ 851,286 |
| Air District spaces | 90,051 | 40.71% | \$ 1,350,762 | \$ 675,381 |
| ABAG spaces | 17,644 | 7.98% | \$ 264,665 | \$ 132,333 |
| Total Allocation | 221,200 | 100.00% | \$ 3,318,000 | \$ 1,659,000 |

*Estimated

| | | | | |
|--|----------------------|---------------------------|----------------------|-------------------------------------|
| #2 - 375 Beale Condo Costs | | | | |
| | Person Months | Fully Loaded Cost* | Budgeted Cost | |
| Facility Operator | - | \$ - | \$ - | |
| Business Operations | 0.50 | \$ 134,438 | \$ 67,219 | |
| Building Assistant/Facilities | 0.75 | \$ 151,695 | \$ 75,848 | |
| Receptionist | 1.00 | \$ 108,682 | \$ 54,341 | |
| Room Reservation Coordinator | 1.00 | \$ 108,682 | \$ 54,341 | Position needed |
| Sub-total | 3.25 | 503,497 | \$ 251,749 | |
| Network Support | 0.50 | \$ 135,200 | \$ 67,600 | |
| AV Specialist | 0.50 | \$ 72,549 | \$ 36,275 | |
| Sub-total | 1.00 | \$ 207,749 | \$ 103,875 | |
| Total Shared Condo Personnel (Person Months) | 4.25 | 711,246 | 355,623 | |
| *Includes benefits and administrative overhead | | | | |
| Shared Business Operations | | | 6 months | |
| Audit/Tax Prep | | \$ 20,000 | \$ 20,000 | Condo Financial Statements |
| Liaibility Insurance (Condo Board) | | \$ 50,000 | \$ 25,000 | Condo Insurance (maybe lower) |
| Comcast/DirecTV | | \$ 6,000 | \$ 6,000 | setting up new service |
| Coffee/Tea Service | | \$ 40,000 | \$ 25,000 | All Pantries/new service |
| Basic Office Supplies | | \$ 75,000 | \$ 35,000 | All Supply Rooms/Emergency supplies |
| Shuttle Services | | \$ 50,000 | \$ 25,000 | New Service/Pilot |
| Postal Machine lease | | \$ 3,000 | \$ 3,000 | To be located in Copy Center/new |
| Shredding/Paper Destruction | | \$ 10,000 | \$ 7,500 | All Copy Rooms/new service |
| Copy Center Copiers (3 production) | | \$ 54,000 | \$ 27,000 | Agency chargeback |
| Multi-Function Copiers (16 shared) | | \$ 192,000 | \$ 96,000 | Agency chargeback |
| Total Shared Business Operations | | \$ 500,000 | \$ 269,500 | |
| Network | | \$ - | \$ - | Valerie to provide detail |
| Software | | \$ - | \$ - | Valerie to provide detail |
| Total Shared IT License/Maintenance (placeholder) | | \$ 300,000 | \$ 150,000 | Valerie to provide detail |
| #2 - TOTAL 375 BEALE CONDO COSTS | | \$ 1,511,246 | \$ 775,123 | |

| | | | | |
|--|----------------|------------------|---------------------|-------------------|
| #2b - Total Condo Costs Allocation: | | | | FY 15-16 |
| Agency | SF | Pro-rata* | Annual Cost | 6 months |
| MTC | 113,505 | 51.3% | \$ 775,469 | \$ 397,741 |
| Air District | 90,051 | 40.7% | \$ 615,230 | \$ 315,553 |
| ABAG | 17,644 | 8.0% | \$ 120,547 | \$ 61,829 |
| Total Cost Share | 221,200 | 100% | \$ 1,511,246 | \$ 775,123 |

*Estimated

| | | | | |
|--|------------------------------|---------------------|-----------------------|-----------------------|
| #3 - Total Combined Cost Allocation | | | | FY 15-16 |
| | Annual Combined Cost* | | | 6 months |
| Agency | #1 Building | #2 Condo | #3 Grand Total | Combined Cost* |
| MTC | \$ 1,702,573 | \$ 775,469 | \$ 2,478,042 | \$ 1,249,027 |
| Air District | \$ 1,350,762 | \$ 615,230 | \$ 1,965,992 | \$ 990,934 |
| ABAG | \$ 264,665 | \$ 120,547 | \$ 385,212 | \$ 194,162 |
| Total Cost Share | \$ 3,318,000 | \$ 1,511,246 | \$ 4,829,246 | \$ 2,434,123 |

*OPEX + SSO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Carole Groom and Members
of the Ad Hoc Building Oversight Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 10, 2015

Re: Update on Design and Financing of New Information Technology (IT) Infrastructure

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

In July 2010, the Bay Area Air Quality Management Air District (Air District) entered into a six year capital lease agreement for the purchase of IT infrastructure including computer servers, storage and networking equipment. The terms of that lease required the Air District make a single annual payment of \$368,000 in July every year for six consecutive years, with the final payment due in fiscal year ending (FYE) 2016.

However, as the Air District is scheduled to move its offices in the first quarter of 2016, the Board of Directors (Board) approved an accelerated payoff of the existing infrastructure under the current lease, in preparation for the purchase of new IT infrastructure for 375 Beale Street. Therefore, following Board approval on June 4, 2014, the existing infrastructure lease was paid off in full in July 2014 (FYE 15).

On May 6, 2015, the Board further authorized the Executive Officer/APCO to enter into a contract with Berkeley Communications Corporation not to exceed \$90,000 for the design of the new (IT) infrastructure for 375 Beale Street. The design for that infrastructure is now complete. Staff is now seeking to commence procurement for the new equipment and the required installation services. As part of this report, staff will update the Committee on the design selected for the new infrastructure and its approximate costs.

DISCUSSION

The IT design vendor, Berkeley Communications, commenced its work in June 2015 and completed their effort in August 2015. As part of this work, staff requested several possible system configurations in order to fully explore a range of capabilities for its new IT infrastructure. Key principles behind the design were: that the new infrastructure should allow for upgrade of the Air District's IT security posture; that it be scalable for anticipated growth in Air District operations over the next five to six years; and that it provide for a full remote

recovery of all systems in the event of a disaster. In order to meet these requirements, Berkeley Communications proposed the following three designs:

The **Minimal** design allows for operations similar to what we have today with a minor improvement in performance and scalability. This design replaces the Air District’s obsolete equipment that will no longer be supported by manufacturers, allows for minimum growth and allows for minor security improvements.

The **Balanced** design allows for substantially improved operations with significant improvement in performance and scalability. This design allows the Air District to support anticipated growth over the next five to six years. It contains appropriate hardware and software to allow the Air District to comply with federal IT security standards and it also provides for a fully capable disaster recovery co-location system.

The **Maximum** design allows improvements in performance and scalability that would likely be in excess of Air District needs over the next five to six years. This design contains extra hardware and software to allow the Air District to have no scheduled downtime of systems for upgrading hardware components, and allows for no lag or downtime during a switchover to the disaster recovery co-location system.

The following table summarizes features and costs of the three design options:

Table 1 – Comparison of IT Design Options

| Feature | Minimal | Balanced | Maximum |
|--|----------------|----------------------------|------------------------------------|
| Allows compliance with federal IT security standards | NO | YES | YES |
| Allows scalability to accommodate growth | Very Limited | Would allow for 25% growth | Would allow for large scale growth |
| Provides full disaster recover co-location | NO | YES | YES |
| Provides for no scheduled downtime for equipment patching | NO | NO | YES |
| Provides for no downtime when transitioning to disaster recovery systems | NO | NO | YES |
| Budgetary Cost (USD) | 2.2 Million | 3.3 Million | 5.2 Million |
| Selected Option | NO | YES | NO |

Staff selected the balanced design option as it provides adequate functionality and scalability without excessive cost. The total budgetary cost of the balanced design options is approximately \$3.3 million. In order to get accurate cost for this design, the Air District will conduct a request

for proposals (RFP) process over the next few weeks, and present the results to the Board in October.

In order to keep costs for IT infrastructure consistent from year to year, the Air District has historically funded the cost of its equipment over a six year period by utilizing a capital lease. Over the preceding six years, the annualized cost of the previous lease was \$368,000. To keep the annualized costs of the proposed upgrade at approximately the same level, staff will recommend utilizing \$1 million from undesignated reserves as a down payment on the \$3.3 million balanced design option, with the remainder of the infrastructure costs being incorporated into a capital lease agreement that runs over the next six years.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The recommended financing option would necessitate transferring \$1 million from undesignated reserves into Program 726 in the FYE 2016, budget but would allow the Air District to continue the practice of paying fixed annualized costs for IT infrastructure.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: John Chiladakis
Reviewed by: Damian Breen

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Carole Groom and Members
of the Ad Hoc Building Oversight Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 9, 2015

Re: Update on Parking for Air District Operations

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

As part of its mission to protect public health, air quality and global climate, the Air District has numerous field operations - inspections, source testing, air monitoring, etc.- that require its staff to be mobile. As a result, the Air District has a vehicle fleet of 134 automobiles, pickup trucks and vans. Approximately 81% of this fleet operates on alternative fuel employing: gasoline hybrid, plug-in hybrid, battery electric and compressed natural gas vehicles.

Currently, the 939 Ellis Street location has over 100 parking spots. At our new building, the Air District will only have 13 dedicated parking spots; this count excludes Board of Directors (Board) parking which will be provided by the Bay Area Headquarters Authority (BAHA). Routinely, the Air District needs to have large numbers of its field staff at the agency headquarters to: deliver samples, receive upgraded field equipment, to replenish field supplies and safety equipment, and to receive training.

On September 2, 2015, the Board granted the Executive Officer authority to place bids on real estate and negotiate long-term parking leases to meet the Air District's operational needs in an amount not to exceed \$3 million. As part of this report, staff will update the Board on its efforts to secure parking for fleet vehicles at and around 375 Beale Street.

DISCUSSION

At a meeting of the Executive Committee (Committee) on June 15, 2015, staff and its consultants, DTZ, Inc., formerly Cassidy Turley, (DTZ) a real estate broker, reviewed some options to purchase and operate parking lots in the area of 375 Beale Street to meet the Air District's operational needs.

At that meeting, the Committee requested that staff explore some additional options to meet the Air District's parking needs. As a result staff has investigated:

- Leasing or purchasing additional parking space from the Bay Area Headquarters Authority/Metropolitan Transportation Commission (MTC);
- Leasing land from Caltrans with the assistance of MTC;
- Increasing the efficiency of the use of the Air District's current fleet operations;
- Leasing parking from the Port of San Francisco;
- Leasing parking from private parking operators in the area around 375 Beale Street;
- Purchase of parking spots in the buildings around 375 Beale Street;
- Long-term lease agreements for parking;
- Purchase of parking lots around 375 Beale Street; and
- Designation of reserved Air District parking for the sidewalks surrounding 375 Beale Street by the San Francisco Municipal Transportation Agency.

Based on this work, staff has concluded that increased efficiency in terms of the operation of the Air District's current fleet - for example: using rental or car sharing vehicles to accommodate office staff's transportation and eliminating vehicles for certain management employees - will ease the operational burden on the agency. However, even with the implementation of these efficiencies, the Air District will still need 15 to 20 parking spots for its field employees on an ongoing basis.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen