



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
APRIL 15, 2015
9:00 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 DECEMBER 15, 2014** Clerk of the Boards/5073

The Committee will consider approving the attached draft minutes of the Ad Hoc Building Oversight Committee meeting of December 15, 2014.

4. **375 BEALE STREET – PROJECT STATUS REPORT – APRIL 2015** J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee will receive a status report on the Regional Agency Headquarters 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.

6. **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).

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

8. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
939 ELLIS STREET, SAN FRANCISCO, CA 94109
mmartinez@baaqmd.gov

(415) 749-5016
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- 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

APRIL 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Ad Hoc Building Committee <i>(At the Call of the Chair)</i>	Wednesday	15	9:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month) - CANCELLED</i>	Monday	20	9:30 a.m.	Board Room
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i>	Monday	20	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	20	10:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	22	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	23	9:30 a.m.	Board Room

MAY 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	6	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	13	9:00 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	18	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	18	10:30 a.m.	Board Room
Special Board of Directors Meeting - Budget Hearing <i>(At the Call of the Chair)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room

MAY 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Climate Protection Committee <i>(Meets on the 3rd Thursday of Every Other Month)</i>	Thursday	21	9:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	27	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	Board Room

JUNE 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	3	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	10	9:00 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	15	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	15	10:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	24	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	25	9:30 a.m.	Board Room

HL – 4/7/15 (11:15 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/Air Pollution Control Officer

Date: March 12, 2015

Re: Approval of the Minutes of December 15, 2014

RECOMMENDED ACTION

Approve attached draft minutes of the Ad Hoc Building Oversight Committee (Committee) meeting of December 15, 2014.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meeting on December 15, 2014.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sean Gallagher
Reviewed by: Maricela Martinez

Attachment: Draft Minutes of the Committee Meeting of December 15, 2014

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
Monday, December 15, 2014

1. CALL TO ORDER – ROLL CALL

Chairperson Nate Miley called the meeting to order at 11:01 a.m.

Present: Chairperson Nate Miley; and Directors Scott Haggerty, Eric Mar and Jim Sperring.

Absent: Vice-Chairperson Carole Groom and Director Ash Kalra.

Also Present: None.

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

3. APPROVAL OF THE MINUTES OF JUNE 18, 2014

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

Public Comments: No requests received.

Committee Action:

Director Sperring made a motion, seconded by Director Haggerty, to approve the Minutes of June 18, 2014; and the motion carried by the following vote of the Committee:

AYES: Haggerty, Mar, Miley and Sperring.
NOES: None.
ABSTAIN: None.
ABSENT: Groom and Kalra.

4. REGIONAL AGENCY HEADQUARTERS (RAHQ) AT 375 BEALE STREET – PROJECT STATUS REPORT – DECEMBER 2014

Jack Broadbent, Executive Officer/Air Pollution Control Officer (APCO), introduced the topic and Mary Ann Okpalaugo, Strategic Facilities Planning Manager of the Administrative Services Division, who gave the staff presentation *Regional Agency Headquarters – 375 Beale Street, Project Status Report*, including a construction update and future schedule; photographs of construction; and schematics of floor designs.

Committee Comments:

The Committee and staff discussed audience seating in the board room; atrium square footage; the last day of Air District occupancy at 939 Ellis Street without penalty; whether the delayed construction schedule will allow for an undisturbed work place for staff; how the media wall will be used; whether there will be a chambers area, publicly accessible library and cafeteria/break room and what form each will take; the hardware that will be installed in the dais; whether agency names will be etched in the glass at the main entrance; where the Board of Directors (Board) member pictures will be posted; whether the Metropolitan Transportation Commission (MTC) has sent letters of interest to possible additional occupants; the continued possibility of co-tenancy by the San Francisco Bay Conservation and Development Commission; whether there is an expectation of operational downtime for the Air District during the physical move; and a recommendation to share the staff presentation with the Board.

Public Comments: No requests received.

Committee Action: None; receive and file.

5. CONSTRUCTION, FURNITURE AND NETWORK REDESIGN COSTS

Mr. Broadbent introduced Damian Breen, Deputy APCO, who gave the staff presentation *Regional Agency Headquarters – 375 Beale Street, Construction, Furniture, and Network Redesign Costs*, including background; progress to date; fiscal year ending (FYE) 2015 shared and construction project budget plan; and staff recommendations.

The Committee and staff discussed, at slide 4, *Progress to Date*, which vendors are handling information technology (IT) infrastructure under the shared services agreement and the scope of the same work.

Mr. Breen concluded the presentation.

Committee Comments:

The Committee and staff discussed the statutory scheme regarding the disposal of Air District property and whether an auction firm has been contacted regarding any property at 939 Ellis that will not be moved to 375 Beale Street; the desire to offset expenses through the sale of property; the Air District's size in comparison to MTC and the Association of Bay Area Governments relative to expense allocations; the normalcy of cost overruns for projects of this nature; secondary plans relative to IT infrastructure; possible contingency expenses in the future; and staff commitment to complete transparency with the Board throughout this process.

Public Comments: No requests received.

Committee Action:

Director Spring made a motion, seconded by Director Mar, to recommend the Board:

1. Authorize the Executive Officer/APCO to reimburse the Bay Area Headquarters Authority an additional \$500,000 for building redesign and construction; furniture; network redesign and consulting work associated with the Air District’s tenant improvements and shared services costs at 375 Beale Street; and
2. Increase the FYE 2015, Program 702, budget by a corresponding \$500,000, to be transferred from the Air District’s Building and Facilities reserve.

The motion carried by the following vote of the Committee:

AYES: Haggerty, Mar, Miley and Spering.
NOES: None.
ABSTAIN: None.
ABSENT: Groom and Kalra.

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 11:45 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: April 1, 2015

Re: 375 Beale Street – Project Status Report – April 2015

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The Air District is currently scheduled to relocate its operations to the new Regional Agency Headquarters (RAHQ) located at 375 Beale Street in December, 2015.

Construction at 375 Beale Street 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

Update on the Drug Enforcement Administration (DEA) Tenancy

The General Services Administration (GSA) completed decommissioning to remove residual hazardous materials from the DEA space on the 8th floor on March 9, 2015. The GSA provided a preliminary clearance letter to BAHA on hazardous materials on March 16, 2015; and a preliminary clearance letter on March 18, 2015. A final testing report is forthcoming.

Utilities in the building were cut in the former DEA space on March 17, 2015, and construction work began in the space on March 18, 2015. The Construction Manager at McCarthy Building Companies Inc. (McCarthy) is preparing a revised schedule that accounts for the DEA's actual departure date and is also studying ways to accelerate project completion, to maintain the December move in date. A copy of recent construction photos is included as Attachment A.

Furniture Selection

Agency representatives along with the design team of Tom Elliot Fish (TEF), and furniture contractor, Hogue, are working to finalize fabric, finishes and color options of agency furniture. Hogue is also refining the preliminary furniture installation schedule to align with construction activities. The next major effort is the evaluation and selection of approximately 2,000 chairs (board room dais, multi-purpose, conference, and task seating) throughout the new building.

For the Board Room, five (5) sample board member/dais chairs will be available for a “chair sit test” at the Air District on the April 15, 2015, before, during and after the board meeting in the lobby (Attachment B).

Move Coordination

The move coordinator consultant, Relocation Connection, Inc., (Relo), is completing its site visits to inventory exiting furniture and to develop a move schedule for each of the agencies. To prepare for the move, the first of three paperwork and work space clean-up events began at the Air District on March 27, 2015.

The Ad Hoc Building Oversight Committee will receive additional updates on the project at its April 15, 2015, meeting. The items to be covered will include an update on construction; furniture procurement; and move coordination.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mary Ann Okpalaugo

Reviewed by: Damian Breen

Figure 1: Atrium Skylight Support



Figure 2: Atrium Skylight Glass in Place



Figure 3: Demolition on Level 8



Figure 4: Mock Office at 375 Beale Street

BOARD MEMBER

#1

Keilhauer
"Unity"



#2

Rouillard
"Classic"



#3

Coalesse
"Bindu"



#4

Vitra
"ID Series"



#5

Krug
"Dorso"



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: April 2, 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 Regional Agency Headquarters (RAHQ) located at 375 Beale Street in December, 2015.

The vision for the RAHQ 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 RAHQ, the 375 Beale Committee was formed. This committee is comprised of the Executive Directors 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 update the Ad Hoc Building Oversight Committee on: the services targeted for sharing; the concept of a shared services organization; models for sharing services; and current plans for sharing among the agencies.

DISCUSSION

One of the key principles behind the move to the RAHQ is, that by co-locating, the Agencies will look to reduce costs, improve efficiency and co-operation by sharing equipment, operations, supplies, etc., where practical. 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 is believed that cooperation could lead to improved efficiencies and cost savings. These areas are split into business and IT functions (see Table 1).

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, the following questions arose: how would these services 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 future. In order to answer these questions, the 375 Beale Street Committee hired Accenture, a consultancy firm, with 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 an SSO is that it operates independently from the functions of the individual agencies, freeing them up to focus on their core missions. The 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:

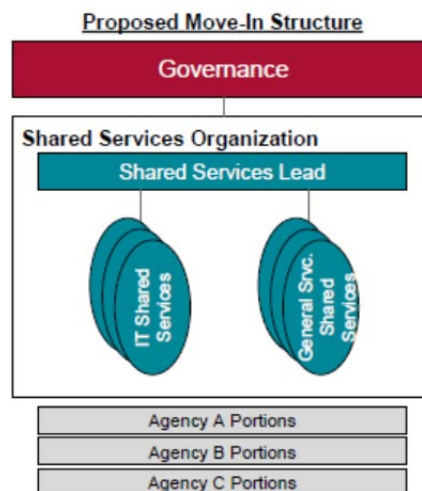
- A fully centralized SSO organization staffed with contractors to perform all of the shared services;
- A hybrid model that included the maximum number of Agency staff to perform SSO duties with limited contractor backup; and
- A hybrid model where individual Agencies are responsible for portions of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

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 organization 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

With the model for SSO in place, staff is now working with MTC and ABAG on:

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

Staff will update the Committee on the progress in each of these areas at the April 15, 2015, Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Costs for SSO have yet to be finalized. Staff will present these costs to the Committee for discussion when available. An SSO narrative has been included in the draft fiscal year ending 2016 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen